

# For one aerospace GovCon, an ERP upgrade brought astronomical time-savings, sky-high ROI

One-hundred-and-five hours. The financial and contracts manager at one aerospace-focused government contracting company (GovCon) took a hard look at how their team was spending its time, and that's how many hours they were devoting each month to compliance-related accounting labor in QuickBooks. Something had to change with how the company, which contracted with the U.S. Department of Defense (DOD) to make modifications to military aircraft, managed its project data.

At the same time, the firm's president was reaching a similar conclusion about the accounting and financial systems and processes on which the company had been relying since its founding in 2003. Adequate as QuickBooks had been

in the firm's early years as an inexpensive off-the-shelf financial accounting tool, its limitations – lack of real-time visibility into projects, and a heavy reliance on time-consuming, redundant, paper-intensive and error-prone manual processes for timesheets, expense reports, invoices, and generally, way too much work performed externally, outside the system – were exposed as the company grew and matured.

"The systems we were using were archaic. We didn't have any of the real-time information and business insight we needed" to profitably manage an expanding project load and support the company's growth ambitions, says the company president. "The choice was to either find a software solution to help us manage all our financial and accounting data, or hire more people in the corporate office to do it manually."

With guidance from the firm's outside CPA, company execs opted for the former, selecting Unanet ERP GovCon after careful evaluation of various options.

## About the company

Established in 2003, this small company has since exited the market. They were a service-disabled veteran owned small business (SDVOSB) whose primary focus was providing aircraft modifications for the Department of Defense. The firm served both military and civilian customers, offering contract field team, field service engineering and program management, including agile response teams in support of customer requirements aircraft fleets worldwide.

## The Solution

Resolved to find an integrated solution to replace the outdated combination of Microsoft Office, Excel, and QuickBooks on which it had been depending on for customer relationship management, contract management, timesheets, expense reports, project tracking, billing and financial accounting, the firm chose to implement Unanet ERP GovCon, a cloud-enabled, largely automated and readily scalable ERP solution purpose-built for government contractors. Implemented over the course of about six months, Unanet ERP GovCon gave the company a range of powerful new capabilities, functionalities and automated tools, including:

- Automated, paperless timesheet and expense report processing, billing/invoicing and more.
- Tools to track accrued wages and leave, unbilled revenue, and unearned/deferred revenue.
- Separate billing and revenue functions.
- Analytics dashboards for real-time visibility into program status, burn rate and more.
- Wizard-style tools to streamline workflows and automate the flow of data across the firm.
- A mobile app so the firm's many field personnel could connect to the ERP to directly enter and upload information to the system.
- A subcontractor management platform for real-time visibility into subK project-related work, including burn rate.
- Purchasing, contract management and document storage capabilities.
- Customer relationship management (CRM) capabilities for business development.

“We have to go get Unanet for our other clients”

The company's CPA, to the partners at her law

## The Impact

Once implemented, Unanet ERP GovCon began moving the needle for the firm almost immediately, with:

- **Massive time savings – 78 HOURS PER MONTH – on accounting tasks:** The graphic below tells the story: Tasks that had taken the team hours an average of 105 hours per month took about 27 after the switch. Timesheet approval, the most labor-intensive of those tasks, now took about **13 HOURS A MONTH INSTEAD OF ALMOST 35.**

Accounting Function	Using Quickbooks	Hours per Month	Using Unanet	Hours per Month	Hours Saved
Approve Timesheets	2 days every pay period	34.67	6 hours every pay period	13	21.67
Post Timesheets to Financial System	1 day	8	5 minutes	.08	7.92
Approve Employee Expense Reports	1/2 day per pay period	8.67	1 hour	1	7.67
Credit Card Expense Reports	1 day	8	3 hours	3	5
Post Expense Reports to System	1/2 day per pay period	8.67	5 minutes	.08	8.58
Billing	2.5 days for 10 invoices	20	30 minutes per invoice	5	15
Month End Close	1 day	8	3 hours	3	5
Compute Indirect Rates	1 hour	1	10 minutes	.17	.83
Workers Comp Audits	8 hours a month	8	2 hours a month	2	6
	<b>Total</b>	<b>105</b>	<b>Total</b>	<b>27.33</b>	<b>77.67</b>

Much of those savings stemmed from streamlining and automating redundant, manual processes for managing things like timesheets, expense reports, receipts, and billing. Gone were the days of having to reconcile the project portfolio with financials. The team at the firm's headquarters office used that reclaimed time (and repurposed accounting budget funds) for pursuits that bring higher value to the company.

