

# customer case study

**DHI Mortgage is the lending arm of a major home-builder. Its primary mission is to originate mortgages for homes built by its parent company, D.R. Horton. With 48 branch offices in 21 states, DHI prides itself on personalized customer service and relationships built on trust.**

Such a finance-intensive business naturally needs consistency and flexibility in its budgeting and planning processes, but for years DHI Mortgage's finance department and branch managers made do with Excel spreadsheets. Using this desktop tool, it was cumbersome and time-consuming for the managers to prepare monthly profit-and-loss (P&L) statements, and so the information they sent to headquarters was out of date. As well, the spreadsheets made it difficult to locate details behind the summaries. "We need to break out budget information such as annual workforce fluctuations, but with Excel we couldn't do that easily," says Tamara Hay, assistant controller for DHI Mortgage.

For the corporate finance group, consolidating P&L information from all the branches and making sure it stayed consistent was another time-consuming chore, and as the company grew, the pace became even slower. "We were chronically late in completing our roll-ups and reporting to management," Hay recalls. This hindered decision-makers in understanding the performance of individual branches, regions and the business as a whole and prevented them from acting promptly to seize growth opportunities or address problem areas. For example, the number of loan originations fluctuates throughout the year by region, season, weather and economic conditions, and that affects not only revenue but workforce staffing requirements. As it was, finance professionals and branch managers weren't able to model possible changes and thus prepare for them.

Another issue was the core budget process itself. DHI Mortgage used a top-down approach in which the corporate office set expectations for the branches, but those numbers were only estimates that lacked detailed input local managers couldn't provide. And the sluggish pace of collecting and reporting monthly numbers prevented the company from adjusting resource allocations during the year as conditions warranted.

### New and better capabilities

The growth of DHI's business finally forced a change. With a mandate from the CFO, Hay and others began to look for a tool dedicated to budgeting and planning. After head-to-head comparisons of capabilities and vendors, they chose the Budget and Consolidator modules of the Host Analytics Corporate Performance Management (CPM) suite. "Our team wanted software that is easy to use, that we could put in the hands of the branch managers quickly and that would help them manage their costs better," says Hay. "Host Analytics met all those requirements."



**“Host Budget & Host Consolidator have improved the accuracy of our financial consolidations and workforce budgets dramatically.”**

**—Tamara Hay, Assistant Controller, DHI Mortgage**



The CPM suite's Excel-like user interface allows the managers to work in a familiar environment. Now they create timely P&L statements that help control staffing and office expenses and facilitate reporting promptly to headquarters. "They can drill down to detailed line items to uncover reasons for outcomes," Hay adds, "and that helps them make better decisions."

Host Analytics also provides a proactive dimension that DHI lacked. Branch managers are able to forecast changes in demand for mortgages and modify their budget needs accordingly. On the corporate level, finance professionals can model scenarios that facilitate business growth.

## Information for all

Broader involvement in the budget process translates into more realistic data, instills more accountability at the branch level and helps everyone in the company get on the same page in implementing plans and responding to changes. Because Host Analytics deploys its products through Software-as-a-Service (SaaS), managers dispersed across the nation can access their data immediately through a Web browser, create reports and communicate them without waiting for the time lag of sending messages via e-mail on the company network. The Host Analytics database centralizes data storage to ensure consistency and accuracy, eliminating issues of version control in files and making the latest budget data available to all who need it.

DHI Mortgage sets business drivers at three levels: branch, region and company. In the past finance staffers labored to consolidate information as they pushed budget reporting up the corporate ladder. Now, Hay says, "We easily merge branch and regional level budgeting details with corporate allocations in Host Analytics Consolidator." And Consolidator is integrated with DHI's general ledger system for final consolidation and reporting to top management. "We're reporting budgets vs. actuals in a way we could not do before," she notes. Being better informed about the actual state of the business at all levels, executives make decisions about its direction more confidently, able to address near-term contingencies at once and plan for the future more thoughtfully.

Today the budgeting process combines top-down and bottom-up aspects to create a comprehensive, up-to-date picture of the organization's finances that is relevant to employees at every level. As Hay says, "Host Analytics Budget and Consolidator have improved the accuracy of our financial consolidations and workforce budgets dramatically."

As the home-building and loan-financing businesses emerge from the long recent downturn, DHI Mortgage is better prepared to take advantage of opportunities and reassert itself as a leader in its field.



## challenges

- Using Excel spreadsheets slowed budgeting and limited participation by branch managers
- Detailed information was inaccessible
- Consolidating multiple budgets was time-consuming and produced outdated reports

## solution

- Replace spreadsheets with Host Analytics Budget
- Provide Host Analytics Consolidator to the finance department
- Include all levels of management in the budgeting process

## results

- The budgeting process is much faster, and budget vs. actual comparisons are easily made
- The latest budget data is available to everyone through secure, online Software-as-a-Service (SaaS)
- Scenario modeling enables decision-makers to predict the future and plan more knowledgeably

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