



Microsoft Dynamics Customer Solution Case Study



Engineering Firm Doubles Revenue, Limits Overhead with Project Management Solution

Overview

Country or Region: United States

Industry: Construction—Specialty trade contractors

Customer Profile

Comprised of 225 employees and contractors, Commonwealth Engineering and Construction provides engineering and construction management services and engineering design for the refining and chemical process industries.

Business Situation

Commonwealth needed to centralize business information, improve accountability, and expand its business, without adding additional overhead.

Solution

The company worked with Microsoft® Gold Certified Partner New Vision Consulting Group and deployed Microsoft Dynamics® SL for project management and accounting, timesheet entry, billing, purchase order processing, and requisition management.

Benefits

- Streamline operations
- Enable cost-effective growth
- Gain insight into operations
- Improve customer service

“The beauty of Microsoft Dynamics SL is that it is both simple and sophisticated. It’s easy to use, and it can meet our most complex business concerns with minimal customization.”

Sandy Burckle, Controller, Commonwealth Engineering and Construction

Based in Houston, Texas, Commonwealth Engineering and Construction provides engineering and construction management services for the refining and chemical process industries. With the goals of driving operational efficiencies and enabling cost-effective growth, the company chose to centralize project management and accounting. Commonwealth turned to Microsoft® Gold Certified Partner New Vision Consulting Group to deploy Microsoft Dynamics® SL. Now, the company enjoys standardized project management and enhanced business intelligence and reporting, which improves company accountability and visibility into project data. In addition, easy access to detailed business information has helped Commonwealth provide better service to customers and avoid adding additional overhead during a period in which the company more than doubled its revenue.



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Situation

Based in Houston, Texas, Commonwealth Engineering and Construction provides engineering and construction management services and engineering design for the refining and chemical process industries. The company has experienced rapid personnel growth over the past five years—extending its workforce to more than 225 people to meet increasing demand for the company’s services.

As a result, Commonwealth sought to diversify and expand its client base by establishing an infrastructure that would both demonstrate the company’s ability to take on larger projects and enable the company to grow, without additional overhead.

“Young companies lack the immediate credibility granted to more established firms,” says Sandy Burckle, Controller at Commonwealth Engineering and Construction. “So, to compete, we need to keep our overhead costs lower than some of the more established companies in the industry.”

The company’s reliance on multiple business systems hindered its ability to effectively scale. To manage finances, the company relied on Intuit QuickBooks and spreadsheets for reporting. Consequently, it took approximately 10 days to close the financial books at the end of each month.

For project management, employees entered hours, projects, and roles into a Replicon timekeeping system. But, because employees did not record their labor rates in the system, timesheets had to be imported to spreadsheets, and then sent to invoicing staff and an outsourced payroll service. “Because we relied on a series of spreadsheets for timesheets and billings, we had to spend an inordinate amount of time verifying the data

to confirm that all the hours that were costed matched the hours that were billed.”

“Any time you’re in different systems, there is going to be an increased data integrity risk that leads to additional time spent reverifying the data to ensure accuracy in reporting and billing,” explains Burckle.

With aspirations to increase accountability and establish a foundation for growth, Commonwealth made the decision to centralize business information and standardize internal processes. To do so, the company decided to implement an enterprise resource planning (ERP) system that could handle project accounting, while still enabling office staff to handle an increasing workload with ease.

Solution

Burckle evaluated several ERP solutions, but it ultimately came down to a decision between Deltek Vision and Microsoft Dynamics® SL. Says Burckle, “We chose Microsoft Dynamics SL because it offered the best solution out-of-the-box. And, with ongoing support from Microsoft and a local Microsoft® Gold Certified Partner, we knew we could rely on the solution for a long time.”

Deployment

To implement Microsoft Dynamics SL, Commonwealth called on the expertise of Microsoft Gold Certified Partner New Vision Consulting Group. Says Burckle, “I’ve worked with other ERP systems, and Microsoft Dynamics SL was by far the easiest to deploy.” New Vision Consulting began the implementation in mid-January and had the majority of the planned modules up and running the first week of April.

Commonwealth uses Microsoft Dynamics SL across diverse business roles, including accounting, human resources, and project management. To gain a high degree of insight

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into projects, the company created almost 2,000 customized project task codes that can be used to track anything from details regarding equipment purchases generated in purchasing to activities employees use to track time charged to projects on Microsoft Dynamics SL timesheets.

Commonwealth also deployed Business Portal for Microsoft Dynamics SL, enabling all 225 employees to enter timesheet and expense report information to Microsoft Dynamics SL through the Internet. In place of developing a custom intranet, the company is utilizing Business Portal as the company intranet solution. Since everyone logs into Business Portal to enter time and expenses, they automatically see the home page for company relevant data and links to other sources of information.

Commonwealth was initially attracted to the flexible, out-of-the-box feature set of Microsoft Dynamics SL. Soon after implementation, the company found that the extensibility of the solution helped them meet increasing business needs. The company deployed third-party, add-on software, including modules for fixed assets, positive pay, and an audit utility. Commonwealth also deployed Microsoft Office SharePoint® Server 2007 to formalize document management and online sharing throughout the company.

Project Management

For each project, Commonwealth defines billing formats, identifies employees who can charge time, and establishes a set of unique project tasks. Flexible project billing in Microsoft Dynamics SL enables Commonwealth to create varied contract billing types and billing rules with step-up multipliers. The company can also tailor invoices—by providing different layouts and varied invoice frequencies—to meet clients’ needs.

