

# Focus on Manufacturing

INFOELITE PARTNER DELIVERS PACKAGED BUSINESS INTELLIGENCE SOLUTIONS FOR ACTIVE FINANCIAL PLANNING



With competition heating up throughout the manufacturing industry, many companies are relying on business intelligence technology to improve forecasting, lower inventory levels and increase profits. Important as these activities may be, senior officers at Host Analytics say such business intelligence initiatives are often just the start.

“Most companies have measures they have looked at for years, but they are tactical in nature,” explains James Eberlin, CEO of Host Analytics, an

Information Builders InfoElite partner based in St. Louis, Missouri. “In order to affect positive change, they need to understand the drivers behind those financial indicators and how they are linked throughout the enterprise.”

Host Analytics develops and deploys business intelligence applications for industries such as manufacturing, financial services, and telecommunications. Designed to enhance the business process of management planning, budgeting, forecasting, financial consolidations and performance management, each Host Analytics application is developed on industry-standard databases for extended reporting, analysis and modeling. “We help our customers determine how business drivers are related to key performance indicators (KPIs),” Eberlin explains.

For example, a manufacturing company can establish performance drivers that are linked in order to reach designated financial goals. This is accomplished through operational changes that have a ripple effect throughout the organization. “Measures are linked, which means they have a cause-and-effect relationship,” Eberlin adds.

## SNAPSHOT

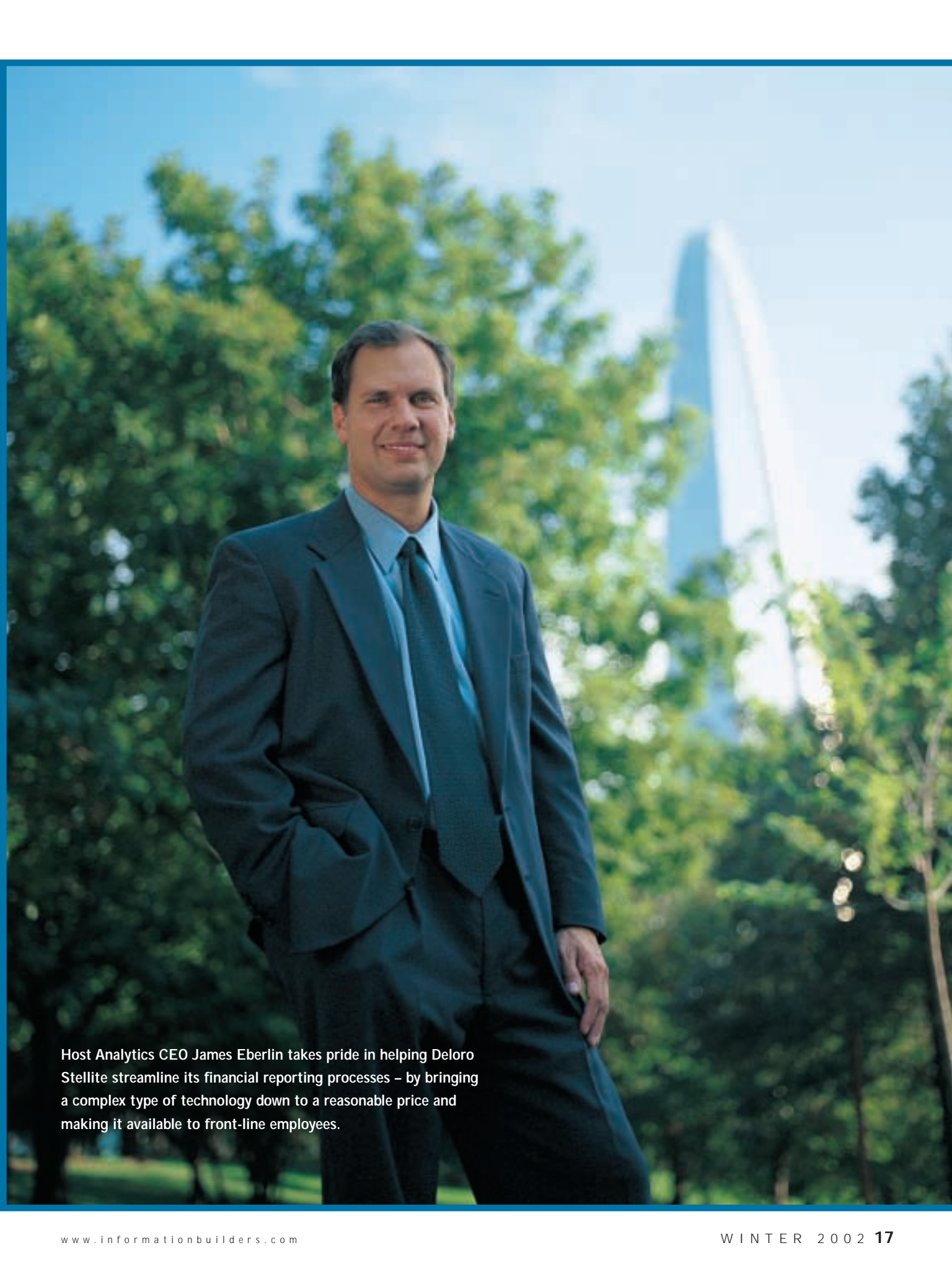
**Organization:** Deloro Stellite Group ([www.stellite.com](http://www.stellite.com)) is a global manufacturer of metal alloy and wear resistant components and consumables

