

ICS reduces invoice cycle time by 80% with OpenAir

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John Carr VP Operations, ICS, Inc.

Business Need

Improve revenue, profits and cash flow for the software implementation group: Increase cash flow by speeding billing and reducing errors, Increase revenue and profitability by keeping staff off the bench and accurately capturing completed work.

Solution

OpenAir PSA Timesheets, Expenses, Projects, Resources and Invoices modules.

OpenAir Integration Manager[™] to pass A/R and A/P data to JD Edwards[®].

Offline time and expense tracking tools for disconnected employees including OpenAir OffLine for computers running Microsoft[®] Windows[®], OpenAir for the Palm[®] Computing Platform, OpenAir for the Pocket PC

Benefits

Decreased invoice cycle time by 80% (from 10 to 2 days).

Eliminated monthly two-day effort to input financial data.

Reduced inaccurate invoices on average to three per month from dozens.

Standardized on OpenAir Projects, reduced Microsoft[®] Project[®] license cost.

Eliminated three days per month IT staff spent maintaining software.

Increased utilization and billability.

Increased project profitability.

Business Challenge and Background

“ICS is an 80-person systems development and ERP implementation firm that has grown quickly. We needed to streamline our operations and to provide managers with control and insight into our business. As a technology solution provider ourselves, we had high expectations. OpenAir met and exceeded our expectations: bottom line cash flow benefits, process automation and performance metrics all add up to a fast ROI,” explained John Carr, Vice President of Operations. “I have one core mission – to boost the performance and profitability of our professional services organization. Implementing OpenAir was one of the best decisions I made in 2003.”

Information & Computing Services, Inc. (ICS) is a leading provider of supply chain technology solutions, ERP implementations and technology consulting to customers around the world. ICS serves over 400 customers from four offices, is headquartered in Florida and works with major partners including JD Edwards, PeopleSoft and IBM.

ICS had been using a variety of point solutions to track time, log expenses, manage projects and integrate data into their JD Edwards financials. “Because we used different solutions, there was no integration and a lot of redundant data entry. We sometimes had to enter data two or three times before it ended up in our financials,” Carr said. “Each project manager used Microsoft® Project® differently, expense tracking for our traveling consultants was a nightmare, time tracking data often had to be phoned in from the field and our managers had no way to quickly get a sense of project profitability or resource availability.”

After reviewing many hosted and client/server PSA solution providers, ICS ultimately chose OpenAir to run the company’s operations. ICS uses OpenAir’s Timesheets, Expenses, Projects, Resources and Invoices modules. OpenAir also deployed Integration Manager™ to provide seamless data transfer to JD Edwards A/R and A/P. ICS employees also use OpenAir’s offline tools for Palm® PDAs, Pocket PC PDAs and Windows® laptops.

Solution and Benefits: An Integrated Operations Solution

Before OpenAir, project managers used Microsoft® Project® or spreadsheets for planning and tracking. Project managers spent too much time manually comparing planned and worked hours to understand if their projects were on track. Lack of integration with time and expense data made it difficult to calculate project profitability. “Prior to OpenAir we did not have much insight into our projects. OpenAir caused us to take some proactive steps we should have done before. For example, we now enable project managers not only to focus on delivering timely, high-quality services, but also to deliver those services profitably,” said Carr.

“Project profitability was such a time consuming and manual process, the analysis was just not done. Someone would gather old invoices, time reports and expense reports, then figure out how to combine the data to reflect an accurate picture of the project. It was a daunting task. Now, we look at the project summary views in OpenAir and know immediately which projects are in good shape, which projects are borderline and which projects are in need of help to get them back to profitability,” explained Carr. “Plus, we can provide clients with a real-time update at any point in the project’s life, which typically lasts between two months and a year,” Carr added.

ICS was particularly interested in how to increase the number of profitable maintenance contracts. Using OpenAir’s integrated project management and time tracking, ICS identified the number of hours spent on a maintenance contract and compared that to the price paid by the client for the support. ICS discovered that selling a client more training hours up front reduced the number of hours needed to support the client. The result was a better client experience, more training revenue and more profitable maintenance contracts.

