LPA SYSTEMS

Financial Performance Management Architecture & Design

Business Overview

Our client is a fully integrated independent hotel ownership, development and operations company. Its current portfolio consists of more than 158 hotels in twenty states and encompasses representation of the many leading hotel brands including Marriott, Hilton and Holiday Inn.

To maximize the value of the brands, their development and management capabilities, and to improve the quality of their portfolio, our client focuses on premium multi brand and multi segment hotel opportunities in major urban and high grade suburban markets. These include innovative "co-branded" urban select service hotels, and large convention hotel developments.

To expand their penetration into targeted urban markets, our client has relationships with strategic local partners that are aligned with their core values and the philosophy of a balanced, long-term approach to growth, resulting in synergistic added value.

Business Challenge

With a large portfolio of properties to manage and maintain as well as plan for continued growth, our client needed to be able to be able to streamline their budgeting forecasting processes, provide accurate and timely insight to their financial data and to have ability to provide hotel managers with the information they need to be able to make good business decisions in ever tighter timescales.

As new hotels are added to the portfolio, the forecasting process had become increasingly complex. Each hotel had a different forecasting template so that reporting actuals across the company was extremely time consuming. Our client needed a technology solution that would address these issues and would be scalable for future needs.

The company's existing financial planning and reporting processes were built on older and non-supported technology. These processes also included manually extracting data from their financial systems and manipulating this data using spreadsheets. Report creation was cumbersome and time consuming. As a result reporting suffered from delays and was prone to human error. Our client wanted accurate and timely insight into their financial data across all of their hotels.

Solution

The company's existing financial planning and reporting processes as well as the underlying technology infrastructure were not meeting their existing or planned future business needs. They chose to move to IBM TM1 as the technology platform in order to provide a long term scalable solution that would address their business requirements. They also engaged LPA to assist them in developing the solution and to provide training and knowledge transfer so that they could own and maintain the solution going forward.

LPA leveraged our Compass™ best-practices process to perform the implementation. This included starting from the existing requirements, interviewing key stakeholders to fill in any gaps that might exist and to accurately plan the design of the solution. We incorporated our understanding of the manual processes that were involved in the customer's current process and ensured that the proposed solution provided a streamlined and standard process for budgeting and forecasting. We also documented the key business drivers, functional business requirements for planning and reporting, and refined our estimates of workloads and timelines.

With this information and our customer's review, LPA implemented the solution using the IBM TM1 platform. This included building all of the required components: data source extract routines, cube components, dimensions, rules, measures, security modules, calculations, cubes, cube views, and reports.

As the project neared completion, LPA provided the client team with deployment support and also delivered hands on training so as to familiarize the team with the capabilities of the TM1 product. This enabled them to support the solution both from an administrative and end-user perspective.

Results

- A standardized budget and forecasting platform that can easily integrate new hotels as the company continues to grow
- A best-practices approach to planning and budgeting, integrated into the tool so ongoing governance is simpler
- The ability to produce dynamic, detailed reporting and analysis quickly and efficiently
- Streamlined and real time forecast process across all hotels with actuals updated automatically using one standard template
- Information that gives hotel management up to date information at any time and the ability to spot problems in advance providing fast, accurate and flexible reporting as well as ad-hoc analysis
- Vast reduction in the manual steps required for reporting by automating the data integration, calculations and report creation
- Hotel managers/controllers have immediate access to see updated financials on a daily basis by using Excel based templates