Project-Accounting Software Supports $10 Million Revenue Increase for Growing IT Firm

Overview

Country or Region: United States
Industry: IT services

Customer Profile
Located in Reston, Virginia, a suburb of Washington, D.C., InScope Solutions is an IT services firm that offers its clients expertise in computing optimization, business process analysis, IT outsourcing, and helps customers maximize value from their business and investments in Microsoft® technologies.

Business Situation
InScope needed a project-accounting solution that could merge with existing systems and provide the tools necessary to gain Defense Contract Audit Agency compliance and expand in government contract work.

Solution
InScope engaged Microsoft Gold Certified Partner SSi Consulting to deploy Microsoft Dynamics® SL with Business Portal, and connect it with Microsoft Dynamics CRM and Microsoft Office SharePoint® Server 2007.

Benefits
- Satisfy customer expectations
- Maximize investment in existing systems
- Accelerate accounting processes
- Foster company growth

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>
> Gary Struzik, Chief Financial Officer, InScope Solutions

A multitude of government contract work sparked growth for IT services firm, InScope Solutions. Identified as one of the 50 fastest-growing companies in the Washington, D.C., area, InScope needed a project-accounting system that could streamline accounting processes and comply with the cost-accounting standards of the Federal Acquisition Regulations. The company rapidly outgrew QuickBooks and required advanced project-accounting tools to design job-cost models. Knowing its cost structures, InScope could place highly competitive, accurate, and compliant bids to win more government contracts. With that in mind, InScope aligned with Microsoft® Gold Certified Partner SSi Consulting to deploy Microsoft Dynamics® SL. Since the deployment, InScope has gained U.S.$10 million more in revenue, decreased auditing time by 50 percent, and reduced book-closing time by one week.

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Situation

InScope Solutions provides IT services to help companies bridge the gap between business strategy and technology adoption. InScope employs 95 IT professionals and 130 contractors. Nearly half of the company's business involves assisting customers in the deployment of Microsoft® solutions. A surge of business opportunities from the government sector catapulted InScope to one of the 50 fastest-growing companies in the greater Washington, D.C., area.

Oversight of government contracts required InScope to comply with strict job-costing and timesheet management regulations required by the Federal Acquisition Regulations, with supervision from the Defense Contract Audit Agency (DCAA). Additionally, in order to obtain government contracts, InScope needed a reliable system with information aggregating, reporting, and project-accounting capability, which would enable the company generate responsive project bids in a fiercely competitive environment.

InScope used QuickBooks accounting software to manage timesheets and account for projects. The company spent two weeks at the end of every month aggregating paper timesheets, keying the data into spreadsheets and feeding it into QuickBooks. "As a services company, people are our business and our product. To manage this vital resource, we had to maintain accurate and updated timesheets to examine our costs and profits for each project," says Gary Struzik, Chief Financial Officer of InScope Solutions.

When the DCAA contacted InScope to inspect its accounting system, "I had to convince auditors that we were running fine with QuickBooks," recalls Struzik. "But I knew that closing the books on spreadsheets had gotten so cumbersome that we were going to have to invest in a new project-accounting system." InScope needed a simple way to calculate labor, fringe, overhead, and other indirect costs necessary to determine real-time project profits, and denote timesheet sign-offs and approvals.

The company was already using Microsoft Dynamics® CRM for pursuit management and Microsoft Office SharePoint® Server 2007 to share company documentation. InScope envisioned a new project-accounting solution that would integrate with existing systems to provide customers and management with detailed reports.

Struzik began investigating superior project-accounting solutions that would:

- Manage timesheets to capture job costs.
- Analyze costs and profits to determine job-cost structures that assist in placing competitive bids for government contracts.
- Comply with federal accounting regulations.
- Provide powerful reporting functionality to create job summary and project reports.

Solution

InScope researched traditional project-accounting solutions, such as Deltek, but found the cost of implementation too high. The company discovered Microsoft Dynamics SL at a seminar hosted by Microsoft Gold Certified Partner SSi Consulting and elected to implement the software as its new project-accounting solution. SSi Consulting presented InScope with a detailed project plan to set up, implement, and train employees on the system. By following the plan, the deployment took six weeks.

Timesheet Management

SSi Consulting integrated the Business Portal module in Microsoft Dynamics SL with Office SharePoint Server 2007 to store project timesheets. Using the Internet functionality provided by Office SharePoint Server 2007, InScope employees and contractors log on to

a password-protected site in Business Portal and record their hours remotely from their customer location for the projects they worked on. "The fully integrated timekeeping system passes approved timesheets from Business Portal directly to the project and general ledger accounting system in Microsoft Dynamics SL," explains Struzik. Microsoft Dynamics SL provides the business logic that determines what type of information gets collected, compiles it in a timesheet format, and attaches it to the proper project account.