ICS’ resource planning before OpenAir was rudimentary, relying on ad hoc employee availability data. “With so many people spread over four offices, it was really hard to know who was available to work on new projects,” said Carr. “We manually prepared resource scheduling reports.”

Using OpenAir, project managers and executives both can easily view employee utilization. Project managers can now easily identify and allocate resources to more profitable or urgent projects and know how this resource shift will impact other projects. The tight integration between project management and resource scheduling was a key selling point for project managers.

“We use OpenAir’s forward looking utilization and availability reports to optimize staffing over the next quarter or so. It’s also nice to review historical utilization and compare it to our predictions to help understand how well we are estimating our work,” said Carr. “We are expecting some nice increases in consultant billability because of this information.”

ICS used a client/server application called TimeSlips to track time before deploying OpenAir. Nearly half of the ICS staff is consultants who travel and could not access the company’s local area network. “More often than not remote consultants had to track their time on spreadsheets and then email or phone in the data. Administrative staff then re-keyed the data, which was a time consuming process that produced data accuracy errors,” said Carr. Once the data had been re-keyed, the paper-based and manual process of generating reports, forwarding the reports to managers for review and changing and re-keying the data again took days to complete every billing cycle. “With OpenAir, the Web- and email-based approvals dramatically reduce the time it takes us to validate worked hours. Less administrative time and more billable time are the key results.”

Prior to OpenAir, another point application called Expensables was installed and maintained on each employee's computer to track expenses. Approval processes were slow and manual for this process as well. An additional manual step was required to manually review, code, verify and re-key the data into TimeSlips just to display re-billable items on invoices. Plus, remote employees had to mail their expense reports in to the office.

Using OpenAir's Expenses module, all employees use the same Web interface to record expenses. Employees who are away from the Web can use the Palm, Pocket PC or laptop versions to track time and expense. Built in Web-based approvals reduce the time from incurring an expense to re-billing it to the client. "Before using OpenAir, ICS often re-billed customer expenses months after they were incurred," said Carr, "We left this cash on the table because we could not process data in a timely fashion. OpenAir reduces this cycle time dramatically.

Solutions and Benefits: Finance and Integration

"One of OpenAir's greatest strengths is its capability to integrate seamlessly with our JD Edwards A/P and A/R application," said Carr. "Combined with the automation of time and expense approvals, the implementation of OpenAir's Integration Manager[™] reduced our invoice cycle time to two days from 10 days. The finance team is seeing some excellent benefits from this."

Before deploying OpenAir, ICS extracted time data from a point solution, manipulated the data manually and then imported it into JD Edwards. Expense data was manually re-keyed from the expense application into the financials. Despite the detailed and complicated data transfer process; the data in JD Edwards was only at an aggregate level with little detail. There were also many data errors that ultimately ended up on customer invoices.

"We had a persistent problem with data integrity with the old system. By the time the data was submitted, approved, re-typed a couple of times and finally recorded in JD Edwards, bad data had been introduced. We sent out many erroneous invoices and then had to correct those mistakes, which did make our customers happy," Carr explained. "OpenAir's single point of data entry process takes care of this issue. An employee enters his or her data once and then OpenAir's approval, invoicing and integration workflow takes care of the rest for both A/R and A/P data."

Technical Advantages

“We wanted a solution that did not take up a lot of our internal IT staff’s time. Our folks here were spending three or four days per monthly billing cycle on the IT support for our old operations systems,” said Carr. “With OpenAir, we’ve taken that burden off of our IT group. The ASP model removes the headache of hardware support. Our consultants no longer have the issues associated with other systems such as inability to dial into the network. They just use the Web or use OpenAir’s disconnected clients and then synch up when they have a connection.” ICS now has the opportunity to bill some of their internal IT staff out to billable client jobs.

Implementation and Support

“The entire implementation process including training was completed in three weeks,” said Carr. “The OpenAir consultant visited us once to understand our business processes, configure the solution and train our staff. He returned a second time to help answer any questions during our first billing cycle.” OpenAir was able to transfer client, customer and other historical data from legacy systems into the OpenAir solution.

“We have found OpenAir’s support staff to be both very knowledgeable and prompt. They are able to address simple functionality issues as well as larger business process issues,” said Carr. Since ICS uses OpenAir’s hosted solution, their IT staff has no additional burden either.