

Gaining Agility to Scale Up and Down with Market Changes

European Paving Designs Inc.

Challenges

Gaining Agility to Scale Up and Down with Market Changes

Founded in 1980, European Paving Designs Inc. (EPD) installs concrete pavers for commercial entities across Northern California. More than a dozen years ago, the company was an early adopter of cloud-based financial management software when its finance team had the foresight to replace QuickBooks and paper-based processes with Sage Intacct.

"We wanted to be more forward-thinking with technology than other construction organizations because we knew the cloud would help all of our remote field workers communicate seamlessly," commented Robyn Cerutti, chief operating officer at European Paving Designs. "When I saw our first demo of Sage Intacct, I was thrilled with how it could free up management time to focus on expanding market share. We appreciated that it was flexible enough to adapt to our business' evolving needs, and that the software would be constantly updated without requiring huge migrations or any IT maintenance on our part."

Since adopting Sage Intacct, EPD has weathered many changes in its industry and emerged stronger than ever. In fact, the company was recently named one of Silicon Valley's fastest growing companies for three years running. The business has grown revenues over 400% in the past five years without increasing finance team overhead—thanks to the power of Sage Intacct.

Solutions

Improving Accountability through Operational Visibility

The company enjoys Sage Intacct's robust reporting capabilities, which track operational and financial metrics through dimensions. EPD users can tag individual time entries or transactions with specific projects, clients, job numbers, market sectors, or employees, and then filter, group, and organize the company's financial data accordingly. This detailed intelligence and the system's role-based dashboards help everyone stay accountable to their own KPIs and make more informed decisions for the organization.

"Sage Intacct keeps us from getting lost in the day-to-day minutia of accounting and supports every part of our business, which allows us to focus on our core competencies and on serving our customers," said Cerutti. "We have the visibility we need to explore our service sectors on the fly, and review the various types of work we do in the commercial market vs. public works. Since we can slice and dice revenue and expenses across all of the sectors we're in, we're able to see where we have deeper penetration and understand our gross margins. This makes it easier for managers to decide which new projects to take on in order to strike the right balance."



Company Overview

European Paving Designs Inc. (EPD) builds and services unique, artistic, and highly technical commercial unit paving systems. The organization's unparalleled expertise and innovative spirit has allowed it to collaborate with highly respected architects, owners, contractors, and facility managers on commissions such as the AT&T Ballpark, DeYoung Museum, Google headquarters, and UCSF Benioff Children's Hospital.

Executive Summary

Previous Software:

- QuickBooks

Results with Sage Intacct:

- Managed 400% growth over 5 years while keeping finance overhead flat
- Gained operational visibility to support decision-making
- Responded more quickly to market changes through timely financial insight
- Shortened financial close by 2/3

Results

Leveraging Project Insight to Improve Profit Margins

As a project-based services business, 90 percent of EPD's employees are out on job sites, so it is important that they can enter their time sheets from anywhere. And since the company is typically managing 100 or so simultaneous projects at any given time, it's also important for managers to have transparency into billable hours. Sage Intacct makes it painless for employees to enter their time and expense data, and sends managers instant alerts when they need to review and approve those reports.

EPD's project managers have Sage Intacct dashboards that help them monitor project progress and profitability, including work breakdown schedules and project actuals to estimates. They display operational KPIs for each phase of every project—such as the length of time from when EPD gets a contract in to when it is reviewed and back out to the client—which help ensure that key milestones in the quote-to-cash and project delivery processes are reached. Cerutti shared, "We live and breathe by the number of labor hours on our projects, and it's great to have this information always available. In fact, we once had a new director of project management join us from the largest landscape company in the country, and he was blown away that he could see people's hours in real-time, right from his Sage Intacct dashboard, without having to wait weeks for someone to send him the data."

Sage Intacct's project accounting software also helps EPD reduce revenue leakage that can happen when clients make change requests. By closely managing unplanned change orders, the company ensures all billable hours are captured. "In our industry, if you're in the field and the client tells you to do something, you can't wait for a change order to be signed, you just have to do it—especially when the request is safety-related," noted Cerutti. "One of the KPIs our project managers track in Sage Intacct is the time from when a change happens on a client site, to when the official order for that work gets added to their contract in our system. In this way, we make sure that work is accounted for in a timely and accurate manner."

“Sage Intacct helped us be nimble and survive the recession by allowing us to monitor the health of our business and recalibrate to address market conditions. We could see that the commercial sector was drying up, and were able to not only shift our focus to the public sector, but also quickly reconfigure operations in order to deal with lower margins. As soon as the market recovered, we were able to refocus on commercial markets and scale back up rapidly.”



Robyn Cerutti,
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