



Microsoft Dynamics Customer Solution Case Study



DAVID EVANS
AND ASSOCIATES INC.

Overview

Country or Region: United States

Industry: Professional services—
Architectural, engineering, and related
services

Customer Profile

David Evans and Associates is a Portland, Oregon-based engineering and construction management firm with 900 employees and offices in seven states.

Business Situation

The company's accounting and project management systems were not linked, making it difficult to track project and company profitability in real time and prepare invoices on a timely basis.

Solution

The company installed Microsoft Dynamics® SL to gain an integrated view of company operations and better track key project performance metrics.

Benefits

- More strategic management information
- Higher profitability by project
- Greater productivity

ERP Solution Gives Engineering Firm Strategic Insight into Project Costs and Profits

“By having a single source for all this information from disparate data sources, we can be much more strategic in our approach to solving business challenges and charting a course forward.”

Chris Hanson, Accounting Systems Manager, David Evans and Associates

Founded in 1979, David Evans and Associates provides engineering, design, and construction management services for large commercial, residential, and public sector building projects. For years, the company used separate systems for project management and accounting. The lack of integration among its various systems required employees to manually reconcile account information, which extended monthly close times and made it impossible to gain real-time insight into the company's profitability. As David Evans expanded into new markets, executives recognized the need for a fully integrated enterprise resource planning system. After a thorough evaluation process, company leaders selected Microsoft Dynamics® SL based largely on its renowned flexibility and ease of use. Now, the company has an integrated view of operations and benefits from improved profitability and increased productivity.

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Situation

Based in Portland, Oregon, David Evans and Associates specializes in providing engineering consulting and construction planning and management services for large-budget, multiphase projects. The privately held company works with clients in both the public and private sectors in the areas of land development, water resources, transportation, and energy. Founded in 1979, the company now has 900 employees and offices in seven states.

For more than a decade, David Evans relied on multiple, disconnected business systems to handle its project management and accounting needs. Among these systems was an internally developed, DOS-based, cost-accounting application. As the company sought to continue its expansion into new markets and geographies, the limitations of these systems became increasingly apparent. “Over a seven-year period, we grew from around 50 employees to more than 300,” says Chris Hanson, Accounting Systems Manager for David Evans and Associates. “With that kind of growth, the inefficiencies and limitations from using disparate systems became more and more obvious.”

Need for Faster, More Flexible Financial Reporting

In the company’s internally developed accounting system, the accounts payable and accounts receivable subledgers were not linked to the general ledger. Moreover, the company’s accounting system was not integrated with its financial reporting system. As a result, accounting staff had to transfer cost and billing information from one system to another and then adjust the general ledger by hand. Staff members then had to format accounting information in standalone spreadsheets to prepare it for entry into the financial reporting system. Double entry, coupled with the need to continuously verify information that had been manually moved

from one system to another, meant substantial delays in processing invoices and generating monthly financial statements.

In addition to faster processing of accounting and financial information, David Evans needed more flexibility in generating financial reporting. “Our clients run the gamut from small and medium-sized private companies to large public entities,” says Hanson. “And they all have different requirements for reporting costs and project status details to their stakeholders.” But with its set of systems, the company lacked the ability to cost-efficiently tailor project documentation to meet individual client needs.

Difficulty Tracking Project Profitability

Compounding this problem, the company tracked project activities and accounting information in separate systems, making it practically impossible to view current project cost information to compare it against estimates. Project managers updated project information, including material and labor costs in one system. Accounting staff would access this information and reenter it into the company’s accounting system to generate accounts payable records. “Because of all of the data entry and reconciling of information between these systems, it could take up to a month before we got a handle on accounts payable obligations for a given project,” says Hanson. “And while our accounting system tracked direct costs, we had to calculate overhead costs outside of the system, which meant that we really had no clear and current view into project profitability.”

In addition, as the company expanded, it became more difficult to track comparable projects managed by offices in different locations or efficiently allocate resources among the different offices.

Recognizing the need to replace the company’s homegrown accounting system,

executives at David Evans began searching for a business management solution that offered integrated project management and accounting, powerful reporting and analytics, and the flexibility to support future business growth.

Solution

After a thorough market search, company leaders selected Microsoft Dynamics® SL to replace its end of life accounting and financial management software, working with Microsoft® Gold Certified Partner VAR2 to complete the implementation. The company chose the solution based on its reputation for combining a comprehensive set of accounting, financial management, and reporting capabilities with innovative and customizable project management tools.

