

The Next Generation Business Management Solution for Service and Specialty Contractors

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Introduction

Regardless of which segment of the construction industry you're in, having the right technology solutions to manage your business is critical to surviving and thriving through shifting market conditions. Contractors depend on business management solutions for the core accounting and construction-specific workflows they need for day-to-day operations and strategic planning. Many specialty contractors have additional requirements to manage and balance construction and service operations.

However, many contractors are relying on technology and software solutions that haven't grown with their business requirements and demands. While these solutions may have met their needs a few years ago, they're no longer sufficient to help the company grow. If you're in business to stay in business, you need to periodically reassess how well the technology solutions you have are performing. Are these solutions helping your company to thrive, or are they constraining productivity, efficiency and growth?

This paper examines the benefits of taking a strategic approach to technology and business management solutions. We discuss some of the problems that service and specialty contractors face, and how more integrated construction solutions can help them to achieve process and resource efficiencies, trim costs and operate more competitively. We look at how Sage has combined its deep construction expertise, new technologies and extensive input from service and specialty contractors and business partners to build Sage Timberline Enterprise—a new, more powerful and integrated construction solution to help companies move ahead. Throughout the paper, we show how service and specialty contractors are beginning to use Sage Timberline Enterprise to take their businesses to a new level of efficiency and productivity.

Section 1: Taking a Strategic Approach in Today's Environment

Having the right technology solutions to manage the business is just as important as having the right tools for the job. Being able to quickly see where projects are in terms of labor, materials, costs, deadlines and potential changes is critical to making good decisions. Armed with the right information, at the right time, you can operate more efficiently and profitably in order to prevent small problems from becoming big ones.

But many service and specialty contractors are relying on technology and software solutions that haven't grown with their business requirements. They stick with a solution even after they've outgrown it, making up for shortcomings with inefficient, time-consuming workarounds. While this tack may satisfy day-to-day needs, it doesn't provide the agility needed to get ahead of the curve and operate more profitably. Evidence of this problem can surface in several ways, including:

- Wasting time entering data twice, because one system doesn't talk to another.
- Lost time and productivity because field personnel can't enter hours, check inventory or complete work orders from a job site.



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- Spending too much time on work-arounds to complete a task, such as keeping track of multiple inventories, allocating and dispatching service personnel, or setting up a piece of equipment in the system.
- Difficulty getting a real-time view into operations, leading to cumbersome and time-consuming efforts to generate accurate reports.

Examining whether your current solution can provide the visibility and agility required to sustain and grow your company is essential. Although it may be tempting to clamp down on new spending in a tough economy, planning ahead and investing in new solutions can provide big returns as the economy turns the corner.

That's the conclusion that Dave Wright, Vice President and CFO at Hunter-Davisson, an 80-person commercial HVAC design-build and service firm, came to. Like many HVAC firms, Hunter-Davisson's biggest challenges today are to gain new, profitable business clients and run its services operations more efficiently. But Wright also sees this challenge as "an opportunity to harness technology to become as efficient as possible. Time is money, and we need to do more with less." While the software they've been using for seven years has sufficed, "it's no longer good enough to help them get better." So Hunter-Davisson is using the extra capacity it has now to support future growth. "We have the time to do a gap analysis, identify problems and what we need in a new solution, and get people trained. There's always pain in making any transition, but three to six months down the road, there will be big improvements and paybacks from Sage Timberline Enterprise."

By strategically applying technology to automate and streamline business processes and service operations, contractors can reap efficiencies and productivity that can set the business apart with superior products and services.

