



## Consulting Firm Improves Profitability by Aligning Project Management and Accounting

### Overview

**Country or Region:** United States

**Industry:** Professional services

### Customer Profile

MacKay & Sposito provides a full array of consulting services, including civil engineering, planning, land and construction surveying, landscape architecture, and construction management and inspection.

### Business Situation

Because project management and accounting practices did not align, the company lacked the ability to track and report on performance at a meaningful level.

### Solution

With help from Microsoft Gold Certified Partner Synergy Business Solutions, MacKay & Sposito configured its implementation of Microsoft Dynamics SL to reflect the way the company does business.

### Benefits

- Streamlined accounting
- Better insight into company performance
- Improved cash flow and profitability

*"We can provide information to our executives, marketing group, and project managers that we were unable to before. ... This reporting toolset will help us grow as the economy recovers."*

*Marcy McCoy, Controller, MacKay & Sposito*

Engineering consulting firm MacKay & Sposito serves public-sector, commercial, industrial, and residential customers in Washington and Oregon. Economic challenges and increasing competition and budget pressure on private-sector and public-sector projects require the ability to track detailed project performance and to measure company performance against specific goals. The company relies on the financial and project management capabilities of Microsoft Dynamics SL to help align its business management, accounting, and operational functions. As a result, MacKay & Sposito's executives can measure performance in specific segments of the business and redirect business development efforts to ensure that the company meets its goals. Project managers exert precise control over time and billing and track resource utilization at a detailed level to optimize profitability and cash flow.



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Jered Cady, Executive Vice President,  
Synergy Business Solutions

## Situation

MacKay & Sposito provides civil-engineering consulting services to public-sector, commercial, and residential clients in Washington and Oregon. With more than 60 employees, the 35-year-old firm specializes in development, infrastructure planning, survey, landscape architecture, engineering, and construction management.

To thrive in the challenging economic climate, and facing intense competition for new contracts, the firm needs to direct its business development efforts very precisely. This requires a deep understanding of the business—knowing which projects and segments are most profitable—and the ability to apply this information to sales and marketing activities. In addition, project managers at MacKay & Sposito are under increased pressure to control project costs and maximize resource utilization on a daily basis. The company requires an enterprise resource planning solution that can be tailored to its unique project management model while closely aligning business management, general accounting, and operational functions.

## Solution

MacKay & Sposito relies on Microsoft Dynamics SL for both project accounting and financial management, including custom reports that provide the intelligence that executives need to navigate the troubled economic waters. The company worked with Microsoft Gold Certified Partner Synergy Business Solutions to define a configuration that would satisfy the unique accounting, executive, operational, and project reporting needs at MacKay & Sposito. Synergy performed a business analysis to better understand what information MacKay & Sposito needed and how the

company tracked and managed projects. MacKay & Sposito’s executive and accounting staff worked closely with Synergy to tailor Microsoft Dynamics SL to align more closely with the way MacKay & Sposito does business.

## Aligning the Solution with Business Goals

To enable the analysis and reporting MacKay & Sposito required, Synergy first had to align the financial-accounting structure with the Project Controller. The two companies worked together to configure the following core financial modules in Microsoft Dynamics SL:

- General Ledger
- Accounts Payable
- Accounts Receivable
- Payroll
- Project Controller Series
  - Project Controller
  - Time and Expense
  - Project Allocator
  - Flexible Billing

“Microsoft Dynamics SL offers extraordinary flexibility,” explains Jered Cady, Executive Vice President of Synergy Business Solutions. “To ensure the client received maximum value from the solution, we needed to understand MacKay & Sposito’s project-accounting, GL, AP, AR, and financial-reporting needs from a conceptual standpoint and a technical standpoint. Only then could we address the project management challenges.”

“Today, we can extract the meaningful information we need to make informed business decisions,” adds Marcy McCoy, Controller at MacKay & Sposito. “Synergy spent the time to understand what information we need and how we use that information to manage our business and then configured Microsoft Dynamics SL to fit those exact needs.”

### **Focusing Their Efforts**

With several consulting-practice areas and a business that spans public-sector, commercial, industrial, and residential clients, the company's business plans project revenue and growth independently for each of many sectors. MacKay & Sposito focuses its business development efforts on the most profitable market segments by taking advantage of the reporting and analysis capabilities of Microsoft Dynamics SL.

Custom fields in Microsoft Dynamics SL classify projects by market sector, enabling MacKay & Sposito to track performance at the sector level and make adjustments where necessary throughout the year. When project managers set up a new project in the solution, they add market sector codes to track billing, revenue, and even collections by market sector.

