



CASE STUDY

Technical Systems, Inc.

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Bob Kotjan, CFO for Technical Systems

Overview

Country: United States
Industry: Construction

Locations
Lynnwood, Washington

Scenario
◆ Needed a system that would help manage costs, create reports and provide historical information for bids

Solution
WennSoft Job Cost, Service Management Series, TimeTrack and Microsoft Dynamics® GP complete business solutions

Benefits
◆ Greater control over costs
◆ Faster invoicing
◆ Better reporting

Business Impact
◆ Overhead as a percentage of revenue decreased by approximately 25%
◆ Annual sales grew from \$5 million to \$12 million
◆ Employee-owned stock more than quadrupled in value

About Technical Systems

Founded in 1970, Technical Systems Inc. (TSI) is the leader in process automation specializing in the design/build delivery method primarily focused in the municipal industry. With over 35 years of business experience and the completion of over 7,000 jobs, TSI's proven performance and vast knowledge base surpasses the majority of all other integration companies.

Engineering services provided by TSI include the design and programming of remote telemetry, SCADA, power monitoring, programmable logic controllers, human machine interface (HMI), distributed control systems (DCS), instrumentation, variable speed drives, motion control, motor control, and process information management. Custom panel fabrication, start-up and training, project management, and technical on-site services are also available.

Scenario

TSI has been using WennSoft since 1996. They currently are using WennSoft Job Cost, Service Management Series, TimeTrack and Microsoft Dynamics® GP. WennSoft Job Cost enhances organizational accountability by tracking and managing labor, materials, subcontractors, billing, P.O.s, and other related items. WennSoft Service Management Series improves organizations' field service by capturing service calls, dispatching assignments, tracking resolutions and managing contracts.

TSI has developed its business software solution with the assistance of ICAN Software Solutions. Headquartered in Tacoma, Washington, ICAN Software Solutions specializes in enhancements for Microsoft Dynamics GP and is committed to helping customers automate their business processes.

Fueling Growth

WennSoft has helped TSI save money, reduce the time necessary to process invoices, eliminate errors and duplicate entry, and become more efficient.

“Because of WennSoft, our overhead as a percentage of revenue has decreased by about 25%,” said Bob Kotjan, CFO for Technical Systems.

WennSoft has helped TSI's sales grow. When they started with WennSoft they were approximately \$5 million in sales, now their annual sales are approximately \$12 million.

WennSoft has also helped increase the value of TSI stock. As an employee-owned ESOP (employee stock ownership program), they are required to have their stock price evaluated by a third party independent evaluator. They have found that their stock value has more than quadrupled since 1996 when they started using WennSoft.

“From a financial standpoint and stock evaluation standpoint, WennSoft has been a big part of that success,” said Kotjan.



Monitoring Costs in Real Time

For any construction company, having the ability to effectively know and manage costs throughout the project is critical for achieving the estimated profit margins. WennSoft helps TSI do just that.

Every one of TSI's construction jobs is built to the specific needs of the customer, so each job involves many different costs. A typical job will include various materials that need to be purchased: field instruments, components for control panels, and software. Each job will also require a large variety of labor types: engineering, programming, field service, shop fabrication, AutoCAD and administrative.

WennSoft helps them organize these different cost categories and view them quickly through the job status window. This enables users to go into a job at any time during a project and review how it is progressing.

"WennSoft is a fantastic tool that helps us run our business," said Kotjan. "We can see where the labor may be over or under, and we can identify areas that need to be adjusted so we can ensure that we'll meet the profit margin established in the bid."

WennSoft allows TSI to see posted costs, estimated costs, forecasted costs and committed costs. From the job status window, they can drill down in any of these areas and see exactly where any project is at any particular time.

"Our CPA works with a lot of different construction firms and he's told us that we know the financial state of our projects better than any of his other clients," said Kotjan.

