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Post-Stay, Pre-Loss: Rethinking Travel Agent and OTA Commission Reconciliation

Post-Stay

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Sean Anderson makes the unglamorous but financially compelling case that post-stay commission reconciliation is one of the most overlooked revenue levers in hospitality. Using the example of a 400-property European group quietly overpaying up to $40,000 a month simply because no one was checking, he argues that the post-stay funnel deserves the same operational discipline as guest acquisition — because the money is already earned, and much of it is silently leaking away.

We recently analysed a European hotel group with more than 400 properties. Because they were short on staff, their policy was simple: if the monthly Booking.com invoice was within ±1% of what they expected, they paid it without a detailed check. At their volume, that "tolerance band" translated into an estimated 35,000 to 40,000 US dollars in extra commission payments every month.

That's the blind spot.

We invest heavily in acquisition, revenue management, and on-property experience. But once the guest checks out, a second, quieter journey begins: commissions, virtual cards, and partner invoices work their way through our systems. If that "post-stay" funnel is not deliberately designed, it becomes a slow leak in the P&L.

THE POST-STAY FUNNEL: WHAT REALLY HAPPENS AFTER CHECK-OUT

Think of each third-party reservation as still being in a funnel after departure.

In an ideal world:

1. The guest checks out; the PMS locks in the true stay dates, status, and rate code.
2. The OTA or travel agent submits its commission claim or triggers a virtual card payment.
3. The hotel validates the claim against actual stay data and the agreed-upon rules.
4. Any discrepancies are resolved within the OTA's time window; the correct amount is paid.

In reality, the path is messier.

A three-night booking becomes two, but the OTA still claims commission on three. A non-commissionable corporate rate slips into a claim file. A no-show is marked as "stayed" in one system and "cancelled" in another. A VCC expires before anyone notices the balance was never collected.

Individually, these look like rounding errors. At scale, they define the true profitability of your OTA and agency business.

WHY THE PROCESS BREAKS (IT'S STRUCTURAL)

The leakage is rarely caused by lazy people. It is baked into how the work is set up:

- Fragmented data. Stay data lives in the PMS. Commission claims live in extranets, processors, email attachments, and spreadsheets. No single source of truth.
- Unforgiving time windows. Some OTAs allow 48 hours after check-out to dispute discrepancies. With hundreds of departures a day, a human-driven audit cannot keep up.
- Exception-heavy rules. Groups, corporate contracts, consortia programmes, net rates, "pay at hotel" bookings: all behave differently. The rules sit partly in SOPs, mostly in people's heads.
- Fatiguing work. Manually keying reservation numbers, dates, and amounts for hours at a time guarantees a 1–2% error rate. Those small percentages are pure margin.

Over time, many teams accept a certain level of loss as "the cost of doing business with intermediaries" and stop attempting full reconciliation.

DESIGNING A DELIBERATE POST-STAY COMMISSION JOURNEY

Instead, treat post-stay commission handling with the same discipline you apply to guest experience or your direct booking funnel.

Four explicit milestones for every third-party stay help:

1. Data integrity locked. Within 24 hours of check-out, the PMS accurately reflects length of stay, rate code, and status (stayed, no-show, cancellation).
2. Commission eligibility tagged. Each reservation is classified (OTA, retail agency, consortia, wholesale, non-commissionable) and linked to the correct payment path (VCC, direct bill, commission processor).
3. Claim matched or challenged. When a claim arrives, it is matched against PMS data. Exact matches are queued for payment; mismatches are flagged while you're still within the dispute window.
4. Cash collected and auditable. VCCs are charged, agency invoices are issued, payments are received, and everything can be traced back to specific stays.

Once you see the process this way, you can ask: which steps really require human judgment, and which are just structured data work?

FOUR JOBS AUTOMATION SHOULD DO FOR YOU

When we build automated reconciliation flows for hotels, we focus on four core jobs. The labels don't matter; the outcomes do.

1. COMMISSION VERIFICATION

First: compare what partners say you owe with what actually happened in your PMS.

Daily, extract departed reservations from the PMS with stay dates, rate codes, booking sources, and travel agent profiles. On a regular cadence, pull commission files from OTA extranets or processors and line them up reservation by reservation.

For each claim, check: did the guest actually stay those nights, at that rate, on that channel, under a commissionable code? If yes, confirm the exact amount owed. If no, flag the discrepancy and prepare the data you need to dispute it.

2. DISCREPANCY FLAGGING

Finance teams don't need more raw data; they need a clear view of the exceptions.