Project Accounting

Project managers use Business Portal to track the financial performance of projects. Business Portal provides a Web-based window into financial data stored within Microsoft Dynamics SL. From here, project managers can see the number of hours worked by each contractor, how the project compares against budget, and whose timesheets are missing. At a glance, a project manager can ascertain the financial condition of any project and follow up with customers or employees to fill gaps in the data. InScope aggregates this data to determine job-rate structures, while accountants manage finances by accessing accounts receivable information through Business Portal. "If a customer hasn't paid for some reason, that should prompt questions and action, which helps keep the project's momentum moving forward," explains Struzik.

Customer Progress Reports

InScope developers connected Microsoft Dynamics SL with Microsoft Dynamics CRM to build custom report generators that let management easily access critical company data. "It was natural to take financial data from Microsoft Dynamics SL and project data from our existing Microsoft Dynamics CRM to generate reports," states Struzik. Financial data from Microsoft Dynamics SL is pushed to the database in Microsoft Dynamics CRM,

where it is organized and separated by appropriate project accounts. Data from both systems are merged to assess how projects are progressing against milestones and budget. InScope presents this information in customer reports generated from Microsoft Dynamics CRM to demonstrate consultant productivity, project execution status, and a myriad of other flexible reporting capabilities. The integration between Microsoft Dynamics SL and Microsoft Dynamics CRM also assists InScope in further refining job-rate structures that help in placing bids on government and commercial projects.

Advanced Forecasting

InScope plans to employ the Business Ready Licensing and Business Ready Enhancement Plan for Microsoft Dynamics, which will extend Microsoft Dynamics SL beyond 150 users. Advanced forecasting tools will enable InScope to account for variances that could transpire over the lifespan of a project. If a major account is lost, InScope can assess cost-cutting measures and research other opportunities in the marketplace that can make up for the loss. "These forecasting tools will enable us to look at potential wins and losses with a deeper financial perspective," explains Struzik. "Now that Microsoft Dynamics SL aggregates all our data in one central location, we can pull that kind of relational data to productively analyze information and the resulting decision matrix."

Benefits

Microsoft Dynamics SL has scaled to support the company's rapid growth. The system has enabled InScope to integrate the solution with existing systems, create customer reports, and become compliant with government-mandated Cost Accounting Standards. Since the deployment, InScope has gained U.S.$10 million in revenue and has nearly doubled its employee count.

Satisfy Customer Expectations

With Microsoft Dynamics SL, InScope provides customers with timely and accurate reports that contain pertinent information about project milestones and prices. The company keeps customers informed on project progress to indicate exactly where their money is being spent. Customers can trust InScope to deliver projects on time and within budget, which increases customer satisfaction and, ultimately, funnels more business to the company.

Maximize Investment in Existing Systems

InScope has extended the capabilities of Microsoft Dynamics SL and the Business Portal module by connecting them with Microsoft Dynamics CRM and Office SharePoint Server 2007. With plans to employ the Business Ready Licensing and Business Ready Enhancement Plan for Microsoft Dynamics, InScope can maximize its investment and ensure the longevity of the solution. "Staying with Microsoft technologies made it easy to connect all our systems. The consistency and familiarity of the user interface makes applications easy to use and enables us to use the strengths of each system," states Struzik.

Accelerate Accounting Processes

Business Portal for Microsoft Dynamics SL has enabled InScope to automate timesheet processes. Once contractors and employees submit their timesheets, InScope can close the books in three days, eliminating the need to manage paper timesheets. Accountants analyze and report data quicker and with more accuracy through automated processes and real-time updates. "Project personnel are excited that they can review and analyze project costs in real time. They have immediate access to project profitability, funding utilization, and performance against budget, without waiting for finance to finish their reporting," says Struzik.

The company recently completed its first system audit using Microsoft Dynamics SL. "I gave the auditors access to the system, and they were able to find the information in Microsoft Dynamics SL. I didn't have to gather additional documentation or answer any questions," says Struzik. "There was nothing in our processes, accounting policies, or even all the internal controls that they found problematic." Since deploying Microsoft Dynamics SL, the company has decreased auditing time by 50 percent.

Foster Company Growth

With Microsoft Dynamics SL, InScope is well equipped to support growth and efficiency. Before deploying the solution, InScope generated U.S.$20 million in annual revenue. The company now makes U.S.$30 million in annual revenue. The employee count has nearly doubled and InScope has only had the need to hire one additional member to the accounting team to accommodate the business growth.

"We wouldn't have been able to manage our rapid growth if we didn't have Microsoft Dynamics SL," raves Struzik. "The insight Microsoft Dynamics SL provides us has qualified us to win a substantial number of contracts. We now have the confidence to bid efficiently and profitably when conducting business with the federal government." With Microsoft Dynamics SL, InScope can continue to expand its business and develop a large, diverse portfolio of projects that supports company advancement.

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:
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For more information about InScope Solutions products and services, call (703) 391-1990 or visit the Web site at:
www.inscopesolutions.com

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:
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