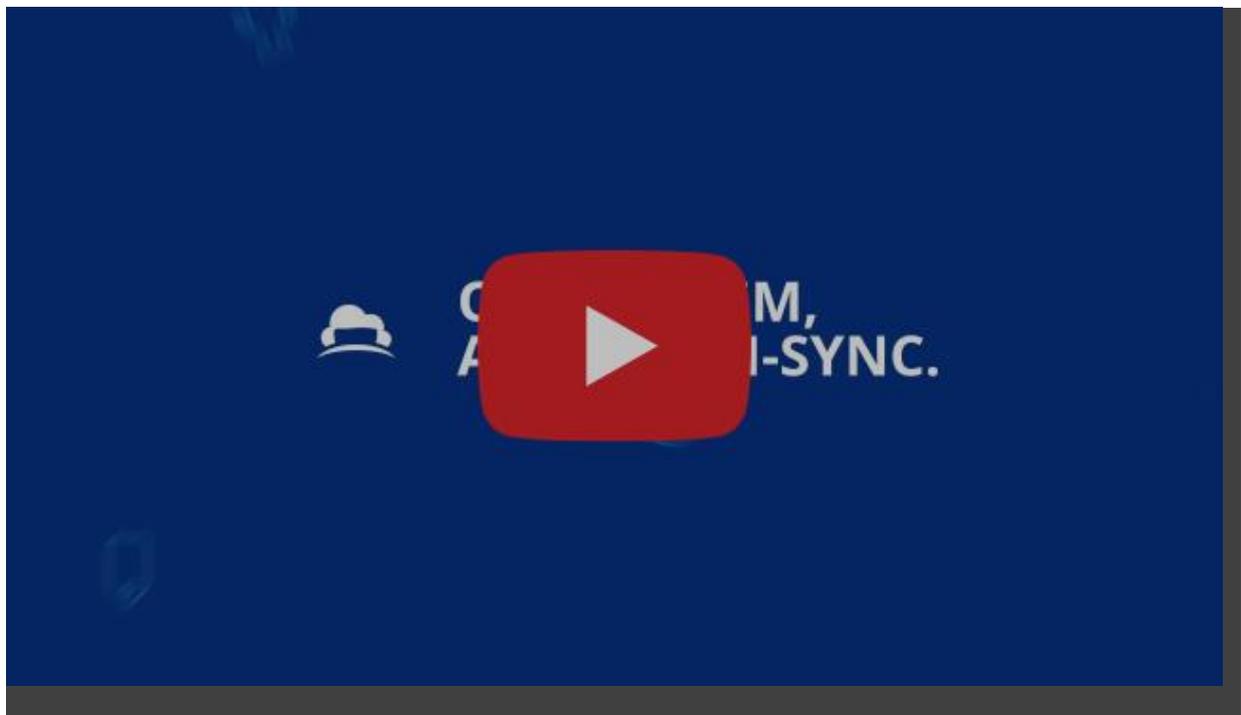


# Opportunity: Cloudbeds

*"One of the biggest Pros is that we don't have to use any 3rd party software anymore. It all works perfectly together and we are happy that we don't have to switch between different solutions for our daily workflow. It gives us full control over the business and a great overview of our daily operations. Since we started with Cloudbeds we increased our direct bookings and our revenue. Great software which we totally recommend for others."*

- Jessica L. [\[1\]](#)



## Background [\[2\]](#), [\[3\]](#):

Estimated revenue: **\$8.2M**

Number of employees: **400**

Funding raised: **\$94.1M**

Founded: **2012**

## Price [\[4\]](#):

**\$94/month to \$149/month.** Managing groups of reservations costs extra.

## Opportunity Size:

Level 4 - Ambitious Makers

*An ambitious opportunity that attempts to compete by offering a comprehensive solution, that will quickly compete with even the largest competitors in the space.*

Cloudbeds is a venture-backed hospitality management software that focuses on **managing payments and reservations so hotels can increase operational efficiency**. They support hotels of all sizes, from small bed-and-breakfast hotels to multi-national corporations. [\[5\]](#)

Customer love Cloudbeds for their **cloud-based, comprehensive solution for managing reservations** online or in-person [\[6\]](#).

