Profitability Increases by 2.5 Percent with the Implementation of Microsoft Business Solutions Project Accounting–Solomon
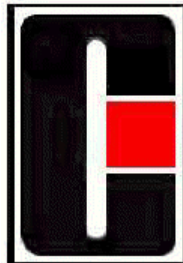
> "The architecture of Microsoft Business Solutions Project Accounting has been a big, big, plus for the Cleveland Group."
>
> **Betty Browning**
> *Vice President of Strategic Improvement*
> *The Cleveland Group*

The Cleveland Group, a family-owned company, started in 1925 and operates in most of the 50 states. Headquartered in Atlanta, Georgia they also operate temporary branch offices based on the current job load.

The company is a leading commercial and industrial contractor of electrical, mechanical, and datacom services. They have approximately 700 employees; 250 office workers and the remainder field staff. Annual revenue of the company is $200 million (USD).

Prior to implementation of Microsoft Project Accounting, it was common for the Cleveland Group to have communication problems with distant branch locations. "It was very slow getting information to users," says Betty Browning, vice president of strategic improvement. "It was often historical data by the time it reached the person who needed it."

CUSTOMER PROFILE	BUSINESS SITUATION	SOLUTION	BENEFITS
The Cleveland Group is headquartered in Atlanta, Georgia, and is licensed in almost all of the 50 states. With 700 employees, they have annual revenues of $200 million. They specialize in electrical work and general contracting for schools and airports.	Prior to implementation of Microsoft Business Solutions Project Accounting, The Cleveland Group was using a 15 year-old COBOL- based system. The system was a "dead-end" system—impossible to improve or upgrade. It was slow to get information to users and it lacked an open architecture.	The Cleveland Group implemented Microsoft Business Solutions Project Accounting and utilizes it for project management, automated accounting, and simplified reports.	▪ Faster closing ▪ Increased profit margin ▪ Customized reports ▪ Real-time information ▪ Improvements to accounts payable ▪ Reduced paperwork ▪ Advanced payroll

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Situation

Prior to implementation of Microsoft Business Solutions Project Accounting, the Cleveland Group was using a 15-year old COBOL-based system, MAI was the software package used. "Or as I like to refer to it, MIA, because a lot of time it was *missing-in-action*; it didn't fulfill the company's needs," says Browning. "There were a lot of conflicts with concurrent processing. People couldn't run processes at the same time without locking up the system."

Running reports and keeping the system updated was expensive on the outdated, proprietary system. Since it lacked a data base, accounting reports were printed off monthly and all the information was wiped out of the system at the end of the year. When employees wanted to save documents, they had to be saved either on disks or as hard copy.

According to Browning the previous system was a "dead-end" system—it was impossible to improve or upgrade. The system lacked an open architecture and was slow to get information to users. "It was historical data by the time it got to them," says Browning. "People couldn't react to the data because it was just too slow."

Solution

The Cleveland Group implemented Microsoft Business Solutions Project Accounting on a Microsoft SQL Server. Modules implemented include Financial Management, Supply Chain Management, Customization Tools, Project Management, and Advanced Payroll.

The architecture of the new solution is a huge plus because of its exceptional integration with Microsoft Windows. Reports are easy to access, and information can be readily imported and manipulated.

Implementation of Microsoft Business Solutions Project Accounting has increased the standardization of processes for the company. It has encouraged project managers to implement a budget and to stick to it. This has helped to increase profit margin by 2.5 percent for the Cleveland Group.

Project managers often take laptops into the field for instant access to information. Doing so enables them to keep close tabs on the inflows and outflows of project budgets. By analyzing expense reports for materials and labor, they can easily see if they are on track to make a profit, or to lose money.

Furnishing supervisors with reports and meeting with them once a month allows the entire chain of command to be kept informed of project status.

Benefits

Implementation of Microsoft Project Accounting has provided significant benefits to the Cleveland Group. Benefits include:

Faster closing
With the previous system, the Cleveland Group took three weeks for month end closing. After implementing Microsoft Business Solutions, they are able to close in one week.

Increased profit margin
Microsoft Project Accounting has given the Cleveland Group a new benchmark for profitability. With real-time information available, it is easy for project managers to see where they are in relationship to the project budget. Utilizing this solution has helped the company increase their profit margin.

Real-time information
Reports are now online and instantaneous. Project managers are able to watch for

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information on profit margins on the job in real-time, customized reports. Compiling 4-5 reports and comparing current labor costs to those projected in the original budget has helped them to see immediately when something is "off kilter".

Improved accounts payable

Since implementing Microsoft Project Accounting, payment controls are now in place to flag payments to subcontractors who have not furnished documentation of insurance coverage. Payments to these subcontractors are denied pending proof of insurance.

Another flag in the system notifies project managers when the accounts payable portion of the budget is more than those in the purchasing screen for the same items.

Reduced paperwork

Automations in accounting have resulted in the reduction of one in accounting staff. Prior to implementation of Microsoft Project Accounting, paper copies were made of invoices and other documents.

After implementation, paperless invoicing and the use of electronic signatures have significantly reduced paperwork. Documents now move through the system quickly and easily.

Advanced payroll system

The Cleveland Group is a union shop. Since the implementation of Microsoft Project Accounting, information from payroll flows immediately into the accounting system. This enables project managers to see the number of labor hours on a job as soon as the checks are cut. This further enables projects to stay "on-budget".

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