**Challenge:** To enable front line workers to link major business drivers with financial results

**Strategy:** Deloro Stellite is leasing an active financial planning solution from Host Analytics that delivers accurate, consolidated information on demand

**Results:** Greater fiscal responsibility for department managers; a more nimble manufacturing process; the ability to respond more quickly to customers

**Information Builders Solution:** WebFOCUS and iWay, which are embedded in the Host Consolidator solution from Host Analytics



Host Analytics CEO James Eberlin takes pride in helping Deloro Stellite streamline its financial reporting processes – by bringing a complex type of technology down to a reasonable price and making it available to front-line employees.

## Streamlining Financial Reporting at Deloro Stellite

**M**any small and mid-sized firms are turning to Information Builders and its InfoElite partners to assist them with business intelligence initiatives. Deloro Stellite, a global manufacturer of metal alloy and wear resistant components and consumables, is a prime example. Last year, Deloro Stellite enlisted Host Analytics to deploy an integrated reporting system for real-time financial management. "In the past, we didn't have the resources or capabilities to do active management planning," explains Steve Poss, Deloro Stellite's controller.

Deloro Stellite offers custom engineering solutions for wear, abrasion, impact, heat and corrosion, along with a family of



cobalt, nickel and iron-based hard alloys for demanding industrial requirements. Deloro Stellite's precision casting, powder metallurgy, machining, hardfacing, and wrought processes are used to create many types of industrial parts and components at its plants around the world. The company also supplies high-quality welding consumables like wire, rods, electrodes and surfacing powders. Poss used to spend all week gathering and concatenating financial information from plants throughout Europe, Asia and North America. Then he manually entered statistics about transactions, inventories and profits into an Excel spreadsheet in order to detect buying trends and potential sales shortfalls.

### Transforming Data Collection and Analysis

Using its Host Consolidator package, Host Analytics set up monthly performance measures, allowing Poss and other corpo-

rate officers to link major business drivers with financial results. Then, Host Analytics set up a dedicated server at its headquarters and installed an Oracle database that holds only Deloro Stellite's data. Now, managers can quickly obtain accurate, consolidated information and take advantage of Information Builders' WebFOCUS Business Intelligence environment for manipulating and viewing the data.

"The whole financial reporting process is now streamlined and we've made it easy for them to deploy an Active Financial Planning framework in an international environment," says Host Analytics CEO James Eberlin. "We brought a complex type of technology down to a reasonable price and made it available to front-line employees."

Because all financial information now originates from the same source, Deloro Stellite has eliminated the need for human intervention throughout the financial closing process. The benefits are well worth the investment. Managers receive monthly reports roughly two days before its regular board meetings, and they no longer have to guess about who their most profitable customers are or which departments might fall short of revenue goals.

"Host Consolidator enables us to access consolidated financial data via the Internet," says Poss. "The software saves three days each month in the financial closing process, and is more accurate than using spreadsheets. Complex reconciliation procedures that used to take two days to complete are now performed within minutes of closing."

