Flexible Reporting Eliminates Need for Expensive Third Party Consultants & Software

Case Study: Delta Constructors

Delta's consistent growth and profitability is due in large part to its ability to be nimble and reactive. With over 700 employees and a project-based business model that's highly susceptible to oil price swings, internal systems need to be able to handle increases in transactional volumes without the need to bring on new personnel (which can be very costly and time-consuming).

As a result, their finance and accounting system needed to be automatable, workflow-oriented, and scalable. John Farner, CFO, says "Automation and workflow allow Delta to keep administrative costs down during slow times and help avoid cost increases when activity picks up."

Issues with Sage 300 - an outdated, aging platform

Unfortunately, the finance and accounting team's reliance on Sage 300 CRE, a non-cloud-based, rigid and aging accounting platform, presented a multitude of challenges with respect to scalability, automation, and workflow.

John notes, "At the time, we felt that Sage 300 CRE, while feature rich, was getting stale. The technology base was quite old and there was no clear roadmap for product development."

More specifically, the following list of items were clear pain points for Delta (which are further explained below):

- Maintaining accurate and efficient payroll processing workflows/ reporting
- Managing internal security and access
- Adapting the general ledger system with changing business requirements
- Automating reconciliations/ related processes

COMPANY OVERVIEW

Delta Constructors is an innovative, self-performing construction company focused on working and partnering with Upstream and Midstream oil and gas industries. Originally with 95% of its revenue derived from North Dakota, in recent years the company's client-driven partnership business model has allowed it to gain major contracts and experience massive expansion into a variety of regions including Alaska, Texas, and New Mexico. For more information, visit DeltaConstructors.net.

EXECUTIVE SUMMARY

Previous Software:

Sage 300 CRE

Results with Sockeye:

- Saved over 20 hours in a month in manual payroll processing, error debugging, and more
- Complete their audit in record time, while achieving the highest-grossing year of revenue ever
- Eliminated need for monthly downtime

Reliance on slow and expensive third party software leads to inaccurate reporting

Brandi Zeman, Business Manager at Delta Constructors recalls the long and winding process of trying to create simple reports with their previous accounting platform, Sage 300. "We had a consultant on hand, and any time we needed a report available to us from a reporting menu inside of Sage, we would have to contact her, have the report built, and go back and forth before we could actually use or publish it."

This was both expensive and time-consuming, especially when reports were needed with a quick turnaround. To get around this, Delta began creating their own reports outside of the Sage system. Unfortunately, this led to a loss of control due to how team members were connecting to the data. Brandi recounts several meetings with the CFO in which "we would have three reports that [we] thought were all the same ... but then we would start talking about the numbers, and realized we had totally different numbers."

Another similar instance reared its head with respect to calculating fixed asset metrics like depreciation. Due to issues with Sage 300's inflexible and non-customizable system, Delta's accounting team once again had to resort to using third party software to calculate fixed assets. Their senior accountant and controller would spend over 6-8 hours a month manually calculating fixed assets in a separate spreadsheet, reconciling it, formatting it properly, debugging errors, and finally uploading it to the Sage 300 system.

Payroll processing dilemmas

When it came to processing and posting payroll, the entire Delta team had to log out of the Sage 300 system, which greatly hindered productivity; this was especially apparent when payroll issues were identified.

On average, the team was required to log out of the system for at least 1 hour. However, Brandi remembers more than a few instances in which an issue was discovered during processing. "The whole company [was] down for almost a half day trying to figure out the error so that we could continue to process payroll."
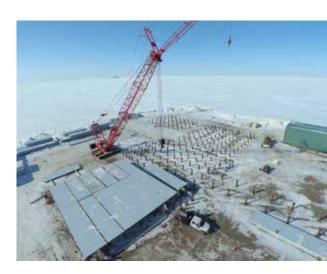
Likewise, the inability to standardize templates for expense reporting created similar issues for the Delta team. Some employees are paid per diem on a weekly basis, and these had to be manually entered into a table within Sage before processing, which led team members to spend extra time retyping inputs and double-checking for errors before finally processing.

Rigid general ledger/ sub-ledger system prevents accurate cross-entity transaction reporting

As an international company operating across 3 different regions in North America - each of which has multiple parent/ child locations and subsidiaries that roll up into the parent entity, Delta Constructors regularly ran into issues when it came to reconciling cross-entity transactions.

This especially came into play with Sage 300's rigid general and sub-ledger system. As Brandi notes, "We were constantly trying to keep them balanced. It was easy, surprisingly, to get them out of balance, and then you would have to research what causes your variances, and then, how do you go back and reconcile? That was one frustration in Sage [300]."

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Sockeye Oversees Implementation of Sage Intacct

In 2019, Delta Constructors began realizing the need for a more robust and modern HRMS system. Upon researching a multitude of potential software packages and systems, though, it quickly became clear that integrating the new program with Sage 300, their current accounting application, would prove both costly and time-consuming.