Section 2: Assessing the Need for a New Business Management Solution

Some of the key areas that should be evaluated in this type of assessment include:

- **Functionality.** Your business has probably grown and changed over the years, but have your solutions grown and changed with it? For instance, in a small company, a simple dispatch system may suffice. As the business grows, it requires more flexible and sophisticated tools to efficiently allocate and dispatch resources and optimize productivity. Think not only about the functionality you need today, but what's needed to cultivate new business in the future.
- **Scalability.** Having a technology infrastructure that is flexible to quickly meet new or changing demands is paramount in a cyclical industry. Can you easily add, change or remove users as labor requirements change? Can you increase the database size as transaction volumes grow, or compliance issues arise, without disrupting the business? How about adding new modules to support operations?
- **Integration.** Is the information in one module easy to get to from another, or do you have "silos" of information that don't easily talk to each other? Many companies spend too much time doing the same task repetitively—entering the same data in different places. Or it may take too many clicks

"Contractors measure return-on-investment (ROI) by productivity in the field. Investing now to improve productivity will provide a bigger return than ever before."
 – John Keaton, President,
 Skyline Business Systems

"Time is money, and we need to do more with less." -- Dave Wright, Vice President and CFO, Hunter-Davisson



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to navigate from module to module to create a purchase or work order. Not only does this waste time, it increases the chances that data will be inconsistent and error-prone. As a result, someone must spend time to reconcile errors and differences. Worse yet, some companies cobble together different software packages creating multiple silos of data and an environment which is much more expensive and less efficient than an integrated solution.

- **Data visibility, interaction and reporting.** Having accurate information about costs, potential changes, labor, materials and projects at your fingertips provides the insight to run projects and make solid decisions. Can you quickly and easily access information about a particular process or job, and make adjustments on the fly? Do you have a clear view of what's going on, or do you have to spend a lot of time manually pulling information together?
- **Communication and collaboration.** How easy or difficult is it for people in different departments and in the field to access, input and share information when they need to? Does the system make it simple to track information changes and updates, or are you doing this in a manual, one-off way? When people can access and input information themselves, it boosts productivity and efficiency.

Each company's assessment will yield different conclusions. Some will determine that their current solution is working fine, or can be upgraded and enhanced to give them the headroom they need. However, others will realize that gaps in functionality, integration, reporting capabilities or other areas are stifling productivity and constraining the business.

Rodger Cantrell, Service Coordinator and IT Manager for Reitmeier Mechanical, a 50-employee HVAC firm with construction and services operations, felt that the company's software was reliable, but lacked the connectivity that it needed between the service module and other functions. States Cantrell, "We need to quit doing everything twice, and pull together everything in one system. For instance, contacts in the accounts receivable module didn't show up in service management—you needed to re-enter them." Cantrell also wanted more functionality in the services dispatch area. "Service and maintenance are our bread and butter. We need to connect service management to the other modules—make it easier to schedule people, see free time, get alerts on what's due and past due, and see why a job doesn't get finished." As a result, Reitmeier decided to deploy Sage Timberline Enterprise to streamline the business.

Section 3: Finding The Right Tools for the Job

To leverage technology for competitive advantage, service and specialty contractors need a complete solution with construction-specific functionality. Most construction business management solutions provide an accounting core and construction-specific workflows in areas such as purchasing, job costing, time and materials invoicing, scheduling, service scheduling and management, change orders and payroll. But as discussed in Section 2, integration between different modules and functions is often weak or absent.

An integrated solution connects disconnected "silos" of information to integrate and facilitate workflows across the business, helping to streamline operations, automate processes and run the business more productively and efficiently.

"Service and maintenance are our bread and butter. We need to connect service management to the other modules."-- Rodger Cantrell, Service Coordinator and IT Manager, Reitmeier Mechanical



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When evaluating new solutions, consider several factors that together will provide you a complete solution. Look for a strong, construction-specific financials foundation, the specific functionality your company needs, strong integration across functions, and the ability to easily add new solutions. Some of the key areas that should be assessed include:

- **What database and platform is the solution built on?** A high-performance database such as Microsoft SQL Server and the .NET platform provide the foundation for a unified solution that can scale to accommodate additional processes, workloads and users. With a centralized database you enter data once, and it shows up in all the modules. This provides a single view of data across functions, and makes data retrieval, querying and reporting much simpler.
- **How “open” is the architecture?** No single software company can build every piece of functionality that customers need. Solutions built on an open architecture integrate more easily with other products and services—such as mobile field service applications or customer service portals—via application programming interfaces (APIs) and web services to provide you with a complete solution.
- **What is my “must have” functionality?** This varies from company to company. If your business, for example, does both service and construction work, you must have the ability to share information between these operations to effectively manage and trace inventory. If services are your bread and butter, enabling dispatchers to view and manage multiple tasks at once may be your top priority.
- **What resources and time are required to implement the solution?** What are the infrastructure hardware and software requirements for the construction business management solution? Do you have access to internal and external IT resources needed to get the system up and running? Include in this calculation the time it will take to test and then transition from the old solution to the new one.
- **How easy is the solution to use? Is the information you need at your fingertips, when and where you need it?** Visual tools can help users come up to speed quickly, and make it easier to get work done. Solutions that have the same “look and feel” throughout make it simpler to job share across modules. The fewer clicks needed to get to repetitive tasks, the better. Shortcuts can help users move quickly from one task to another, saving time and boosting productivity.

Consider as well the resources that the vendor can provide to support you through implementation and afterwards. Vendors that combine strong experience in the construction domain and have worked directly with service and specialty contractors to identify requirements can build this knowledge and expertise into their solutions.

Assessing the strength of a vendor’s partner network is also important. Knowledgeable partners with solution and construction industry expertise can pave the way for smoother migration, implementation and training—saving you time, money and headaches.

“I need a one-stop shop accounting program that is easy to use and built on today’s systems and technology.”
- Rodger Cantrell, Service Coordinator and IT Manager, Reitmeier Mechanical

“Module integration is huge. Having a unified process where we can write a P.O. in a purchasing module and bring it into service—without having to train people to use two different P.O. modules—is critical.”
-- Dave Wright, Vice President and CFO, Hunter-Davisson



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Section 4: The Sage Timberline Enterprise Approach

An industry leader, Sage has combined 35-plus years of deep construction-specific accounting, operations and business management experience to develop Sage Timberline Enterprise. For the past two years, Sage has engaged in extensive research with customers and partners to develop a new solution to satisfy more complex, sophisticated business requirements.

Sage has also conducted comprehensive product usage testing to ensure that it accurately translates these requirements and delivers the features, functionality and ease of use necessary to move your businesses forward.

Customers have told Sage that they need to improve productivity and efficiency across their operations. Sage Timberline Enterprise includes many features that help companies achieve these gains. For instance, Workspaces make it easy for users to view, drill down and act on workflows without having to move from one module to another—eliminating extra steps and wasted time. Users can also set up favorites to quickly get to a subset of tasks within a workflow with just one click. Jobs get done more quickly, saving time and enhancing productivity.

The first release of Sage Timberline Enterprise focuses on specialty and service contractors, but will also fit the needs of some general contractors. This release seamlessly integrates new service management, purchasing, and inventory applications—helping streamline task such as work order requests, scheduling service calls and pulling parts from inventory. Sage will tackle requirements specific to other construction industry segments in future releases.

Sage Timberline Enterprise takes full advantage of the latest open, industry-standard development tools and practices. Sage developed the solution on Microsoft's scalable, SQL Server database, which is designed to securely centralize, manage, store and distribute data for line-of-business solutions such as Sage Timberline Enterprise. Sage used Microsoft's .NET framework to model businesses processes, and built a very visual, easy-to-use interface with the same look and feel across modules.

Sage Timberline Enterprise has an open architecture that incorporates APIs (application programming interfaces) and web services. This simplifies integration with partner solutions that offer additional functionality in areas such as field service, time tracking and HR.

"I looked at lots of solutions; this is far above the rest. It's built for today's systems, is easy to use and gives me better reporting," according to Rodger Cantrell at Reitmeier. "The uniform UI (user interface) makes it easy to cross-train people to do different things, and we get better, more uniform reports."