## **Market Background:**

Cloudbeds started in 2012, having raised a \$800,000 seed round to create a solution that helped small boutique hotels stay relevant in a rapidly changing hospitality industry [\[7\]](#).

**Cloudbeds aimed to replace traditional, on-premise solutions for managing a hotel properly, specifically in the vacation rental space.**

For small, independently owned vacation properties, it is often the owner who has to handle front-desk operations, marketing, and reservation management, on top of making sure the actual experience is up to par!

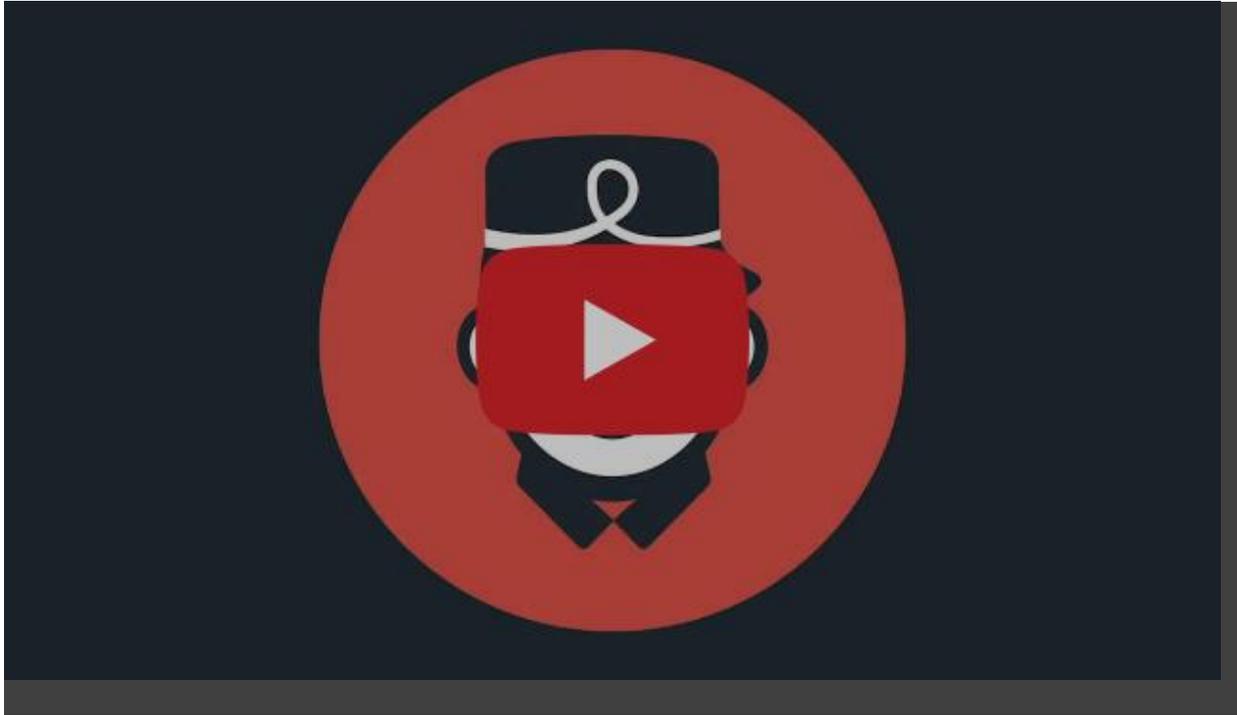
**Cloudbeds tries to fix this by automating one of the slowest parts of the process** - managing inventory (available rooms) across the suite of available online booking websites. On average, the founder claims that they save about eight hours of time per week for their customers [\[8\]](#).