John Farner, CFO notes, "We became convinced that best-of-breed multi-tenant, cloud based solutions are the way of the future. We wanted a vendor with an innovative vision and solid product roadmap to insure that the solution would grow along with Delta's needs."

John reached out to Nick Brorson, CEO of Sockeye, to discuss the challenges that he and his team were facing with their current system, and to explore options to upgrade to a new accounting platform. John, who had over 13 years of history as a previous client of Sockeye, knew the value-add that a trusted partner like Sockeye could bring to the situation.

Immediately, Nick and the Sockeye team began evaluating a variety of different ERP solutions. Along with being scalable, automatable, and workflow-oriented, Delta required the new ERP to have robust integration abilities (API) with other "best in class" software.

Ultimately, the decision was made to leverage Sage Intacct, a cloud-based platform that provides real-time financial insights, automates and streamlines manual processes, and utilizes an innovative dimensions feature to facilitate previously complex cross-entity reconciliations.

How Sage Intacct has streamlined and automated Delta's workflows

Month-end and quarterly reports at a click of a button

"Financial reporting in Intacct is the best I've seen", says John. This comes, in large part, due to Sage Intacct's general ledger feature. Past ERPs like Sage 300 had complicated general ledger and sub-ledger entries that could easily become unbalanced,which required a third party consultant to modify them.

Sage Intacct has also implemented a Dimensions feature, which allows the user to "tag" transactions and operational data with dimension values - eliminating the need for complicated general ledger/ sub-ledger accounting.

As a result, John says, "Time to close has decreased significantly. We are now able to constantly close the books at month-end on a timely basis. 2019 was our first year on Intacct, despite this and having our highest gross revenues ever we were able to complete our audit in record time."

Real-time dashboards enhances monitoring capabilities

John notes that one of the most visible improvements from switching to Sage Intacct is the ability to use Dashboards to present relevant data in an easy and efficient way to managers.

"In the past, Delta would send out excel-based reports that managers would review, then request more detail as needed. This required an analyst to generate that report, which takes quite a bit of time," John says. Now, it just takes one click of the mouse to get the same information.

For example, the accounts receivable team has set up an AR dashboard to "monitor unbilled transactions and aged receivables," according to Brandi. The team will hold weekly meetings and use the dashboard as a tool to monitor any outstanding AR.

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John Farner
CFO Delta Constructors

Uninterrupted payroll processing and revision updates

As previously mentioned, posting payroll in Sage 300 required the entire team to log out of the system for at least 1 hour per week. Now, Delta's team can continue working in the system while payroll is being processed, with no interruption in business.

Revision updates within Sage Intacct now take place seamlessly behind the scenes. In the old system, the entire team had to log out for a full weekend in order to manually back up the system and perform upgrades.

Automated expense reporting and fixed asset accounting

Sage Intacct's import feature has allowed the team to create standardized templates for specific payroll expenses that occur on a weekly basis, and easily import them to be used within Intacct. This has saved Kristy, bookkeeper at Delta, over half a day of manually inputting this data into the system, crosschecking for errors, and debugging - every single week. It's also given her a lot more confidence in the new system.

With respect to fixed asset accounting, Sage Intacct's fixed asset module allows the senior accountant to calculate and post depreciation immediately, and on an automated monthly basis. This has saved the team 6-8 hours a month and also eliminated the need for third party fixed asset accounting software.

Streamlined processes shift Delta's focus from playing catch-up, to financial analysis that's forward-looking

With all the efficiencies that Delta's accounting and FP&A teams have gained since upgrading to Sage Intacct, there are 3 main areas in which they've been actively reinvesting their time - with the goal of building out business.

1. Accounts payable/ maintaining clean records

Delta's accounts payable team is now able to focus on ensuring that payables are not only caught up, but moving through the system on time and efficiently.

Likewise, they're now able to utilize this extra time to ensure that all information in the system is accurate and up-to-date - something the Delta team was constantly struggling with before.

2. Financial analysis/ analytics

Brandi notes, "We have been able to dive more into the data that's hitting the system… doing more analytics and making sure that we have the reporting tools and information that the project teams need."

3. Project reporting and KPIs

With Sage Intacct's interactive custom report writer feature, the team can now easily link operational or financial data to individual projects - for example, accounts payable data to a specific project. Likewise, Delta has been utilizing the custom report writer for more informational reports.

They are also developing financial reports to "summarize project cost data in categories, for quick overviews of project performance". With Sage Intacct, Delta is able to break down costs by project-specific items like materials, sub-contractors and labor. From there, the team is able to easily track man hours, cost per man hour, equipment hours, and other costs.

Post-implementation, Sockeye has not only maintained their relationship with Delta as a trusted partner, but continues to provide 100% of product support services as well as ongoing support when necessary.