Rapid Growth Spurs IOC Construction to Replace QuickBooks with Acumatica Advanced Construction Edition

OVERVIEW

Trying to juggle four instances of QuickBooks to manage its construction, painting, roofing, and handyman service divisions, general contractor IOC Construction struggled to keep up with all its intercompany transfers. When its six data entry employees started diverting miscellaneous expenses into manila folders for later reconciliation, IOC decided it needed a better financial system and improved processes. IOC deployed Acumatica Advanced Construction, which allowed it to consolidate its four entities into one, streamline and automate project management operations, and reduced errors.

KEY RESULTS

- Gained an ERP platform tailored to construction, allowing it to scale
- Acquired a single source of truth for all operations, providing full visibility and transparency
- Consolidated four entities into one while facilitating automatic intercompany transactions
- Provided permission-based access, reducing data entry errors
- Eliminated project paper files, decreasing reliance on paper and physical file storage needs
- Automated processes, streamlining workflows while saving time
- Eliminated six data entry positions, allowing improved utilization of staff
- United siloed applications, creating a single source of data and allowing staff to be more productive
- Gained AIA invoicing and construction-related project management workflows
- Improved customer service, keeping clients informed about project status and timelines

CHALLENGES

Managing a growing construction firm with QuickBooks and Salesforce can prove a bit tricky, especially when more companies are added over several decades. Typically, siloed applications are adopted and bolted on, and manual data entry balloons to unmanageable levels.

"We started off as a small handyman painting company and over time layered on a roofing company, a siding company, and then we figured out that we needed a company to house all of the corporate employees that oversaw the three companies," says Joel Sisto, Chief Financial Officer of IOC Construction. "Before we knew it, we had four separate instances of QuickBooks that didn't talk to each other. And along with that, we used Salesforce to bring all of it together." But consolidating and reconciling data wasn't easy.

The Batavia, IL-based company manages commercial construction projects from start to finish, from construction to roofing to painting and maintenance for multi-family, commercial high rise, and industrial complexes. IOC Construction, also offers maintenance services to medical facilities and property management to commercial property owners. "Because our systems didn't talk to each other, intercompany data was unbelievably difficult to maintain," Sisto says. "Missing an entry in one company but not another, became a humongous headache for us."

At quarters and year end, reconciliations were painful. A construction project that included roofing and painting would be represented in three QuickBooks instances, and allocating costs for any one project was error-prone, Sisto says, and "Reconciliation was a nightmare."

"Salesforce was where we brought it all together," he continues. "At the end of these projects, we were using Salesforce as a gross income measurement tool, which was a really bad idea because it was all these different systems didn't talk to each other, and didn't really reconcile, which created numbers that may or may not be correct." "It was a mess," adds Jessica Hill, ERP Manager. "There were six of us who daily entered data into all platforms. Hardly anything ever matched."

Company
IOC Construction
www.iocconstruction.com

Industry
Construction: Do-It-All General Contractor serving Greater Chicago and Milwaukee Areas

Number of Employees
Approx. 100 full time and part time employees

Location
Greater Chicago and Milwaukee with headquarters in Batavia, IL

Products
Acumatica Advanced Construction Edition with:

- Advanced Job Cost Accounting
- Fixed Assets
- Order Management
- Intercompany Accounting
- Field Service
- Project Management
- Expense Management
- CRM

Customer Social Sharing Details

www.instagram.com/IOCconstruction

www.linkedin.com/company/inside-out-company

Partner Details

Strategies Group
www.strategiesgroup.com

Reconciling multiple credit cards across four companies and allocating various project costs correctly was another headache. The task grew so complicated that employees began placing unreconcilable receipts in paper folders. They managed projects manually with manila folders, which, with 150 or so ongoing projects, and some 300 or more projects a year, making reconciliations was challenging.