### Worldwide Forecasts

Another key benefit is the translation of foreign currencies to U.S. dollars and vice versa, saving hours of manual conversion. Thanks to the broad reach of Information Builders iWay enterprise integration software, Host Consolidator aggregates information from plants and sales offices worldwide and plugs the data into forecasting reports. Then, using Information Builders WebFOCUS technology, it isolates business goals created by executives and identifies the key accomplishments that will be necessary to reach those goals.

For example, if Deloro Stellite wants to increase revenues in Europe by 50 percent next year, the reports will track the effectiveness of the sales and marketing activities in that region as well as whether there is enough plant capacity to reach the revenue objectives.

The upshot? Deloro Stellite managers can spend more time analyzing information and less time collecting it. Instead of trying to spot inaccuracies manually, they use WebFOCUS to generate electronic reports that use color-coding to reveal problems and opportunities. "We know if one plant is not keeping up with its sales goals by looking at its production and inventory turns," Poss says. "It was hard with the manual system to see problems like this and understand why they were happening." ●

### Solid Foundation

Host Analytics' complete suite of business intelligence applications is built on Information Builders' WebFOCUS Business Intelligence platform.

"Information Builders was the ideal partner because it had the right tools for building the complete cycle of an analytical application," Eberlin says. "They had everything we needed – WebFOCUS for web-based reporting, the Developer Studio for creating forms, and a complete set of extraction, transformation and load (ETL) tools to tap into just about any application or data source that our customers use."

Additionally, because WebFOCUS applications can be easily deployed to a widely dispersed workforce, Host Analytics can roll out its applications to front-line workers in an economical fashion. "Some of our customers have plants all over the world," continues Eberlin. "WebFOCUS uses a thin-client architecture that is quick and easy to implement. It also has the built-in security these companies need to protect sensitive data."

### Options for Customers

Host Analytics software can be delivered through an application service provider (ASP) model or through custom installations at customer sites. As an ASP, Host Analytics absorbs the costs of hardware, software, installation, con-

sulting and training, charging customers a flat monthly subscription fee to use its solutions. "Instead of customizing applications for each customer, we set out to create applications that could be resold and tailored to each installation," Eberlin explains.

WebFOCUS manipulates current financial information using online analytical processing, enabling the company to devise both packaged and custom solutions for management planning, budgeting, forecasting, and performance measurement. According to Information Builders President Gerald D. Cohen, Host Analytics takes responsibility for the technology, data and analysis so its customers can focus on their core business of manufacturing, distributing and selling. "It's a valuable partnership that illustrates the power of business intelligence technology when applied to a specific application domain," he adds. "Sales, financial, accounting and marketing executives use these solutions to make more informed business decisions."

In addition to offering financial reporting solutions, as a value-added reseller, Host Analytics sells software products that bundle technology from Information Builders to streamline processes and create a balanced set of measures to track performance drivers (see sidebar).

"As manufacturing firms establish KPIs, they must understand the performance drivers, not just the financial outcomes," concludes Eberlin. "Our software helps managers and executives understand these drivers and take action on a near-real-time basis." 🌐

## Packaging Business Intelligence

Host Analytics supplies several business intelligence solutions that utilize Information Builders technology:

- \* Host Scorecard is a communication tool that aligns an organization with its corporate strategy. Information on measures and dimensions is recorded and easily retrieved to show how they map back to initiatives, objectives, and strategy.
- \* Host Forecaster provides sales forecasting, and sales analysis reports to be used in the strategic planning process. Statistical and mathematical models are used to analyze trends and create new forecasts. By using Host Forecaster, the product forecasting cycle is reduced dramatically, and information used to make decisions is more accurate.
- \* Host Consolidator provides financial consolidations of multiple entities such as plants and divisions, converts currencies, and provides numerous financial reports, including income statements, balance sheets, cash flow analysis, and others. Reports can be consolidated or users can drill down to a particular entity.
- \* Host Budget streamlines the budgeting process and provides both operational budgets and capital budgets. Several budgets can be maintained and retrieved. Forecasts and budgets can be forced up or down at any level. Host Budget enables management to do "what if" analysis and other important business analysis and reporting.

Host Analytics plans to extend its family of applications for supply-chain management in the coming months by adding packaged activity-based management and equipment maintenance and utilization analysis services and software.



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-James Eberlin,  
CEO, Host Analytics