Enterprise Warehouse Solutions Vendor

When this software developer acquired a services company, they needed new tools and accounting systems to help merge and manage the two businesses. Critical processes for billing, expensing and maintenance renewals had to be integrated with time and expense reporting for professional services, product development, and customer support Softrax provided an integrated financial infrastructure that resulted in productivity improvements throughout the company and unprecedented control over project profitability.

THE COMPANY

This international company delivers software and solutions to optimize the performance of enterprise supply chains. Leveraging 25 years of experience in delivering warehouse solutions and an in-depth understanding of enterprise resource planning (ERP) systems, they have successfully provided solutions to Fortune 100 customers around the world.

THE CHALLENGE

This company was using a variety of stand-alone accounting tools to manage its software and services business. There were several databases in use to extract time and expense data from contracting systems, which was then re-keyed into the enterprise accounting system to generate invoices. There were multiple data entry points and no flow of data from one organization to another. As a result, there was little insight into realization rates or project profitability.

When they acquired an ERP implementation services company with its own set of disconnected professional services tools and spreadsheets, the inefficiencies were magnified and the need for an integrated, scalable solution became urgent.

"The tools we were using in most departments were inadequate," said the company's Controller. "We had no integration between the project and services sides of the business. We had an expense system that didn't integrate with any other tools. We had a contracting system that captured time against projects, but didn't talk to anything else."

THE REQUIREMENTS

The company needed to automate and streamline processes across multiple departments. Professional services required a more sophisticated way to manage engagements, track progress and staffing levels, and provide management controls for time entry, expensing, and billing. Product development wanted a tool to manage their projects, and customer support needed a centralized repository for capturing time against maintenance contracts.

The top priorities of finance were to automate billing, maintenance renewals, and reporting at the project level. As the Controller explained, "From a finance perspective, we were looking for something that would integrate the project and services sides of our business. And we needed the ability to answer key questions: Is all billable time getting into the system correctly? Is everything getting billed? And, is each engagement on track to be profitable?"

THE SOLUTION

The company considered a number of applications, but found that most of them would meet the requirements of only one department at the expense of the others. According to the Controller, "Of all the products we reviewed the combination of Softrax revenue management and PSA solutions offered the greatest company-wide benefit. Efficiencies and improvements were made in all of our departments."

Softrax PSA now provides sophisticated engagement management for professional services and serves as the project management tool for product development. It is seamlessly integrated with automated billing, revenue management, and renewals processes. Softrax Financials handles the general ledger and Softrax Inform provides access to authorized personnel throughout the company.

THE BENEFITS

According to the Controller, "From a finance perspective, everything has been streamlined extremely well. To handle billing with the old systems, we were re-keying all of the data two or three times. Expense reimbursement data had to be re-keyed three or four times. With Softrax, everything just flows through an approval process and the invoices and vouchers are done."

They have also seen big improvements in reporting at the project level. Prior to this, it was difficult to get true data about how much time was being logged to a project. Now project managers can control how much time is logged and approve which tasks are billed. Finance can look in the system and review the process. There are reports for unbilled time, unbilled expenses, so executives can see which project managers have done their billing. "With Softrax, we have much greater insight into each project at the P&L level. We can even determine realization rates, which is a more important calculation to us than utilization because it represents the percentage of effort that's actually being billed to the customer."

For the project managers, there are significant efficiencies around staffing levels. "Now they can look into the system to see who is busy on which tasks, and who is available. In the past, that information would have been tracked in multiple spreadsheets and not shared across the network."

"At the executive level we have a lot more control over the business. In the past our systems couldn't tell us definitively whether or not a maintenance contract was profitable. Now that each contract is set up as an engagement in Softrax, it's easy to see how much time is being expended and what's billed, so we can renegotiate the service level if necessary."

The customer support group uses the Softrax system as the central record-keeping repository for contact and product information. When a customer calls for help, support can see what's on site and can log time against the customer's maintenance contract. "Having one central storage point for all of our customer data is a huge benefit for everyone. Before this, if I needed to know who to contact at a particular site, or what they had installed, I got a different answer from every person I asked. Softrax gives us a single source for that information and everyone sees the same thing."

"With Softrax, we now know how many hours are being logged for each maintenance account so we can determine which contracts are profitable."

—Controller

"For the finance group Softrax has been tremendous. Everything just flows through an automated process and it's done. We now have the time and capability to really analyze the business and improve revenue performance."

—Controller

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