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The House that Tech Builds



By Abigail A. Lorden, Group Editor-in-Chief | April 08, 2015

At a time when organizations are outsourcing as a way to reduce the cost and complexity of managing their technology infrastructure, Hyatt Hotels & Resorts (www.hyatt.com) is bucking the trend. Chief Technology Officer (CTO) Matt O'Keefe believes in bringing technology in-house to create competitive differentiation. When architected correctly, this approach empowers what O'Keefe calls an entrepreneurial spirit, where companies can deploy technology rapidly and to scale; and equally important, he adds, it creates a closer link between those responsible for designing technology, and the guest or team member that is the ultimate user of that solution.

O'Keefe is working again with long-time colleague Alex Zoghlin, Hyatt's global head of technology and the thought leader that O'Keefe credits with steering the organization in this direction. O'Keefe first collaborated with Zoghlin in the 1990s at Neoglyphics Media, then one of the largest early website development companies. They teamed up again at Orbitz Worldwide, where Zoghlin was founder and CTO. O'Keefe joined the launch team in 2001, when Orbitz was working quickly to get its website off the ground and catch up to the likes of Expedia and Travelocity.

Today, the team is working with Hyatt's senior leadership to reverse the trend of outsourcing, and as a part of that is developing a hospitality platform to manage and integrate a variety of property systems. The first component of the platform will be introduced to hotels in Q2 2015. In a recent blog post, O'Keefe writes that "technology will be a strategic advantage that will enable us to disrupt the hospitality industry. As software eats the world, all companies in all industries will eventually become technology companies, or they will perish. At Hyatt, for strategic initiatives this means that we are reversing the trend of outsourcing technology and treating it like a cost center."

A quick search on the corporate hiring site — www.hyatt.jobs — returned more than 30 positions globally in the information systems category, ranging from IS managers and team leaders, to full stack developers, to analytics specialists. In an exclusive interview with HT, O'Keefe offers insight into the company's technology strategy. He talks about the value of strengthening internal technology resources, what Hyatt is looking for as it grows the IT team, and offers a peek at the hospitality platform that Hyatt is building to enable rapid innovation.

HT: Hyatt is hiring what you call "a plethora of technologists in many disciplines" from product, to development, to operations, to help the company develop a platform and applications in a continuous delivery model. Can you talk about this transition away from outsourcing? How did you go about convincing Hyatt leadership to move in this direction?

MO: I would give most of the credit to Alex. He's been at Hyatt for about two years now and has done an outstanding job of working with our President and CEO Mark Hoplamazian as well as Chairman Thomas Pritzker to help them understand his point-of-view regarding technology, which I also share. One of the most important initiatives that we've gained support for is the notion of developing a hospitality platform. In sticking with our entrepreneurial spirit, it's enabling us to develop new products and services very rapidly and listen to our customers and stakeholders. We can then rapidly gain feedback on those products and services, and iterate until we get them the best they can be.

HT: What would you say to skeptics — those who believe that, as a hotel company, Hyatt should focus its resources on creating a great hotel experience, and instead leverage technology that's created by supplier companies, for which IT

development is their core competency?

MO: We think of people first with everything we do, including all of our technology initiatives. We're not pursuing technology initiatives for technology's sake. We are very carefully considering needs of colleagues, guests, owners, and all stakeholders, looking for technology to care for people in the optimal way. In many situations, it means we're unleashing and unchaining our colleagues from the front desk, for example, so they can have more personal interaction with guests, which ultimately makes for a more authentic hospitality experience.

HT: As you examine your infrastructure, are there specific systems that need to be brought in-house?

MO: When we think about how we can grow, and when we talk to our associates and apply empathetic listening, one of the common issues they bring up is the number of systems they have to interact with. An associate might have eight or nine different applications, and they're switching back-and-forth. It's not that there's a specific function that we want to replace, it's that we want to simplify and make it easier to use and access data from multiple systems using a single interface. We put people first when we consider this, and we're looking to unleash our associates so that they can do common tasks more quickly, and thereby interface more readily with guests.

HT: The new platform that Hyatt is developing will address the "switching back-and-forth" that associates face today; and it will also change subsequent development work. Can you tell us more?

MO: The initiative is in-line with our entrepreneurial history. It will enable us to simplify our technology environment and apply a layer of abstraction over all of our existing systems on the back end so that we can create new user interfaces for our colleagues and guests. We're very much focusing on the user experience. We're simplifying the APIs so that our front-end developers can iterate rapidly on these user interfaces.

There's a metaphor that I like to use to describe what this technology platform is: I compare it to *mise en place*, which is a French phrase that translates to "everything in its place." In the kitchen, one of the most important rituals the team goes through is the prep work — the arrangement of ingredients and tools that will be used during service. The goal is for the team to be efficient during service with everything prepared within arm's reach.

