

customer case study

The Bama Companies Inc. supplies baked goods to many of the best-known restaurant chains and food-service organizations in the United States and abroad. Throughout the last decade Bama, based in Tulsa, Okla., has practiced the Six Sigma methodology to reduce defects in manufacturing, and it has won the Malcolm Baldrige National Quality Award. Growing steadily while retaining its commitment to quality, the company continually looks for ways to refine its business processes, and its people rely on data as a critical resource for improving them.

One area in need of improvement was budgeting. Years ago, the company developed software in-house for this purpose, but it became increasingly unable to handle the complexity that accompanied Bama's growth. Eventually, most people involved in budgeting simply stopped using it.

Bama's finance organization decided to look for replacement software that could add more functionality to the budget process, especially forecasting, which at the time could be done only annually. Budget data quickly grew stale, and decisions about the future had to be made through laborious manual estimates. "Our goal was to adjust the planning process so it doesn't become less relevant as the year goes on," says Kimberly Joyce, facility controller and director of finance for Bama.

Finance knew that the IT department already carried a heavy workload. "We wanted something that was going to be easy to administer and would require as little hands-on involvement from IT as possible," Joyce says. Representatives from both groups conducted an extensive assessment of budgeting and planning software from large vendors and smaller ones. Ultimately the team selected Host Analytics Budget. As well as the core budgeting functionality, it offered powerful forecasting capabilities through an intuitive, Excel-like user interface, and it is managed by Host Analytics through Software-as-a-Service (SaaS), which relieves IT of that responsibility. In addition, because there are no software licenses or hardware to run it on, it met another key criteria of Bama – affordability.

Immediate improvement

Joyce and Bama's finance and payroll managers put Host Analytics to work right away. Unlike with the old tool, which made it difficult to transfer data to and from the general ledger (GL), they were able to load the data quickly and examine it in detail through the Host Analytics interface. "We didn't have a quick and easy tool to get to our data, and Host Analytics gives us that," Joyce says. In addition, more data is readily available. "With a spreadsheet in Excel, you have to stay at a high level," she notes. "With Host Analytics, the detail is right there."



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—Kimberly Joyce, Facility Controller and Director of Finance, Bama



The SaaS model also proved its value in an unexpected way when an ice storm hit the Tulsa area in the middle of Bama's budget cycle and people couldn't make it to the office. "They were able to keep working on the budget because they could get onto the site from their homes," Joyce recalls.

Producing the initial budget was only the first step in Bama's quest for more powerful budgeting and planning. For reporting, Bama had purchased Business Objects software that ran in conjunction with the company's IBM AS/400-based GL system, and few potential users had gone through the training needed to master it. In contrast, reporting through Host Analytics Budget is both integrated and intuitive.

New capabilities

Soon after the first budget using the Host Analytics system was complete, Joyce began to work with its forecasting features. She performed a what-if scenario to explore possible outcomes of moving a Bama product from one manufacturing facility to another. "It literally took me 60 minutes," she reports. "That's something I would have to spend most of a day to do in the past."

After conducting this test she felt ready to use the process to make decisions. "We have real data to rely on," says Joyce. "It is reassuring to see down to a dollar the impact that a decision would make."

The ability to do rolling forecasts was a key requirement when Bama evaluated software. With Host Analytics Budget, the company is instituting them, to be updated every quarter with a 12-month view, so it will always have a full year of information to work with and adjust as business conditions change. "It will be a living, breathing forecast that we'll be able to use with confidence," she says.

Joyce adds that there has been no difficulty in getting the heads of the three sales divisions to buy into and use the new system – just the opposite. "They are excited to be able to see financial models of their sales forecasts," she says.

A bright future

At Bama, forecasting will play a major role in finance going forward, helping management understand the implications of potential strategic decisions. "As we grow, Host Analytics will enable us to look at a hundred different ways the company could go," says Joyce. "We'll do a lot of scenarios, much more quickly than we could have in the past."

Planners will be able to adjust the scenarios as they need to because Host Analytics allows easy access to the complete range of relevant data. That capability is important to a company dedicated to quality in its processes. "We are a data-oriented culture," Joyce says, "and Host Analytics has made it much easier to get to our data." This confidence will allow Bama to plan its growth more realistically and explore more possibilities to come up with the best decisions about its future while remaining true to its principles.



challenges

- Budgeting staff had abandoned an aging tool that had difficulty exchanging data with the general ledger
- Data in annual budgets became increasingly stale during the year because there was no capability for timely updates
- Lacking a tool for forecasting, it was laborious for Bama to plan for the future

solution

- Host Analytics Budget provides easy access to detailed accounting data through an intuitive user interface
- The new process facilitates rolling forecasts that let Finance continually look 12 months ahead
- Planners can model data-driven what-if scenarios rapidly

results

- Bama is able to explore a wealth of options for how it will grow
- Planners have confidence in their decision-making because it is backed by accurate, timely data
- Accounting and Sales collaborate and share a single version of the truth
- Host Analytics' Software-as-a-Service (SaaS) delivery method relieves IT of support and maintenance

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