



White Lodging

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Industry

Hotel

GL/ERP

Lawson

Location

Merrillville, Indiana

Employees

5000

Locations

88 Hotels located in 9 states across the US

Indiana, Florida, Texas, Michigan, Illinois, Utah, Colorado, Kentucky, Tennessee

Users

150

❖ There is a price to pay for growth. Since its formation in 1985, White Lodging Services Corp. has had a history of sustainable, profitable expansion. Now it is a mid-size, private hotel management company with 87 locations employing 5,000 people. With its emphasis on adding value to its overnight guests' stays, White Lodging retains a loyal and growing customer base – and that's created an almost enviable problem.

“We were getting too large to control our budget process efficiently. We needed an ability to control the process centrally,” says Carolyn Cochran, White Lodging's Vice President of Accounting. “It was very awkward e-mailing Excel worksheets back and forth. We needed a better solution.”

Those worksheets were flowing upwards to White Lodging headquarters in Merrillville, Indiana from each of the 87 locations across the United States.

“Keeping track of budget versions and approved budget changes was getting very difficult to do,” says Cochran. “Regional and corporate budget consolidations were also extremely difficult since multiple files had to be linked together.”

Cochran says the solution she and White Lodging consequently went seeking had to meet three criteria: it had to be easy to use, low-cost, and flexible. Of course, to help meet that low-cost demand, the solution also had to work well with White Lodging's established information technology (IT) infrastructure. That included its OLAP database software and its Essbase business intelligence tools – no one could afford to rip those out.

The search lasted three months but once the new solution from Clarity Systems was found, the decision was very quick. “We did look at other solutions, but Clarity and its Clarity Performance Management (CPM) solution allowed us to leverage our Essbase technology to the fullest,” says Cochran. “Others said they could do the same thing but no other solution



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was able to demonstrate it. CPM easily showed that it could.” Clarity’s CPM also met that easy-to-use stipulation, and in a complex environment to boot.

“We use CPM to forecast our business based on budgeted trends and have plans to use it for cash flow forecasting,” explains Cochran. “We also have a report called flow-through which is very important to us for monitoring how well hotels are bringing revenue changes to the bottom line.

“Flow-through is essentially a flexible budget. What we do is take our budgeted factors and apply them to actual sales. The resulting flexible budget is compared to actual results, and the favorable or unfavorable variance is “flow-through.” Our flow-through calculations have been modeled into CPM and are now turned over within 1 day of period-end completion. It had been taking about two weeks with Excel. “This speed-up stems partly from the improved communication Clarity Performance Management affords. Spreadsheet data can now be transferred directly via the Web rather than indirectly via e-mail. CPM also hastens White Lodging’s number-crunching by feeding the data to the powerful, “slice and dice” OLAP database.

“This information is being used by all our general managers and regional vice presidents to measure performance and to see what line-items are out of control,” says Cochran. “Being able to consolidate information quickly, look at information from different views, and deploy a report easily is certainly making life better for them and the company.” That facilitating nature of Clarity Performance Management has encouraged Cochran and White Lodging to take new cost-cutting and productivity-boosting steps at White Lodging.

“Now that we know the power of Clarity Performance Management, we plan to revamp our budgeting process in order to cut our budget cycle time and draw more value from the budgeting process generally,” says Cochran.

“Thanks to CPM, information is more accessible for decision making. It allows us to move our organization towards one, central repository for financial information – whereas before, everyone had to pull numbers from multiple information sources.”

Pulling Clarity alongside in this new venture has also been easy and quick right from the start. Cochran reports that the CPM installation and budget template design involved approximately 15 days of Clarity’s direct support and by the end of 90 days, the new budgeting system was deployed to end-users. “The other element is the support I get now,” adds Cochran. “When I have a problem that I can’t resolve, I can e-mail Clarity and get it straightened out right away. That means we can support the CPM system mostly from within the accounting department. We only need to involve our IT people infrequently with server or security issues, as well as to help users with questions as an internal help desk.”

Lessons learned from their experience so far with Clarity and CPM suggests that other companies who might want to follow suit execute their due diligence and planning thoroughly. Clarity’s sales process allowed White Lodging to view a sample of their budgeting application in Clarity Performance Management prior to purchasing the product. Other software vendors were not as accommodating as Clarity.

“My advice to other companies evaluating this type of solution is to make sure that the vendors demonstrate to you what you need to see to properly visualize the solution integrated within your organization,” concludes Cochran. “Our CPM project with Clarity went so well because of this demonstration, and that meant we could start with a really good design.”