Reports enumerate work performed, signed contracts, and backlog for each sector. Executives use this information to measure performance against the established goals for each segment and to determine where to direct business development efforts to best achieve their goals. "Executives use these reports to identify the areas that need attention so that we can hit our forecasting," says McCoy. "If a segment is falling short, we can evaluate whether to spend more marketing resources or decide that the segment just isn't as feasible as we thought when we created the business plan. Microsoft Dynamics SL helps us direct our marketing efforts to ensure we get the results we need."

### **Managing Projects and Resources**

MacKay & Sposito also uses Microsoft Dynamics SL to provide more detailed information to project managers. Reports created through Microsoft SQL Server Reporting Services make real-time project-

accounting data available online through a Microsoft SharePoint Server-based web portal. Project managers can view all jobs in their portfolio or drill down to view detail for a specific job to see which resources have charged time to a project, check actuals against budgets, or review accounts receivable for a project or client.

Managers also use these reporting functions to track resource utilization. They can track each employee's actual billing based on time-card data and view weekly utilization reports to identify variances by comparing actual billing against the billing goals that have been entered in Microsoft Dynamics SL for each employee. The management group views weekly reports, which show utilization for the prior week, and can quickly level resources or adjust workloads to ensure optimal utilization. In addition, employees always know how they are performing relative to their goals for billable time, and the management team is better positioned to help staff meet those goals.

### **Streamlining Financial Processes**

For detailed analysis, such as calculating adjustments for standard labor cost variances, McCoy exports data from Microsoft Dynamics SL to Microsoft Excel and uses pivot tables to break down the data. In the future, MacKay & Sposito plans to deploy executive dashboards, which will let executives view key performance indicators at a glance and reduce manual reporting.

MacKay & Sposito has also streamlined routine financial functions, such as month-end closing and biweekly payroll since the redeployment, enabling the company to absorb reductions in headcount necessitated by the economy.

“Over time, given our tight management controls, we expect to see improved cash flow and profitability on a job-by-job basis.”

Marcy McCoy, Controller,  
MacKay & Sposito

### Benefits

By configuring Microsoft Dynamics SL to closely reflect the unique relationships between financial and project management, MacKay & Sposito enjoys efficient routine accounting and reporting functions, deep insight into project and company performance, and tight control over project management and resource utilization.

#### Streamlined Accounting

The day-to-day operation of the controller’s office flows very efficiently, thanks to the streamlined core financial processes of Microsoft Dynamics SL. “Having access to detailed information that aligns with our business model helps me help our principals manage effectively,” says McCoy. “I can respond quickly to even their most challenging financial questions; when they request data, I can easily pull that information from Microsoft Dynamics SL.”

With routine accounting functions facilitated by Microsoft Dynamics SL, McCoy can complete month-end closing and process biweekly payroll in less time—even with reduced staff. “We’ve reduced the time required for month-end closing from five days to two days, and payroll processing now requires only two hours twice a month,” she notes.

#### Better Insight into Company Performance

By aligning the project management and accounting functions within Microsoft Dynamics SL, MacKay & Sposito executives have a timely, accurate picture of performance at the company level, the project level, and even the resource level. “We know how our projects are set up and how our projects are tracking costs,” says McCoy. “We can provide information to our executives, marketing group, and project

managers that we were unable to before. The combination of Microsoft Dynamics SL, SQL Server Reporting Services, and SharePoint Server has been a good thing for us; it enables us to be proactive. This reporting toolset will help us grow as the economy recovers.”

#### Improved Cash Flow and Profitability

McCoy asserts that effective resource utilization is the key to increasing profits. “Our product is time,” explains McCoy. “Properly managing the number of minutes charged to a project impacts our profitability. Over time, given our tight management controls, we expect to see improved cash flow and profitability on a job-by-job basis.”

## For More Information

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For more information about MacKay & Sposito products and services, call (360) 695-3411 or visit the website at:

[www.mackaysposito.com](http://www.mackaysposito.com)

For more information about Synergy Business Solutions products and services, call 1 (800) 481-8590 or visit the website at:

[www.synergybusiness.com](http://www.synergybusiness.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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### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics SL
- Microsoft Office
  - Microsoft Excel
- Microsoft Server Product Portfolio
  - Microsoft SharePoint Server
- Technologies
  - Microsoft SQL Server Reporting Services

### Partners

- Synergy Business Solutions