They recently added the P.O. module, which gives them another tool for reviewing projects. Each month when they review the current jobs, they can see what costs have been posted as well as estimated costs that haven't hit the system yet.

"WennSoft helps us predict company revenue and cash flow based upon the information from the P.O. module," said Kotjan.

TSI's controller, Pat Abbey, also noted the effectiveness and ease of use WennSoft TimeTrack, saying that it is the backbone of costs posted into job cost and service manager.

"WennSoft TimeTrack surpasses the GP payroll entry in tracking the various labor categories and travel costs posted to each job; material purchases made by employees on job sites; and travel time and all other time and expenses paid to employees that are not posted directly to a job," said Abbey.

Aid in Securing Bonding

Managing costs and predicting revenue and cash flow are essential for a construction company to secure bonding. WennSoft played a pivotal role in helping TSI make the transition to a new bonding company. Prior to recommending TSI to an insurance company, the agent for their new bonding company wanted to know their business inside and out. They showed him how their accounting system allows TSI staff to drill down and know at any time exactly the expenditures made versus what was estimated, including labor, materials and even travel.

"The agent for our new bonding company has been bonding contractors for probably 25 years, and after seeing our accounting system, he said it's about the best he's ever seen," said Kotjan.

WennSoft also makes it simple to create reports, not only for the bonding company, but also for the company that handles their professional liability insurance. Both require a lot of information on the kind of work being done, where the work site is located and what type of work is being performed.

"It helps me prepare those reports for our bonding and insurance companies because I can pull that information very quickly," said Kotjan.



About WennSoft

WennSoft, a Microsoft Gold Certified Partner, provides innovative business management solutions for public and private sector organizations focused on project management, field service and equipment/fleet management.

WennSoft services include assessment, training, implementation and go-live support. With more than a decade of experience in delivering superior applications in the field service and construction industries, WennSoft is the solution provider of choice.

More Competitive Bids

Securing new business is an ongoing challenge for construction companies. Therefore it's essential to be able to create bids that are competitive while providing a solid profit margin. WennSoft helps them with this by providing accurate historical data.

When they create estimates, they need to estimate the number of hours and labor type necessary to complete the job (i.e., panel fabrication in the shop, software development, engineering and field service start up.) They also need to break down the costs of the various materials that need to be purchased. Combining the historical data stored in WennSoft with TSI's years of industry experience enables them to plug in some very accurate numbers on bid day.

"In construction, you've got to know exactly what your bottom line is and where your margins need to be, so you can determine if the job is going to be profitable or if you should walk away," said Kotjan. "WennSoft gives us this information to make these decisions."

WennSoft recently helped them create more competitive bids for work in California. Since they are based in Washington, they are at a disadvantage against local construction companies who don't have to pay for employees to travel to the work site. Using the information stored in WennSoft, TSI realized they were overestimating how much it costs for flights, meals, rental cars and hotels. This allowed them to make adjustments on bids for new jobs.

"In our industry, on bid day we can lose a job by the slimmest of margins," said Kotjan. "WennSoft helps us grow the company by providing us with information that makes our bids more accurate."

Managing Subcontractors

WennSoft also helps TSI manage its subcontractors. They recently began subcontracting some of the work of developing the software they provide to their customers. WennSoft enables them to create a report to determine which companies produce the best software and how much time it generally takes. In addition to creating quality control, it enables them to turn software production into a fixed asset.

Helping Guide Software Development

Like many WennSoft customers, TSI has played an active role in helping shape future versions of the company's software products. TSI's controller, Pat Abbey, attended a WennSoft user conference in San Diego. During the conference, she met with developers from WennSoft and suggested that the product could be improved by adding functionality that allowed tracking of negative hours. WennSoft recognized the value of this recommendation and added the new functionality to the next version of TimeTrack.

To learn more about how WennSoft Solutions can have a similar impact on your organization, please contact us at 262-821-4100 or info@wennsoft.com.