

CHALLENGE	SOLUTION	BENEFIT
Secure a reliable, scalable server platform to support a large and growing payroll system	PeopleSoft® Global Payroll and Microsoft® SQL Server running on Intel® Pentium® III Xeon™ processor-based Dell™ PowerEdge™ servers	Increased employee productivity, faster payroll processing, and extreme scalability for the future

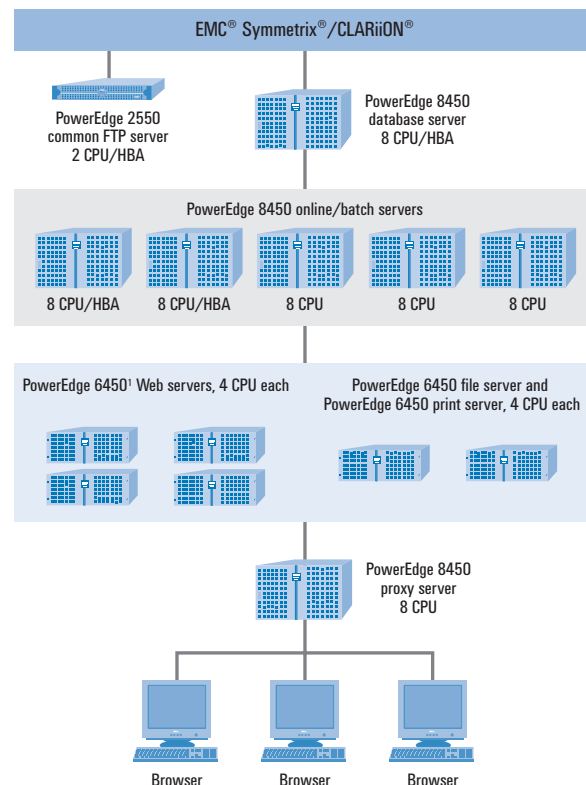
# Room to grow

## Hilton Hotels Corporation speeds its back-office processes with a massively scalable payroll system based on Dell servers

Known as one of the best brand names in the world, the Hilton® Hotels Corporation has a reputation for service. As they enjoy their stay, guests at Hilton's 2,000-plus hotels rarely have cause to notice the small army of employees working behind the scenes to fulfill their needs. In turn, the luxury hotel owner and operator must serve the back-office needs of its workers—no small task for a company with tens of thousands of employees. So, when a 1999 merger more than doubled the size of the chain's staff, Hilton began looking for a king-sized solution to its payroll computing requirements.

In December 1999, Hilton had just completed the initial implementation of a PeopleSoft® payroll solution for Y2K when the company acquired the Promus Hotels Corporation. Promus comprised several well-known hotel chains, including Doubletree Hotels and Embassy Suites. Hilton had to incorporate 45,000 Promus® employees into the payroll system that handled Hilton's existing 38,000 U.S. employees.

The first task was to stabilize the existing infrastructure. The payroll solution that Hilton had put in place for Y2K included PeopleSoft 7.5, a Hewlett-Packard® 9000 server, and a shared Citrix® server farm. Hilton had outsourced the PeopleSoft environment because the company did not have its own data center. But when Hilton took over the Promus Hotels Corporation data center in Memphis, Tennessee, the payroll processing system was brought



¹ Newer models are available at <http://www.dell.com>.

Dell-Intel payroll system architecture for Hilton



in-house. However, this system was barely sufficient to meet the needs of the additional employees to be migrated.

The existing system was a two-tier environment in which clients communicated directly to a server. This environment is best for small implementations because it cannot scale easily without

overwhelming the servers. The inherent lack of scalability was a major problem, prompting Hilton to move to a Web architecture.

#### **Hilton overcomes reservations**

Hilton used its desire to move the payroll system to a Web architecture as a springboard for driving a consolidation process. Like many companies post-merger, Hilton used a variety of disparate platforms. After taking stock of the company's existing resources, Hilton found that many of its machines ran Microsoft® SQL Server—a total of more than 2,000 machines, one in each of the hotels. These machines ran a whopping 3,500 batch jobs each day.

Hilton considered both Oracle and SQL Server for its long-term database architecture. SQL Server was appealing because Hilton already had implemented it in many locations. The company also knew it could expect some additional cost savings because SQL Server is a standards-based environment that runs on standards-based hardware. The major caveat was that a SQL Server project had never before been implemented on the immense scale that Hilton required. After some reassurance by its partners that the proposed solution would work, the hotel chain took a leap of faith and opted for SQL Server.

#### **Dell service and support checks out**

After the database architecture selection, the task was to choose hardware for the payroll department's database, proxy, application, batch, file, and Web servers. Although Hilton did not have much experience with Dell™ servers, it already used Dell laptops and desktops throughout the company. The company's satisfaction with Dell PCs led Hilton to consider Intel® Pentium® III Xeon™ processor-based Dell PowerEdge™ servers for its data center.

The hotels now connect to the Hilton data center via the company's WAN. In the purely Internet-based architecture, a Dell proxy server on the front end performs load balancing and then connects to Web servers. The Web servers manage the client components. Requests and reports are generated on the application server layer, and the database server holds the data.

#### **Dell solution gets four-star rating**

Today, Hilton uses its Dell-Intel payroll system at 400 U.S. hotels to manage employee benefits, record hours, issue paychecks, and track training. The new payroll system became active in May 2002,

and within a few short weeks of implementation, had proven itself reliable by a lack of outages.

Hilton has achieved its objective of a real-time, purely Internet-based infrastructure that does not slow down employees in its 400 managed U.S. properties. Hilton now executes transactions in real time rather than as nightly batches so that its 400 U.S. properties do not have the additional unnecessary layer of complexity that coordinated batch jobs would require. Individual hotels were accustomed to a degree of autonomy because every Hilton hotel previously had its own finance and payroll systems; the new architecture has retained that flexibility.

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In addition to the convenience and availability of the system, Hilton has experienced significant performance improvements and cost reductions. Industry-standard hardware is more cost-effective than proprietary equipment—a cost savings that has enabled Hilton to introduce more computing power into the payroll system.

By August 2003, Hilton plans to incorporate its finance department into the Intel processor-based Dell PowerEdge system and use the database architecture for accounts payable, accounts receivable, general ledger, treasury, and other financial tasks. The \$4 billion Hilton Hotels Corporation—which now enjoys one of the biggest SQL Server payrolls in existence—will soon have one of the largest financial implementations in the world. ☞

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