Because the solution is built on industry-standard and open technologies, its easier to find trained, affordable IT personnel to help implement and manage it.

Section 5: How Sage Timberline Enterprise Works

Sage Timberline Enterprise consists of 3 components that can function together as one, integrated solution. These include Core Applications, Optional Applications, and Integrated Development Partner Solutions, as illustrated in **Figure 1**.

"Sage has brought a lot of engineers into the beta customer sites to listen to comments and make changes. They are building the solution based on direct customer feedback." – Pat Soper, Construction and Real Estate Software Consultant

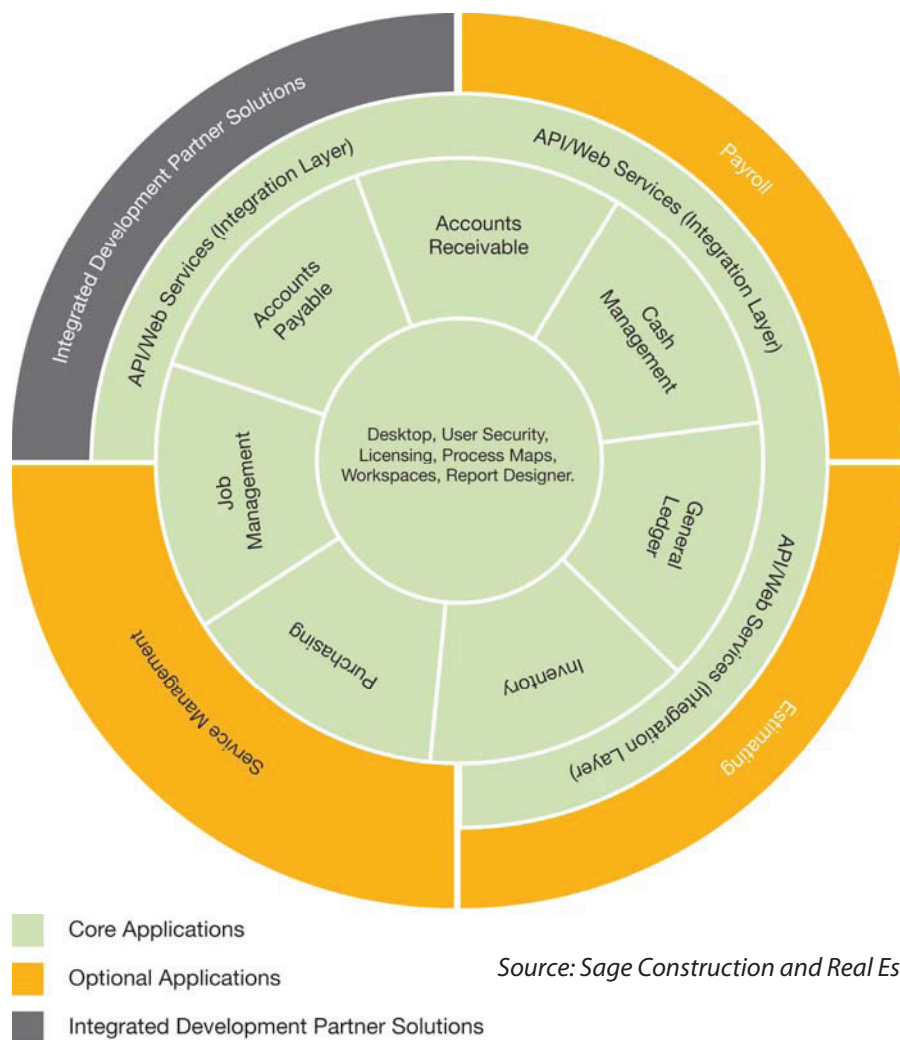
"We are very excited about the SQL Server database—it will greatly expand our options." – Dave Wright, Vice President and CFO, Hunter Davisson

"I looked at lots of solutions... I couldn't turn this down." -- Rodger Cantrell, Service Coordinator and IT Manager, Reitmeier Mechanical



