



Microsoft Dynamics Customer Solution Case Study



Project-Accounting Solution Enhances Data Visibility for Deep-Sea Recovery Company

Overview

Country or Region: United States

Industry: Professional services—other professional services

Customer Profile

Phoenix International provides underwater engineering services worldwide. The company serves oil and gas, ocean research, documentary, marine insurance, and entertainment industries.

Business Situation

Phoenix International outsourced its accounting to a firm that used QuickBooks. However, to accurately estimate costs and maintain government compliance, Phoenix International needed more visibility into its financial data.

Solution

After migrating 10 years of data from QuickBooks to Microsoft Dynamics® SL, the company could better analyze data to predict costs and demonstrate compliance with federal regulations.

Benefits

- Ease project-accounting tasks with familiar tools
- Improve reporting and auditability
- Drive decision making with current information

“The owners of Phoenix International are extremely impressed with the amount and accuracy of the data that Microsoft Dynamics SL generates so quickly.”

Lawrence Mocniak, CFO, Phoenix International

Phoenix International is an engineering services company that engages in underwater recovery operations worldwide. The company needed to rapidly and accurately estimate job costs and comply with regulations surrounding government-agency bids, while supporting an employee ownership initiative. Relying on an outsourced accounting firm that used QuickBooks gave Phoenix International little real-time visibility into financial data and provided limited data analysis capabilities. To develop a better project-accounting solution, Phoenix International worked with Microsoft® Gold Certified Partner SSi Consulting to implement Microsoft Dynamics® SL. Now, Phoenix International can quickly and accurately measure job costs, fulfilling the company’s vision to become employee owned and giving the company a competitive edge in both the commercial and government sectors.





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Situation

Diving to a depth of 1,786 meters, the underwater recovery team from Phoenix International plunges into the Java Sea. The team’s mission is to recover two black boxes from a passenger plane that crashed on its way to Manado, Indonesia. After 109 hours of billable work on the Manado plane crash project, the team successfully retrieves the black boxes from the crash site using a remotely operated vehicle. Phoenix International provides such services to both commercial companies and government agencies around the world.

The underwater recovery business involves many variables that cause job costs to fluctuate. Every project requires a unique team of specialists, each with different pay rates. Recruiting highly skilled contractors, transportation to and from the site, renting additional equipment, and time spent on the job also adds to the complexity of project-accounting processes.

Phoenix International engaged an outside accounting firm that used QuickBooks software to manage project financials. But this model provided low visibility into financial data and limited data analysis capabilities. The outsourced accounting firm sent sporadic financial reports that contained inaccuracies, preventing quick and accurate job cost estimates. These issues became more prevalent when Phoenix International conducted business with the government. Visibility and data analysis capabilities fell short of compliance standards set by the Defense Contract Audit Agency (DCAA), resulting in slow and painful government audits.

In addition, Phoenix International hoped to support an employee stock option plan (ESOP) that would prepare the company for employee ownership. When a company adopts an ESOP initiative, independent

financial companies require timely financial reports to review the success of the business.

Phoenix International needed accounting support that offers:

- In-depth analysis of financial data.
- Rapid, accurate data reporting.
- Proven ability to meet stringent federal-auditing standards established by the DCAA.

Phoenix International decided to research project-accounting solutions that could grow with its business and provide the needed visibility into financial data.

Solution

Phoenix International hired Lawrence Mocniak as CFO to create a solid basis for financial growth. With years of experience implementing accounting software, Mocniak understood the best practices for project accounting. Mocniak explains, “For 10 years, Phoenix International ran blind on QuickBooks, so I chose a software platform that would heighten visibility into project-accounting data.”

Mocniak selected Microsoft Dynamics® SL because of its superior ability to analyze data and flexibility to resolve problems within the existing outsourced model. “Having used Oracle at previous companies, I knew it would be cumbersome and require full-time maintenance,” explains Mocniak. “With Deltek, you can’t create customized queries because the software only enables information to be pulled in predefined formats. Plus, the cost of implementation is too high.”

Data Migration

To implement Microsoft Dynamics SL, Phoenix International contacted Microsoft® Gold Certified Partner SSI Consulting to assist in deployment and customization.

“The data migration wasn't hard. Once I had the data from the outside accounting firm, it took me a week to migrate the data to Microsoft Dynamics SL, and I didn't lose any historical data during the process.”

Lawrence Mocniak, CFO, Phoenix International

The first phase of implementation involved migrating 10 years' worth of transactional data from QuickBooks to Microsoft Dynamics SL so that Mocniak and the accounting staff could use historical data in their analysis and cost estimates. “The data migration wasn't hard,” says Mocniak. “Once I had the data from the outside accounting firm, it took me a week to migrate the data to Microsoft Dynamics SL, and I didn't lose any historical data during the process.”