In 2017, Forbes claimed that Cloudbeds had grown to serve "tens of thousands hotels", a huge jump in growth from their humble start of 100 properties in 2012 [\[9\]](#). In addition, Inc. listed them as the 75th fastest-growing private U.S. companies, **showing that the market has clear demand for this software** [\[10\]](#).

Today, Cloudbeds is looking to move up-market, replacing the legacy

systems that the biggest hotel chains are using. This move will likely open up opportunity in the downmarket section.

## Competitor Analysis:



Little Hotelier: \$12 ARR [\[11\]](#)

Price: [\[12\]](#)

\$109 for one room to \$189/25 rooms

Little Hotelier is another boutique management system, focusing on property management, channel management (handling reservations from sites like booking.com), and handling payments.

**They differentiate by offering a website builder** to help improve the number of direct bookings hotels receive [\[13\]](#).

Customers say that Little Hotelier is **great for basic hotel management**, but **that there are some limitations** that can be frustrating for users. The lack of flexible group booking is frequently mentioned as a sticking point [\[14\]](#).



Sirvoy: **\$3M ARR** [\[15\]](#)

Price: [\[16\]](#)

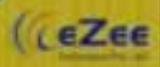
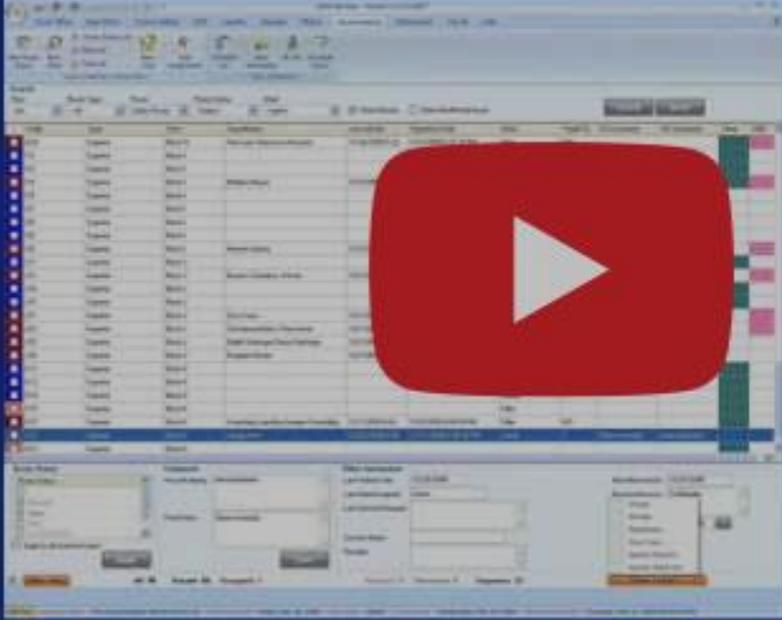
**\$35 to \$149/month**, depending on the number of rooms

Sirvoy is another player in the all-in-one hotel management software market. **Sirvoy focuses primarily on its Channel Manager**, which allows hotels to integrate their availability status into all of the major online booking channels [\[17\]](#).

Customers love Sirvoy for its **affordable solution and great value** compared to other solutions, although some feel it could be more comprehensive [\[18\]](#).

 **House Keeping**

House keeping module facilitates to effectively plan and schedule the house keeper and their schedules depending on current occupancy and forthcoming arrival and departure. House keeping department can use their own codes for room status.



eZee FrontDesk: **\$4.9M ARR** [\[19\]](#)

Price: [\[20\]](#)

**\$1,150 one-time installation fee**

eZee FrontDesk is one of the older players in the market, founded back in 2005. **Their solution still relies on an on-prem installation**, so it is an option that does not require a recurring fee, at the expense of requiring the customer to own the underlying infrastructure.

eZee FrontDesk, like its name suggests, focuses on managing front desk operations. They support **housekeeping schedules, maintenance requests, and more** [\[21\]](#).

eZee has also released a cloud-based solution recently, called eZee Absolute, which costs between \$70 and \$139 per month [\[22\]](#).