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Figure 1: Sage Timberline Enterprise Integrated Product Suite



Core Applications include the accounting essentials to manage all aspects of your company's business performance. The unified database enables you to quickly find and view information, create and view workspaces and reports, and see data from different perspectives. Core Applications include:

- **Financial Performance Management.** Accounts payable, accounts receivable, general ledger, purchasing and cash management enable you to track financials, proactively manage cash flow, control project costs, track inventory and maintain customer agreements. All transactions track back to their source and related activity to speed account reconciliation.
- **Job Costing and Management.** This includes complete job costing capabilities and project document tools to manage contracts, change orders, and other project documents. You can create documents such as RFIs, transmittals and submittals, share them with key stakeholders outside the system, and import responses to eliminate duplicate data entry and streamline communication.



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- **Inventory Management.** The single database allows you to access inventory items from anywhere in the software. You can easily share inventory items across construction and service work. Dispatchers, project managers, sales or purchasing staff can quickly view and pull inventory items real-time without having to leave their normal workflow.

Optional applications add functionality to the core solution to help your business evolve and grow, including:

- **Service Management.** The Dispatch Board is at the heart of the Service Management application, providing a comprehensive view of and control over service work, and support for multiple, simultaneous tasks. You gain real-time, instant visibility into service technician availability, and can assign technicians to jobs through an interactive drag and drop interface. The solution also performs an automatic skill check to make certain that each technician assigned has the right qualifications for the job. Whether you're handling customer requests, creating purchase orders or pulling parts from inventory, you can do the job directly from the Dispatch Board. This eliminates extra steps, helping dispatchers get more work done in less time.
- **Payroll.** The Payroll module processes regular, certified, and union payroll and can automatically apply labor costs to your jobs—giving you complete, real-time job cost analysis. It also supplies electronic access to state and government payroll related forms, such as W2s, with ability to print or report electronically, including tax filings, new hires, and other documentation.
- **Estimating.** The Estimating application is tightly integrated with the Job Management module, so you can turn estimates into jobs accurately in one quick step. It also offers several takeoff and analytical tools to develop accurate estimates and more profitable contracts. Once you win a bid, and estimators approve it, the job is automatically created for cost-to-budget comparisons, eliminating the need for supplementary spreadsheets.

Integrated Development Partner Solutions

Many long-standing Sage development partners have worked closely with Sage to offer additional, integrated solutions that extend Sage Timberline Enterprise, as indicated in **Figure 2**. Solutions available today span mobile field service, customer portals, human resources, alert and report distribution, and check printing payment and management areas.



Figure 2: Integrated Development Partner Solutions

Application Area
<p>Mobile Service Management</p> <p>Remote and mobile solutions that connect headquarters to field technicians and project managers. Using laptops, tablet PCs, cell phones, iPhones and other mobile devices, project managers and field technicians can track and share employee time worked and retrieve, update and process service work orders.</p>
<p>Service Management Portal</p> <p>Portal that your customer can access to get up-to date information about their account including work history, invoice information, and equipment information.</p>
<p>Magnetic Ink Character Recognition (MICR)</p> <p>Integrated MICR check printing software eliminates security risks and hassle associated with ordering, storing, and maintaining pre-printed checks.</p>
<p>Time Tracking</p> <p>Solutions designed to handle time management tracking, including employee payroll time attendance data for stationary and mobile time workers.</p>
<p>Alerts</p> <p>Alerts and notification software that proactively keeps track and alerts you of what needs to be done, who needs to do it, and in many cases, automatically performs tasks for you.</p>
<p>Human Resources</p> <p>Human resources management software to collect and manage all employee information including contact data, employment classifications and ratings, training, certifications, evaluations, employment documents, etc.</p>

Sage Timberline Reseller and Consultant Partners

Sage’s network of construction-focused business partners can help you design and implement Sage Timberline Enterprise to best meet the needs of your business. These experts are dedicated to the concerns and requirements of small and mid-sized construction firms, and authorized by Sage to sell, deploy and train your organization.