Using the cut, copy, and paste feature in Microsoft Dynamics SL, Mocniak mapped the transactional data from QuickBooks to the new chart of accounts in Microsoft Dynamics SL.

Accounting Staff

With Microsoft Dynamics SL, the accountants at Phoenix International use ImageLink and AnyView Explorer for Microsoft Dynamics SL as complementary tools for financial analysis. ImageLink attaches images or scans to every transaction or purchase order recorded in Microsoft Dynamics SL, while AnyView gives accounting clerks the ability to isolate and compare data points in the general ledger for reports. With integration between Microsoft Dynamics SL and Microsoft Office Excel®, accountants can quickly import and export data to edit and update financial information, which simplifies the auditing process.

Project Managers

SSi Consulting created personal views in Microsoft Dynamics SL for each department so that the user interface would retain the look of familiar programs. For example, SSi Consulting customized a “project net profit” screen so that project managers can drill down into each project to view costs by project line item, pull up supporting documentation with ImageLink, and create project status reports. Project managers can also use this screen to analyze a standard budget versus an actual report.

Business Decision Makers

Phoenix International enjoys better data analysis capabilities with Business Information Optimization® (BIO) for Microsoft Dynamics SL, providing the company with relevant information about its market space. “BIO is predominantly rolled out to my directors and my executives. I've set up their screens based on regions, so they can look at information pertaining only to their region,” explains Mocniak. “As CFO, I use BIO as a cash management tool to monitor accounts receivable for invoicing and collections, to manage accounts payable for weekly payments due, and to track regional profit and loss statements.”

Mocniak can also enter and analyze data for commercial or government jobs using BIO for Microsoft Dynamics SL, helping decision makers rapidly compare how much business each sector generates. Decision makers can use this data to analyze trends specific to each sector and create historical rate structures to estimate costs for government-contracted projects.

Benefits

Phoenix International struggled to handle stringent accounting processes and support aggressive growth. With Microsoft Dynamics SL, the company maintained its competitive edge by easing project accounting, improving auditing processes, and gaining insight to make better business decisions.

States Mocniak, “The owners of Phoenix International are extremely impressed with the amount and accuracy of the data that Microsoft Dynamics SL generates so quickly.”

Ease Project-Accounting Tasks with Familiar Tools

Microsoft Dynamics SL works with other Microsoft software that Phoenix International employees are already familiar with, so it does not disrupt day-to-day activities.

“Our last system audit was painless, and the auditor was very impressed with our setup. He found the ease of accessing documentation valuable when tracing transactions through the life cycle of the accounting system.”

Lawrence Mocniak, CFO, Phoenix International

Accounting staff can import and export data from Office Excel to Microsoft Dynamics SL, without learning a new program or introducing errors. With the project-accounting tools provided by Microsoft Dynamics SL, accountants, project managers, and executives can use the software to drive productivity in their everyday tasks.

Improve Reporting and Auditability

After deploying Microsoft Dynamics SL, the accounting staff streamlined operations by automating manual processes and providing easy access to relevant data. This made it possible for the company to offer an ESOP. “We were able to quickly provide information, such as bid statements for government versus commercial jobs, balance sheet trends, cash flow trends, and customer history to interested companies,” states Mocniak. Now, financial reporting only takes the accounting staff one-third of the time it took prior to the deployment. Microsoft Dynamics SL makes it easy to capture cost pools, overhead rates, and general and administrative rates.

In addition, financial auditability has dramatically improved by extending Microsoft Dynamics SL with ImageLink. “Because we scan our documents at the point of entry into the system, we’re not rummaging through file cabinets when auditors ask for documentation support. We click on the link and bring it up online.”

Phoenix International uses Microsoft Dynamics SL to pass DCAA system audit with ease. “Our last system audit was painless, and the auditor was very impressed with our setup. He found the ease of accessing documentation valuable when tracing transactions through the life cycle of the accounting system,” says Mocniak.

Drive Decision Making with Current Information

With BIO for Microsoft Dynamics SL, Phoenix International can finally take advantage of the value of its historical data. “I can attach each project to the master contract and see how much revenue each contract generated year over year,” explains Mocniak. “It gives me insight as to whom my top 10 customers are each year, where our market is, and where our revenue is coming from every year.” Knowing what the company’s cash position is at any time provides Mocniak with more flexibility in managing funds on a daily, weekly, and monthly basis.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Phoenix International products and services, call (301) 341-7800 or visit the Web site at: www.phnx-international.us

For more information about SSi Consulting products and services, call (800) 886-3369 or visit the Web site at: www.ssiconsulting.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

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