## Downmarket Opportunity:

In this market, customers are looking for a single software solution to manage their business. We'll look to **build a software that supports these features**, and stands out by being **the best solution for creating and automating a great customer experience**.

## Pain Points:

The main features in downmarket hotel management software are well-understood. A software needs to be able to:

- **Take direct bookings**, either through a widget that can attach to an existing website, or through some sort of website builder.
- **Manage reservations and room availability**. This is typically done through a drag-and-drop calendar.
- **Handle PoS (point-of-sale)**, by accepting physical payments and check-ins
- **Integrate with channels** such as TripAdvisor, AirBnB, and more, and keep availability synced between all systems.

**All of the major players in the industry support these features to different degrees.** They've become less of a differentiator and more of an expectation.

Competing on these features would lead to a race to be the most affordable, something that we don't want to partake in.

## Solution:

There's a lot more to hotel management than these things above. A large part of having a great boutique hotel or bed and breakfast is **having a great user experience**.

Most of the existing solutions try to sell their time-savings and increase in direct bookings. **We'll differentiate by helping hotels offer the best experience for their guests**, encourage glowing reviews, and allow owners to increase prices and drive more bookings.

We'll do this by adding automation features like:

- **Automated check-in and check-out emails**
- **An automated task-list for staff**, not only for standard tasks but also for a high-touch VIP experience.
  - *For example, a standard recurring task would be once someone checks out, a task will be added for the room to be cleaned.*
  - *An example of a VIP task would be to assign a staff member to call on the second day of a member's stay and ask if they can do anything to improve the experience.*
- **A dashboard for requests**, with email notifications to keep guests up-to-date (for example, if the guests requests towels or similar items)

All of these small features not only improve the user experience, but **by automating them we allow the business owner to focus on the big picture.**

## **MVP:**

As this is an ambitious project, the MVP is a large product. **I wouldn't recommend pursuing this opportunity unless you are particularly skilled in rapidly developing MVPs.**

The MVP for this product will include:

1. **An embed-able widget** to allow owners to accept bookings directly from their website
2. **A drag-and-drop calendar** to manage reservations and available rooms

1. *Note: Having flexible group bookings will be a great way to stand out*
3. **A PoS mode**, to allow visitors to check in and pay in-person via credit card
4. **Integrations** with the most popular booking channels

All of these features are the "expected" suite that will make our product competitive with the alternatives. Our MVP will also include these features to stand out:

- **Ability to set up email automation:**
  - Check ins
  - Daily event emails (if the hotel does events)
  - Check outs
- **Task list for resident requests**
  - Allow employees to log in and see this list, take assigned tasks, etc. The source of truth for tasks.
  - *This allows us to create great user experiences in a repeatable way - for example we might have a task to call a guest on the second day of their stay, to ask if everything is going well and if there's anything we can do to improve their experience. These touches are the type of things that lead to great reviews, but are hard to systematize without automation.*

**The goal of these features is to offer a truly comprehensive product for the downmarket space** - not only managing marketing and reservations, but also the day-to-day management of guests and their experience.

## **Risks:**

When doing customer discovery, you'll want to investigate these assumptions:

1. Small hotel owners care about delivering a VIP experience to their customers, **but don't have the time to deliver it.**
2. Hotel owners understand the value of **systematizing their customer's experience**
3. Hotel owners are **open to switching systems**
  1. *Note: This one wouldn't be a market risk, but if this isn't true, you'll need to target customers who don't currently have a management system instead of owners who already have a system.*

**Thanks for reading!**

If you'd like to see more ideas, check out the archive at the recently-released, sign in from [here](#).