"Before you knew it, you got to the end of the year trying to close the books and we had a miscellaneous credit card expense folder that maybe did or didn't get reconciled, and some miscellaneous expenses never got job costed," Sisto says. "They're hard costs, but the real cost is the not knowing just hoping that the number you think you have as your profitability for the job is correct and not knowing if it really is."

David Benning, Chief Executive Officer, summarizes the challenges: "The complexity of our accounting setup was a black box of unknowns and bad data. We were trying to use various systems not as they were intended but in an overly complex way. We didn't know how bad the data actually was because the data itself was entered inconsistently." Add in the fact that QuickBooks lacks user controls and allows anyone to make changes freely, and it's easy to envision the resulting chaos.

Paper-Processes Hindered Growth

As a very successful company, IOC made do. Until the company's growth caused havoc. "After 30 years, we were getting to a point where we just needed to consolidate into a single entity," says Sisto, who joined the company in 2020. "The first step of that is getting your accounting in order."

SOLUTION

IOC hired a consultant that evaluated several ERPs including Microsoft Dynamics and Sage 300, while also reviewing other applications like the latest version of Salesforce. But once the consultant demoed Acumatica to IOC, executives stopped looking at other options.

Acumatica Advanced Construction Edition is a modern, all-in-one platform that includes robust financials, job cost accounting, project management, payroll, inventory, order management, field service management, equipment management, route optimization, CRM, mobile access, and AIA invoicing.

"It was undeniable that Acumatica was the thing that we needed because it allowed us to do intercompany transfers," Sisto says. "It allowed us to bring CRM into the same program where the accounting and the projects rested, and it allowed us to maintain a client list all in one place that could then be utilized by all of the different modules in the system."

Having everything in one system was also more affordable. "Having multiple Salesforce systems was becoming ungodly expensive the way that we were using it," he adds.

Attended Acumatica Summit Pre-Implementation

A trip to Acumatica's annual summit before the platform was deployed helped IOC get familiar with the ERP and streamlined its implementation. At the summit, IOC team members talked to Acumatica customers, heard from top Acumatica executives about the platform's future roadmap, and learned about third-party application developers and their products. They also participated in Acumatica training sessions.

"It was basically a live version of Acumatica University, and what was really cool our consultant attended with us. We gained much more clarity as to what we were doing, why we were doing it, and what downstream effects making certain selections would have on the entire implementation process," says Sisto. "It was really helpful to plan a full implementation because we could see the third-party applications being offered and visualize the beginning of a vanilla version and then what we could layer on in the future."

"Then as we were building it, we could make sure that the data that we needed in the future was built into the system," he continues. "Acumatica had 99% of it already there for us, and it was nice to meet people that were already using applications and ask them, what don't they like about it? What things are giving you trouble?" Armed with that additional information helped IOC's planning.

"Those three days of training were really beneficial because it got us using the system so much that by the time we came back and started doing our integration, it felt like we've been using it forever."

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> IOC Construction

Consolidated Customer Data

As part of the implementation, IOC consolidated the number of duplicate or triplicate customer accounts into single contacts with all work in a single customer record, which greatly streamlined several workflows while reducing search time.

"We were entering in client's information 3, 4, or 5 times. Previously, it was a perfectly reasonable thing for us to have a client that needed a roof, some siding, some maintenance work, and some painting," Sisto says. "When we were doing our data validation to get into Acumatica, I think we started with - I'll throw out a number - 10,000 items." The number of customer accounts was greatly reduced by the time they finished, he says.

BENEFITS

Improved Visibility into Construction Projects

A large percentage of construction companies don't understand their financial picture, according to a recent Association of Professional Builders report. But now with the data that Acumatica is providing, IOC isn't one of them. "Acumatica has been phenomenal," Benning says. "We have a really strong grasp on our financial picture, our margins, conversion rates – all those metrics through Acumatica and the data is relatively easy to pull."