Selection Process

In addition to a comprehensive feature set, flexibility and ease of use were important considerations in the selection process. The company looked at a number of engineering consulting specialty systems, including Deltek, as part of its search. But as Hanson explains, “The ability to easily modify screens and customize reports—basically to tailor the system to our needs as a company at a given time—was ultimately a big part of what sold us on Microsoft Dynamics SL.”

Ease of use was also a priority. This criterion was especially important for David Evans at the time because the company was hiring large numbers of new staff to accommodate steady growth. Moreover, seasoned staff members, including the core of the company’s field-based project management team, were accustomed to the company’s former technology. “Training time and adoption were definitely concerns,” notes Hanson. “Because Microsoft Dynamics SL is as easy and intuitive to use as Microsoft Office Outlook® or any other application in

the Microsoft Office system, we knew our people would learn the system quickly.”

Tailored Project Reporting

David Evans takes advantage of the flexibility of the solution to tailor project status reports based on their clients’ specific reporting requirements. By using Crystal Reports in Microsoft Dynamics SL, the company can refine data filtering and sorting to modify the form and content of existing reports or use the built-in tools to create new report templates. “Recently, we provided a custom report for one of our larger public sector clients that included the original budgeted cost for the project and an accounting of all the work we had done on a percentage-complete basis for each project activity,” says Hanson. Because all of the information in the report was connected to invoice data in the system, David Evans was able to quickly provide additional supporting documentation to address specific client questions. “Our client was extremely impressed with the amount of information we could track and report on,” says Hanson. “Since the reporting we provided was so detailed and precise, they found it very useful for their own budgeting and planning.”

Integrated View of Project Costs

“As a consulting company, time is our only real commodity,” says Hanson. “So, we need the ability to closely measure how we bill our time and be able to drill down into that information based on a number of dimensions, including sector, industry, and region.” With the standard reporting functionality in the system, line-of-business managers and company executives can view consolidated information on a range of business activities by office and project. By using the Business Information Optimization (BIO®) module in Microsoft Dynamics SL, company leaders can then pivot on this data for a more granular view of operations, analyzing historic loss leaders, activities that

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tend to cut into profit margins, and other critical business trends. The company is currently using these tools to evaluate its cost structures across geographies and business units as part of a longer-term, strategic reorganization initiative.

Benefits

With its integrated project management and accounting solution, David Evans has improved profitability by project, honed its resource allocation capabilities, increased project manager productivity, and realized a high degree of operational flexibility.

More Strategic Management Information

David Evans is currently conducting a strategic review of operations to optimize its organizational structure, reduce costs, and maximize efficiency. By using analytics and reporting tools in Microsoft Dynamic SL, the company is examining the profitability of projects across business units, geographies, and a range of other factors to determine if a new organizational model will be more cost efficient. Company leaders see this as a high-value initiative that will help strengthen the company's competitive position in a rapidly changing industry. “The key to making this all work is that everything we do—every hour we bill, every check we write, all of our capital asset depreciation—is all stored in a single system,” says Hanson. “By having a single source for all this information from disparate data sources, we can be much more strategic in our approach to solving business challenges and charting a course forward.”

Higher Profitability by Project

With Microsoft Dynamics SL, David Evans has maximized the profitability of each project it undertakes. Because it integrates accounting and financial reporting with project management functions, it gives company leaders real-time access to cost and revenue information on a range of dimensions. This lets executives clearly identify and compare

the most profitable business activities and take action to reduce costs wherever possible. “Microsoft Dynamics SL has helped us get a better handle on costs and gives us a clear view into profitability trends for certain project types,” says Hanson. “This visibility has helped us protect our margins so that we can maximize profitability on each project.”

Greater Productivity

David Evans has experienced substantial gains in productivity in several key departments since the company implemented the solution. Although the company has increased its total number of employees to keep pace with growing demand for its services over the last several years, hiring levels in the company's accounting and project management departments have remained relatively flat by comparison. In addition, staff retention in these areas has improved. Without the need to spend several hours each week reentering data in the accounting system and manually creating reports in standalone spreadsheets, staff can focus on value-added tasks, such as generating custom status reports to meet customer requests. And by using the intuitive and comprehensive toolset in the system, project managers can quickly locate the information they need to make better decisions in the field. “Because Microsoft Dynamics SL is so easy to use, people across our organization are better equipped to do their jobs,” says Hanson.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

www.microsoft.com

For more information about David Evans and Associates products and services, call (800) 721-1916 or visit the Web site at:

www.deainc.com

For more information about VAR 2 products and services, call (800) 352-9848 or visit the Web site at:

www.VAR2.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

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