

customer case study

Thule Vehicle Accessories North America is a division of a global manufacturer best known in the U.S. for its vehicle load-carrying systems such as roof racks, rooftop boxes and bicycle carriers. Committed to high quality and continuous innovation in their products, all units of Thule also strive for efficiency and teamwork in their business processes.

Not long ago, budgeting and planning in the North American division were not up to those standards. Individual sales and department managers kept their budget data in Excel spreadsheets and shared them through e-mail. Each month when the finance department collected recent data, someone had to spend an entire workday keying the actuals into Excel spreadsheets for managers. The manual process was time-consuming and could produce errors, but the most troubling issue was inconsistency of data, according to Mark Cohen, Vice President of Finance. The numbers that came to Finance often weren't the most current, and departmental representatives would disown them. "We couldn't sit down with management and have a quick meeting to discuss numbers that everyone agreed were right," he recalls.

Sales and expense forecasting were cumbersome at best. If, for example, Sales was going to miss a target number, the typical response was to cut back on spending in broad buckets. "It was reactive, not proactive," says Cohen.

All parties agreed something had to be done, and Finance took the lead in searching for more capable software. The team looked at Oracle and Cognos but chose Host Analytics Budget because it is easy to use, its interface resembles Excel's, and its deployment through software as a service managed by Host Analytics would not burden the Thule IT team.

Speed and visibility

The software's ease of implementation enabled Thule to produce its next annual budget in less than half the six weeks it took previously, and the person who did the data entry was free to do more valuable work. More importantly, the Host Analytics environment provided a single point of access to consistent data shared by all participants. "Now we have one set of data and one view of life," Cohen says. Finance and sales developed, using Host Analytics' template capabilities, a rolling sales forecast that is updated every month to extend the yearly horizon. "We have a forecast that people can actually sit down and discuss," he adds, "and better visibility into important issues related to customers, promotions and expense management, among others."

Improvement was immediately evident. After implementing Host Analytics Budget, Cohen remembers, "we cruised through the first budget meeting like never before." Armed with reliable data, participants can start planning where to allocate resources to benefit the company's



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—Mark Cohen, Vice President of Finance, Thule Vehicle Accessories North America



performance. “Budget meetings are now about the business, not about the integrity of information,” says Cohen.

And they can change the budget with unprecedented speed. For example, Thule was impacted like every other company by the recession of 2009. After the initial budget consolidation via Host Analytics revealed the need to cut salaries, the Finance team used Host Analytics’ HR templates to instantly make the change. “Right away, we had the answers and rolled out new budgets,” he says.

The abilities to do what-if scenarios easily and share them through ad-hoc reporting allow users to compare alternatives and make decisions quickly and with confidence. In the past they had to wait for financial analysts to create reports in Oracle, which were presented in cumbersome layouts that weren’t easy to understand. Users now get the reports for themselves, formatted in the appropriate manner through Host Analytics templates.

The right level of detail

Giving managers and executives tools to see and decide among various options empowers them to use their budget resources wisely and provides a factual basis for justifying their choices. It also encourages them to take responsibility for the results, taking ownership of their numbers instead of arguing about whether they are accurate. “We’ve been able to push accountability out of Finance into the user community,” Cohen notes.

Because the users are more independent, finance professionals can focus on more important tasks than providing data or reports to them. “Managers can drive the process without us getting involved,” Cohen adds.

Users now have access to as much detail as they wish. For example, trade shows are a significant marketing platform for Thule – and also a substantial expense. To decide where their trade-show budget can be spent best, users can drill down to the line-item detail in Host Analytics Budget to compare past spending and develop forecasts, and Cohen can view spending in various ways, such as by trade show per month, track managers’ travel expenses by show, and review their calculations of what they propose to spend. “Before, we were lucky just to get the numbers,” he says. “With Host Analytics we get the numbers and the whole story.”

The new software also has improved the quality of the dialog between the department managers and their respective vice presidents. “I am pleased to see my peers at the VP level using Host Analytics to drive their own planning and budget meetings with their managers. That shows that we have integrated Host Analytics into our day-to-day operations,” he adds.

Overall, Thule has a more transparent budgeting process that gives managers a better sense of how to spend the resources they have and executives a better way to make sure the spend stays within its defined limits. “We’ve done a much better job on expense control since Host Analytics came along,” Cohen says. As well, the company can adapt its budget to changing conditions and plan for the coming months with insights based on accurate, up-to-date information.



challenges

- Budget data rekeyed from Excel often was not current or otherwise inconsistent, and correcting it substantially prolonged budget meetings and the process
- It was hard to update the budget during the year or to decide what to do when changes impacted it
- While basic department expense budgets could be done, growth was making this more difficult, and Thule had no workable solution for supporting a sales forecast

solution

- Host Analytics Budget provides a single source of consistent data that all users can access easily and contribute to, so budgeting now takes half as long
- What-if scenarios and ad-hoc reporting enable Thule to consider responses to change and quickly implement those chosen
- Twelve-month rolling forecasts provide a continually refreshed view for a full year

results

- Managers have confidence in their data, and budget meetings are dedicated to decision-making that benefits the company
- Departmental users handle budgeting and reporting for themselves, relieving Finance of remedial tasks
- Finance has a detailed view of the thinking and calculations behind managers’ budget requests

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