“We do have people that do IT, but that isn’t their primary job. Our Sage consultant has helped us with set up, configurations, data migration and training.” -- Dave Wright, Vice President and CFO, Hunter-Davisson

“Before if I had a new maintenance contract with, for example, 50 pieces of equipment, it would take close to 90 minutes to enter. Now I can do the same contract in 10 or 15 minutes.” Rodger Cantrell, Service Coordinator and IT Manager, Reitmeier Mechanical



Section 6: Getting Results

By combining these elements into an integrated, complete solution, Sage Timberline Enterprise provides companies many significant features and benefits that map directly to both day-to-day operations and more strategic activities, as shown in **Figure 3**.

Figure 3: Sage Timberline Enterprise—Key Features, Benefits and Examples

Features	Benefits	Examples
Workspaces View, drill down and act on workflows without having to move from one module to another. Prebuilt for each module.	Eliminates extra steps and wasted time.	Perform an inquiry of current invoices and edit any invoice directly from the list.
	Improves productivity.	
	Provides accurate, timely information.	
	Improves communications and decision-making.	
	Enables faster reporting and feedback.	
Process Maps Interactive, visual representation of user roles and departmental processes	Reduces training time for current staff and new hires.	Click on any section of the diagram to see where you left off and complete the task.
	Improves process efficiency.	
Single Unified Database based on Microsoft SQL Server Data integration between core modules and optional Service Management software	High performance, scalable platform.	From the Dispatch Board, issue or purchase parts and other items needed for the service call.
	Reliable, easy to manage.	
	Eliminates imports and exports between application modules.	
	All parties are working from the same page – “single version of the truth.”	
	Improves productivity.	
	Easier to find trained, cost effective IT resources.	
.NET based architecture Web-based application architecture and integration framework	Enables visual design and consistent UI.	Integrate mobile apps to streamline field service tasks.
	Enables web-based UI and remote access.	
	Easy integration of partner and third party application through web services.	

“Workspaces will be a big favorite for users.” – Pat Soper, Independent construction and real estate software consultant



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Section 7: Summary and Conclusions

Over the past two years, business conditions have been particularly challenging for construction firms, part of the cyclical nature of the industry. As the economy rebounds, the industry will as well.

With that said, business is likely to return gradually to a boom time environment in the near term. Business is likely to return gradually, and competition will continue to be intense. Opportunities—and the best ways to capitalize on them—will change in ways we can't predict. Construction companies must use technology to operate in a more efficient, nimble manner to win their share of this business, and deliver it at a profit.

Sage Timberline Enterprise represents a new generation of software, is innovating or leading the way in technology solutions for service and specialty contractors. Solutions such as Sage Timberline Enterprise can help companies accomplish these objectives by helping you to streamline workflows and tailor the process to fit your requirements. Sage's innovative technology provides consistent, accurate and timely data to create a "single version of the truth" across the company, giving you the clarity required for making the best decisions for your company so that you can position your business above the crowd.

If you've identified workflow obstacles and impediments that are preventing your business from getting ahead, consider taking the time now to build the technology infrastructure that will enable your business to get off the treadmill and not only survive, but to thrive and grow in the future.

For more information about Sage Timberline Enterprise, visit www.sagecre.com, or call 1-800-628-6583.



About Hurwitz & Associates

Hurwitz & Associates is a consulting, market research and analyst firm that focuses on how technology solutions solve real world business problems. The firm's research concentrates on disruptive technologies, such as Service Oriented Architecture and Web 2.0, Cloud Computing, Service Management, Information Management, and Social and Collaborative Computing. We help our customers understand how these technologies are reshaping the market and how they can apply them to meet business objectives. The team provides direct customer research, competitive analysis, actionable strategic advice, and thought leadership. Additional information on Hurwitz & Associates can be found at www.hurwitz.com.



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