"Getting business insights from performance is pretty nice, anything from conversion rates to tracking," he says, adding executives view the organization in two buckets: pipeline and performance. "We can look at where things are happening inside of the pipeline. We use widgets to look at where a folder is digitally along the journey of our organization. Then we can look at the performance, which is how profitable each customer is, each property management company, what our margins are and opportunities, and how our sales team is performing."

IOC employees are much more productive thanks to the many automated workflows they created in Acumatica, which reduced busy-work. For example, executives no longer spend 35 minutes to format an Excel report every time they want to run a report.

"Aside from the business intelligence component, what I really like about Acumatica is the capability for automation," Benning says. "Through Acumatica's business event tool, we've been able to automate a lot of things, including transactional emails, updating customers on a project's status or to send notifications of certain activities internally."

A perfect example is submitting expense receipts. IOC had its finance department manually pull data and then send an email to an employee asking them to send the expense. With Acumatica the system sends an alert when an expense is greater than seven days old to the owner of that expense. "Now we can free up that clerk's time to do other things that add more value. Being able to automate every single thing that we can in those respects has been really cool," Benning says.

Another example, Hill adds, is the automatic email reminding customers of past-due invoices. The finance team no longer has to manually look up past due data and track it separately, saving time and ensuring more timely payments.

Consolidated Four Entities

IOC employees no longer sign in and out of four different instances of QuickBooks or transfer data between instances, which has freed up a lot of their time.

They also no longer track projects using paper files, a practice that surprised Benning when he joined the company in 2022. He recalls seeing a sea of manila folders when he walked through the production department. "A lot of them were jobs that we had just started. As I was looking around, I was like, are you using manila folders to run your project?" he says. "Before Acumatica, they were physically taking a folder up from sales to estimating, and from estimating to production. You can't even fathom. Nobody knows how many folders got lost."

Adds Hill, "With all the non-visible aspects of multiple companies, there was a lot of paper floating around with files everywhere. Having everything in one place allowed us to go paperless, which is a huge benefit."

"With QuickBooks, it was really, really difficult to figure out what any of these individual entities were really worth because there were so many intercompany transactions," Sisto says, adding the company handled some 2,500 service orders annually.

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Mobile Access for All

Because Acumatica is based in the cloud, IOC employees can view project plans and data no matter where they are. The company has also hired several employees who live out of the country, making anywhere cloud access a must-have.

"If a project manager is out in the field, they can pull up a project the same way that someone in the accounting department, the operations department, an estimator or a salesperson, can," Sisto says. "With Acumatica, we have a unified voice, a single source of truth where no matter who a customer talks to during a project, it's all going to be the same data."

Third Party Apps Extend Functionality

IOC executives also like that Acumatica seamlessly connects with third-party applications and recognizes businesses have unique needs. "We integrated early on with a marketing and transactional email third-party program that Acumatica has a native integration with. And that's been huge. We've been using it for a lot of our transactional emails, but we recently started going live with our nurture email campaigns from a digital marketing experience."

IOC has built beautifully designed emails inside of the SendGrid application, which is a low code tool, and then sends them out to customers using Acumatica.

Acumatica Allows IOC to Grow

IOC now has a platform for growth, Sisto says. "The ability to scale this system is really nice. No matter what walks through the front door, we can handle it."

That wasn't the case with QuickBooks, which was holding the company back. "Now we're at a point where I could see this company growing significantly without needing to add significant investments in our digital architecture," he says. "If we added a zero tomorrow (to revenue), we would just be adding people. We wouldn't be adding really a whole lot of technology."

The ability to pull data from Acumatica allows IOC to understand customer journeys. "Before, if sales or production was getting backlogged, you would just assume we needed to hire more people. But that was really a guess because we didn't know."

"Having good data is the ultimate customer service," Sisto concludes. "The ultimate customer experience is good communication, a project going as it's supposed to, and being on budget. And if it's not on the budget, understanding why. And the only way to do that is with good data."