In a technology platform, the ingredients are our data from different sources, for example reservations systems, loyalty systems, the CRM platform, and so on. These are typically all housed in different places on the back end. Using what we call an API façade, we are presenting what appears to be a single API that front-end developers can use to access this data very quickly and efficiently. We can enable front-end developers to quickly create and iterate on new user interfaces.

HT: Can you talk a bit more what the API façade looks like?

MO: The goal is to simplify a collection of APIs into one uniform API. When you have different vendors that provide different technology solutions, they typically have APIs that look different; they could even be proprietary. The goal is to minimize context switching that takes place when a front-end developer is creating an application. We'd like for them to learn just a single type of API and access data from multiple sources.

HT: Are there solutions that you do think are right to outsource? If so, how are you identifying those?

MO: Focusing on the entrepreneurial nature of how we're growing the business, there's a need for a hybrid approach. We want strong partnerships with key vendors who supply technology that we would never want to bring in-house because it won't necessarily differentiate us. We want to focus on our real mission, which is caring for people, and on the interface. We'd like to be at the edge of the technology stack, where we can very carefully measure a guest's response to software and technology and, listening through feedback, adjust it to meet needs. There's a lot of API integration with many key vendors that will continue indefinitely.

HT: Let's switch gears and talk about how Hyatt is addressing innovation in other areas. I'd like to get your thoughts on a few specific technology areas. Let's start with Big Data.

MO: It's certainly one of the hot buzz words in technology today. The interesting thing to me is that a lot of companies that pursue a Big Data solution actually don't have a Big Data problem. If I turn that around, I'll tell you that we have every intention of creating a Big Data problem here at Hyatt. We aim to instrument all the touch points; everything that is exposed to an associate or a guest needs to be measured to ensure we're providing the optimal experience.

This ties into analytics, and we're in the process of adding a new platform service for real-time streaming analytics for a concept that's known as Big Fast Data. We're deploying a technology that was open-sourced by Twitter called Apache Storm (storm.apache.org). We're looking to move to a state-of-the-art solution, rather than relying solely on a traditional, nightly-batch, data-warehouse model. Our goal is to collect all of the events of interest and look for patterns in real-time so that we can drive innovation with the guest experience.

HT: Several major brands have announced rollouts for mobile key. Can you tell us what Hyatt is working on here?

MO: I can tell you that we are testing several solutions in pilot deployment. We're applying our empathetic listening practice to that as well, with many people trying the solution to make sure it's ready for the guest. We don't want to deploy a solution too

early; we want to optimize the guest experience first.

HT: Outside of mobile key, what can you tell us about Hyatt's approach to mobility?

MO: We like to apply a mobile first strategy when we're designing products. To serve people best, we need to recognize the growing use of mobile devices. One example is using tablets for common tasks like check-in. Andaz is one of our brands that has done pioneering work in this area. There, it's a very pleasant experience to walk through the front door and, instead of going to the front desk, have an associate walk up to you and use a tablet to complete your check-in. At Hyatt Regency O'Hare, they have associates on the airport shuttle bus checking-in guests on the ride to the hotel.

In order to create and support some of these efforts, it ties back to the platform. When we think about a product or service, we develop the API first so it can be shared with mobile application developers, hyatt.com, or another channel.

HT: Looking ahead at the next frontier for connected devices, what are your thoughts on the buzz around Internet of Things, and even wearable devices?

MO: Internet of Things is another subject that relates to Big Data. If there is the ability to connect a device to our network and collect data to help us provide the optimal experience — for example if it were possible for a lamp to send us an alert that a bulb has burned out — that's the type of application that we'd look forward to.

In terms of wearables, with guests wearing the device, I'd be very interested in how we can provide an augmented reality experience to our guest. Perhaps they'd like to learn more about a piece of art they're looking at in one of our Park Hyatt hotels, for example.

HT: With all that in mind — the desire to iterate rapidly and strengthen internal resources — what are you looking for as you bring IT muscle into the organization?

MO: Number one is definitely empathetic listening. This is one of the core principals of what we call "Hyatt Thinking," which is based on design thinking. It's a key to innovation and helps us focus on rapid prototyping and continuous delivery of new products and services in an iterative fashion. The most important thing is listening to the customer and applying that feedback.

The second attribute would be speed, and the ability to quickly learn about how our industry and technology are developing. When we hire technologists, we don't look for a specific skill set, rather the passion and aptitude for technology so the person is more of a lifelong learner.

And third is someone who is a pleasure to work with and is caring. When we think about authentic hospitality, it's not only how we serve our guests, but how we work with each other at Hyatt as well.