The company also uses Microsoft Dynamics SL to create requests for quotations and to track purchase orders. When providing construction management services, Commonwealth creates a requisition in Microsoft Dynamics SL, prints and reviews it with the client, and then generates a purchase order from the same information, without completing a financial transaction for Commonwealth. “With Microsoft Dynamics SL, we can track our clients’ costs without affecting our own company’s financials,” says Burckle. “Financially, we can identify activities that are significant to us from those that are most significant to our clients.”

Business Intelligence and Reporting

With access to comprehensive project data, cost analysts can perform reporting and comparative analysis for actual spending, commitment tracking, budgeting, and revised forecasts. Because employees provide details on labor hours—such as role, project, and a customized project task code—management achieves insight into projects in varying degrees of detail and can report costs at the transactional level. This level of detail is also available to project managers who need to scope work, which benefits clients as well. Explains Burckle, “When we create a project estimate, we can simplify the information in terms of summarized activities. Then, as the project moves forward and the client requests more information, we have the flexibility to provide detailed activity reports.”

Commonwealth uses Crystal Reports and Microsoft FRx® to tailor preexisting reports and develop new reports in Microsoft Dynamics SL. In addition, the company has created an overtime exception report, which payroll staff reviews before downloading payroll information from Microsoft Dynamics SL and sending it to an outsourced payroll company.

Project information is easily managed through the familiar user interface of Microsoft Dynamics SL.

Benefits

Commonwealth has achieved its vision of cost-effective growth and increased accountability to clients. Burckle notes that Microsoft Dynamics SL has helped the company work towards gaining a competitive advantage, demonstrating to clients the company's commitment to quality, efficiency, and internal controls.

Says Burckle, "The beauty of Microsoft Dynamics SL is that it is both simple and sophisticated. It's easy to use, and it can meet our most complex business concerns with minimal customization."

Streamline Operations

Commonwealth has centralized all financial information, including billings, purchase orders, and time and expenses—even indirect costs—through Microsoft Dynamics SL. Says Burckle, "By consolidating all our information into a single system and by giving everyone—including direct and third-party contractors—access to the system, we were able to put standards and processes in place."

Eliminating the need for data reentry and providing up-to-date financial data, Microsoft Dynamics SL has helped accountants close the financial books in 5 days—compared to 10 days before deploying the solution. In

addition, the hours collected in the system are uploaded directly to their outsourced payroll service, eliminating the need to rekey the hours. The general ledger files created with each payroll from their outsourced payroll provider are now imported directly into Microsoft Dynamics SL.

Enable Cost-Effective Growth

By centralizing information, which enabled the company to formalize business processes, Commonwealth has set a foundation for growth with Microsoft Dynamics SL. Growing from 100 to 225 people and increasing revenue more than 200 percent each of the past two years, Commonwealth hired engineers and designers, without adding additional overhead.

"Now, we perform more office work with the same office staff, and our capabilities have expanded," says Burckle. "For instance, our invoices are not just for time and materials. We can do multiplier billings as well—and still just one person is performing the task. If we had stayed with our other systems and processes, we would have absolutely had to increase staff to offer that."

The screenshot displays the Microsoft Dynamics SL Project Administration window for a project named "DH Project". The interface is organized into several sections:

- Project Information:** Includes fields for Company ID (100), Start/End Date (6/2/2007), Contract (A407025), and PD Number (22605).
- Task Information:** Shows Task ID (1000), Description (Create Expense), and various codes like EIR Currency Code (USD) and EIR Currency Rate (1.00).
- Resource Information:** Lists Resource ID (1000), Resource Name (John F. Aulrey), and other details.
- Settings and Controls:** Includes checkboxes for "Resource Assignment Required to Charge Tasks" and "SL Subaccount", a "State Flag" dropdown set to "Active", and a "Project Controller" dropdown set to "Active".
- Buttons:** A vertical column of buttons on the right side includes "Billing Information...", "Project Information...", "Revenue History Setup...", "Agreements...", and "Project Accounts..."

Gain Insight into Operations

Using Microsoft Dynamics SL, employees are no longer spending their time validating or reconciling information from different sources. Says Burckle, “Now, we can ask the bigger questions like, ‘Why was a certain amount charged for a job?’ or ‘How can I track charges across disciplines?’ We can ensure that the right people are set up to charge the project and that they are charging the appropriate activity codes.”

Accountants and managers can now quickly generate highly detailed reports to analyze data. “Microsoft Dynamics SL helps us get the data that we need and provides us with a higher level of efficiency in producing our reports and data—all without adding staff or significant cost to our current infrastructure,” says Burckle.

Improve Customer Service

Commonwealth staff gains trust in the information in Microsoft Dynamics SL that they work with every day. Such a benefit extends to clients as well. The ability to

invoice and create supporting reports directly from Microsoft Dynamics SL enables the company to invoice customers on a flexible schedule and provide those invoices quicker. In addition, the high level of detail that Commonwealth can now associate to projects means that the company can create more reports tailored specifically for its clients.

With the ability to efficiently track both company and client costs, Commonwealth can provide total-cost analyses and more accurate estimates to its clients. In future work, the company aspires to use historic project information recorded in Microsoft Dynamics SL to further increase the accuracy of bids and estimates. With Microsoft Dynamics SL in place, Commonwealth has achieved a foundation to improve customer satisfaction, attract new business, and, ultimately, expand and diversify as a company.

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 Commonwealth Engineering and Construction products and services, call (713) 979-2333 or visit the Web site at: www.teamcec.com

For more information about New Vision Consulting Group products and services, call (888) 776-3040 or visit the Web site at: www.nvcgi.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.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Software and Services

- Microsoft Dynamics
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- Microsoft FRx
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Partners

- New Vision Consulting Group