A good process does not dump every reservation into someone's inbox. It highlights only cases where something doesn't add up: mismatched stay dates, "cancelled" in the PMS but "stayed" in the OTA, a group where only part of the block is commissionable, and so on.

Those edge cases should appear in one central place, with enough context to act: reservation number, partner reference, what's different, and how much is at stake. Humans then spend their time investigating real issues, not scanning rows that already match.

3. VCC RECONCILIATION

Virtual credit cards are a quiet but meaningful source of leakage.

An OTA issues a VCC for room and tax, valid only around check-in. If no one charges it in time, or if the amount charged doesn't match the booking, the difference may never be collected.

An automated flow can log into your PMS daily, identify yesterday's OTA check-outs paid via VCC, compare expected amounts to what was actually charged, and flag gaps. For uncharged cards still within their validity window, it routes them for immediate action before they expire.

If VCC bookings represent a large share of your OTA volume, losing 1–2% of that revenue simply because no one had time to chase it is completely avoidable.

4. AUTOMATED PARTNER INVOICING

Many travel partners still work on a "pay by invoice" basis. After check-out, the hotel must gather stay data, apply the commission rules, generate an invoice, and send it.

Because this is repetitive and time-sensitive, it's perfect for automation. An automated process pulls the relevant data from the PMS daily, applies your billing logic, generates invoices in the right format, and sends them or drops them into your approval workflow.

Invoices go out faster, which helps cash flow, and finance can focus on edge cases instead of re-keying data.

THE ECONOMICS: HOW SMALL PERCENTAGES BECOME BIG NUMBERS

The financial impact is easy to underestimate because the percentages sound small.

Imagine a portfolio that generates €50 million a year in OTA-sourced room revenue. If commission costs on that slice are around 20%, you're paying €10 million in commissions.

Now assume that, between overclaimed nights, misclassified non-commissionable stays, VCC leakage, and simple error, only 1% of those payments are higher than they should be, or never collected when they should be. That is €100,000 a year in pure margin that disappears without adding a single room night.

At 2%, the number doubles. And this does not include the labour hours consumed by manual reconciliation and chasing exceptions.

At that point, commission control stops being "admin" and becomes a direct revenue lever.

PAYING ACCURATELY AS A RELATIONSHIP STRATEGY

There is also the signal you send to distribution partners.

From an OTA or agency's perspective, a hotel is both a place where their clients stay and a financial counterparty. They remember two things: how happy their travellers are, and how easy it is to get properly paid.

Under-paying legitimate commissions damages trust and can push partners to steer demand elsewhere. Over-paying "to keep things simple" avoids friction in the moment, but you're subsidising partners beyond what contracts require.

Both problems have the same root cause: a process that cannot reliably say, for each stay, "this is exactly what is owed, and here is why."

Hotels that invest in timely, accurate, auditable post-stay processes earn a different reputation. Conversations with partners are grounded in data instead of feelings. Disputes are faster and more objective. Payment cycles are predictable. Over time, that reliability becomes a real competitive advantage.

FROM BACKLOG TO CONTROL: WHERE TO START

If you're looking at a large reconciliation backlog, this can sound overwhelming. You don't need a "big bang" transformation to see gains.

Three practical starting moves:

1. Stabilise PMS data within 24 hours. Make sure length of stay, status, and rate codes are correct the day after departure. If that data is wrong, everything downstream is guesswork.
2. Pick one or two high-impact channels. Focus first where commission percentages are highest or dispute windows are tightest: typically top OTAs, VCC flows, and one or two major agency partners. Get those journeys right before expanding.
3. Automate retrieval and matching first. Automatically extracting departed stays, retrieving partner reports, and doing basic one-to-one matching removes huge manual effort and makes discrepancies visible.

Once those foundations exist, adding additional rules, dashboards, and approval workflows is far easier.

TREAT POST-STAY AS A REVENUE LEVER, NOT AN AFTERTHOUGHT

When we talk about the “post-stay” stage, we usually think about surveys, reviews, loyalty enrolment, and remarketing. All of that matters. But for many hotels, the fastest, most reliable gains are hiding in a different corner of the post-stay funnel: how commissions and payments are reconciled.

Commission reconciliation will never be glamorous. No guest will ever thank you for it at check-out. Yet it is one of the few areas where you can simultaneously:

- Protect margin without raising prices
- Improve partner relationships without higher incentives
- Free up skilled finance staff for higher-value work

In a world where distribution costs are rising and attention is expensive, we cannot afford to ignore money we have already earned.

Designing the post-stay funnel with the same care we apply to acquisition and on-property experience is no longer optional. It is the next logical step in running a hotel that is not just busy, but genuinely profitable.