

customer case study

Cultural Experiences Abroad (CEA) specializes in foreign study programs for college students from the United States and Canada, annually enrolling about 4,000 students at campuses in 15 countries. With such widespread operations, it can be a challenge to make good decisions about where to spend financial resources and how to price services at each location. For CEA, planning was especially difficult because corporate planners had no reliable information about actual costs.

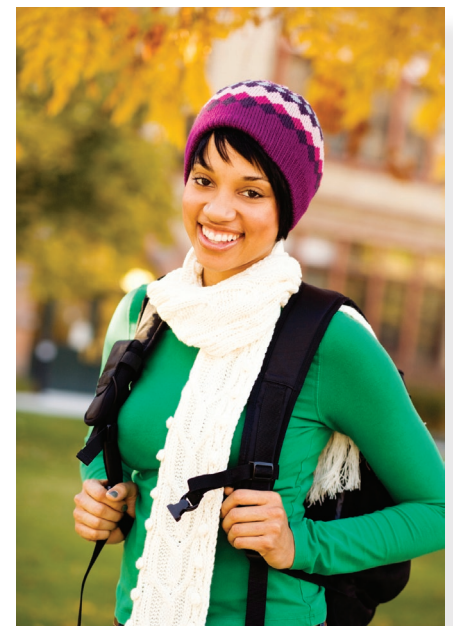
The 25 offices operate according to the regulations and currencies of their locations. Each office used to drive its own spending and manage its own budget using spreadsheets in whatever version of Microsoft Excel it happened to have. File transmission was done through the company e-mail system. The accuracy and timeliness of data were always open to question, and consolidating all the budget data into a single corporate budget was time-consuming and frustrating, according to Cliff Marnick, operations controller for CEA.

The unreliability of spending data made it hard to hold area directors accountable for their performance, and they in turn didn't trust the evaluations of their supervisors. Worst of all was the dysfunctional process's impact on decision-making related to profitability. "We had trouble measuring which locations were doing well and which were not," Marnick says. As a result, management didn't know what corrective action to take for those that were struggling, nor could they identify best practices in the actions of those that were successful.

It fell to the finance department to fix the situation. Marnick went looking for software that could enforce consistency in budget formats, consolidate data from disparate systems and facilitate comparisons of budgets from the various offices. The Host Analytics Corporate Performance Management (CPM) suite could do all this and also handle multiple currencies in financial processes – an imperative need because currency exchange rates and the timing of currency hedges have an important effect on CEA's bottom line. "We have to be able to properly hedge our use of foreign currency because we collect revenue in U.S. dollars but 90 percent of our expenses – salaries, overhead, student housing costs and tuition to universities – are in the currency of each location," Marnick explains.

On the fast track

As well as first-class functionality, CEA also required software it could put to work quickly. "We were so far behind the curve we had to do a high-speed implementation," he says. Six weeks after Marnick received purchase approval, CEA deployed Host Analytics Budget to all its sites worldwide. Such rapid deployment would be next to impossible in a traditional IT environment, but Host Analytics' Web-based delivery model of Software-as-a-Service (SaaS) helped get it up and running fast. It is equally important that SaaS gives users scattered across global time



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—Cliff Marnick, Operations Controller, CEA



zones round-the-clock access; they can log on during their own business hours, and Web access eliminates the time lag in waiting for others elsewhere to respond to e-mail. The Host Analytics environment is secure, and Marnick's team can add, subtract or move users in minutes. Its workflow provides an audit trail to track which users make changes to the local budgets as well as a way to track the budget approval process.

The Excel-like Host Analytics user interface provided a smooth transition for the users, while the database behind it assured management that everyone would be working with the same consistent data. "It looks like what they used before, but there's a lot more control for us," says Marnick.

The switch swiftly produced benefits for CEA. Using Host Analytics Budget for the first time, he reports, "What used to take us three months was done in three weeks." And its accuracy enables Finance to look ahead for the first time. Having reliable information and a flexible tool for analyzing it, the team can forecast the future, identify trends and model what-if scenarios, all of which could improve profitability. For example, instead of continuing to set one rate for all housing in Paris despite different costs for the units, CEA can match what it charges to the cost and desirability of each. "The flexibility to slice up the data has been a huge 'win' for my department," Marnick insists.

CEA employees at all levels have benefited from the implementation. At the top, executives have reliable, current information to assist them in running the company and making decisions. "We populate Host Analytics with actual results and create reports with that data," Marnick says. Having a single data repository ensures that all the information they need is available. "Host Analytics is our database of record," he adds. All levels of management within CEA can access their data in Host Analytics instead of waiting for financial analysts to create and e-mail reports to them, and Finance is free to focus on strategic financial issues.

Site directors who used to be left on their own now can collaborate and learn from each other because uniformity of budget reports enables them to share information about their situations. By enabling them to pull reports for themselves, the Web-based system also makes them more self-sufficient, which is critical in the dispersed structure of the company, and potentially more productive. Of CEA's 50 Host Analytics users, half are in the foreign offices.

As issues of accountability and trust are being resolved, the finance department is making the budget process transparent. Finance is working with directors on decisions that affect their operations, rather than imposing decisions on them. Supervisors can show employees the basis for their performance evaluations, tracked in Host Analytics and compared objectively. "Now we can show them what the numbers say," Marnick notes, so the issue of fairness in evaluations has gone away.

In less than four months, CEA went from endless attempts at budgeting to an orderly process that uses reliable data to create and present accurate, actionable budgets that everyone can trust and from which senior management can make well-informed decisions.



challenges

- Inconsistent and inaccurate data between offices and corporate
- No workflow control or process management
- Budgeting was a chaotic, unending process of correction and revision

solution

- Consistency in budget formats
- Consolidate data from disparate systems
- Facilitate comparisons of office budgets
- Software-as-a-Service (SaaS) delivery method results in easy information access
- Budgeting is a timely process so each iteration results in improvement and growth

results

- High-level reports provided to senior management, enabling better-informed decisions
- Collaboration between once isolated site directors means information is shared learning opportunities are created
- Supervisors can share with employees how their performance affects overall company performance

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