

# customer case study

The Sea Island Company owns and maintains luxury resorts, rental properties and recreational facilities located on the Atlantic coast in southern Georgia. The company must manage a variety of operations, including hospitality, food and beverage, and real estate. Balancing all these businesses, as well as managing 1,600 employees, requires complex financial planning and timely information to assist in making decisions that impact profitability. Growing rapidly, Sea Island needed more flexible reporting and analysis for budget and planning functions than it could get from the accounting system in its enterprise resource planning (ERP) platform.

As the company expanded, so did its requirement for information. “There was more need to know and a lot more people who needed to know,” says Mike Warren, Sea Island’s controller. The CFO was among them, and he instructed the director of budgeting and planning to look for a system that could meet these needs. It would have to be affordable and easy to learn and use, and it would have to work with the existing ERP system.

The director evaluated several business intelligence software vendors and ultimately chose the Host Analytics Decision Platform. To get around the difficulties of the ERP system for budgeting, line managers had turned to Microsoft Excel. But the data in individual spreadsheets often contained errors and inconsistencies with other spreadsheets. Executives did not want to spend time and money training users in an unfamiliar new tool, so the Host Analytics Excel-like interface met the usability requirement.

Another demand was to enhance reporting capabilities. In the past, users had to wait for Information Services (IS) to collect data and create reports. Host Analytics enabled creation of a single database of all relevant data from all sources. It provides consistent data for the analysts without going through IS, and nightly updates keep it timely. It is easier to analyze and trust because Host Analytics can consolidate information that used to be stored in multiple stand-alone spreadsheets into one report.

## Immediate impact

Host Analytics brought immediate improvement for the finance department. “We are able to turn requests for information around much quicker,” says Warren. “In addition we can spend our time analyzing the data instead of trying to build the report.”

Previously, when Sea Island used its accounting system for budgeting, only a limited number of managers and executives had access to the financial data. They were restricted to viewing summaries of basic data about cost, revenue and the like. Now, Warren says, “We can address requests from all our business units at a much lower level and give them reports that



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—Mike Warren, Controller,  
The Sea Island Company



are specific to their operations.” This enables more finance people to play roles in decision-making.

Host Analytics currently supports about 50 Sea Island users for diverse financial tasks. Five core users write reports and build the budget and forecast scenarios; 25 analysts use it for ad-hoc reporting; and the rest are line managers who have responsibility for Sea Island’s revenue centers, including hotels, restaurants, marketing departments and other aspects of the diverse business. The last group has benefited perhaps most because they have access to timely data when they need to make decisions without waiting for others to provide it. And of course, their day-to-day business activity most directly impacts the company’s profitability.

In several ways, the business is able to save time and money. For example, Warren estimates that on average the time it takes to produce a report has been cut by half. In addition, Information Services no longer maintains additional staff to create and maintain financial reports.

## Monitoring performance

The Host Analytics Decision Platform also enables more effective performance management. As Warren says, “The hotel business is all about metrics,” and users now track particular “actionable metrics” easily through reports focused on their specific numbers. For example, cost per occupied room is a standard metric for hotels. Managers at Sea Island’s resorts have access to granular information about the various costs that go into making a room suitable for occupancy, and if the total exceeds the benchmark figure, they can quickly find what caused the overrun and take steps to correct it.

Similarly, managers in the food and beverage operations can monitor their cost-of-sale ratios on a daily basis and better manage purchasing expenses. Sea Island also uses the budget information to drive the application that handles labor costs and scheduling.

Sea Island is considering adding other components of the Decision Platform, particularly Host Analytics Scorecard, which can increase the visibility of information, customize it for each user and clarify job performance for both individuals and management. The company also will examine using the scorecard functionality to replace distribution of reports to executives.

With consistent and timely information available to those who need to see it or contribute to it, budget data stays current, and Finance is able to adjust it as needed. “Toward the end of the year, we are able to create scenarios that merge actual results with the forecast,” Warren says. “This capability has greatly enhanced our planning process.” Sea Island plans to make its budgeting capability even more robust by moving to rolling budgets and forecasts, which would take budgeting from a tactical to a strategic level.

Visitors to Sea Island resorts see a glamorous escape from ordinary life. It takes hard work behind the scenes to preserve that image, and Host Analytics helps Sea Island do the job. As Warren puts it, “Host Analytics helped us provide the information needed to ensure a successful expansion of our company.”



## challenges

- Growth produced more information needed by a wider variety of employees
- Use of Excel spreadsheets for budgeting produced errors and inconsistencies that undermined decision-making
- Managers and analysts could not take action while waiting for IS staff to produce financial reports

## solution

- All data resides in the Host Analytics database and is available to everyone who needs it
- Data is updated regularly, so users can adjust their budgets and analysts can reforecast easily
- Finance users can create reports themselves and make decisions quickly

## results

- Time to produce reports has been cut in half, so users have more time for analyzing data, which leads to better-informed decisions
- More finance people at all levels work with current information and performance metrics to manage their parts of the business proactively
- Merging actual results with forecasts, planners gain visibility into business conditions and make more realistic projections

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