- **Realizing ROI many times over:** Those time savings translated into huge cost savings. The firm calculated that it **SAVED MORE THAN TWICE THE COST OF THE SOFTWARE LICENSES EACH MONTH** on an ongoing basis. Besides the efficiency gains with Unanet GovCon ERP that go directly to the bottom line, the firm captured critical information about unearned and deferred revenue that in the past could easily slip through the cracks. As a result, billing now more accurately reflects work performed, which translated not only into increased project profitability, but more accurate (less understated) indirect rate calculations. Streamlined systems meant the firm could keep its headquarters workforce lean. For example, a large project that likely would have required the company to hire five new support people pre-Unanet instead required no new hires.
- **A huge boost in functionality and business insight for essentially ZERO ADDITIONAL DOLLARS:** With full integration of project and financial accounting, critical business functions that once had to happen outside the accounting system occurred within it, and many are automated. The ERP system was flexible, accommodating multiple revenue recognition models. Tools inside the system automate the process of indirect rate calculation. Separate billing and revenue functions simplify accounting. Errors quickly could be flagged, fixed and reconciled across the system. A mobile app enabled remote time and expense entry and receipt upload by personnel in the field.

- **Heightened visibility:** Company officials now have clear, real-time insight into program profitability on an ongoing basis, instead of waiting until a program is completed and all related data has been entered. "We can see and analyze what's going on with a program on a daily basis if we want," said the company president.
- **Improved, timelier decision-making, the result of having a single source of truth across the business:** Data accuracy is no longer a question, and it flows effortlessly across and within teams and departments, so program managers and other company decision-makers can view burn rate and other key project-specific and project- spanning data in real time. Project budgeting and planning were no longer hampered by siloed, sometimes unreliable and/or incomplete data.
- **Compliance made easy:** Meeting DCAA (Defense Contract Audit Agency) requirements went from a frustrating, time-consuming, error-prone and cumbersome multi-step exercise to a fast, streamlined, accurate and mostly automated process.
- **Hello cloud and mobile, good riddance to fax machines, scanners, hot spots, spreadsheets and paper- shuffling:** No longer does the firm, its program managers, and field personnel have to deal with faxing, or scanning and emailing, documents. Mobile access means no more reliance on WiFi hotspots. Spreadsheets and paper processes were eliminated.

“ You can pay someone to do your accounting in multiple systems and try to keep them all in balance, or you can invest in software that does the heavy lifting and bakes the compliance in. It just depends on whether you want to work smarter or harder.”

– The compliance gospel according to the company's CPA

## Keys to Success

Reflecting on multiple years of doing business with Unanet ERP GovCon instead of QuickBooks, the team at this company offered the following advice for GovCons that are considering upgrading to an integrated ERP solution:

- **Take a methodical approach to implementation:** The company ran its legacy and new systems concurrently for several months, just to be sure it was covered during implementation. It also made the most of the training and support resources Unanet provided.
- **Look for a mobile-enabled ERP solution to support a field workforce:** The Unanet mobile app proved indispensable for field personnel, sparing them tedious, time-sucking paper-trafficking tasks.
- **Robust GovCon-tailored compliance tools** are a must to reckon with the complexities of DCAA and other regulatory reporting responsibilities.
- **Prioritize process automation:** The time and cost savings can be massive and sustainable over the long term.
- **Seek a solution that accommodates multiple revenue recognition models:** A high level of versatility and flexibility are critical to competing and meeting compliance responsibilities.
- **Find a provider that treats you like a true partner:** Strong ongoing support from the company providing your ERP solution is as important as the solution itself. "The support and service we've gotten from Unanet has been very good," said the company president. "They have always been there to answer questions and help us work through an issue."

To learn more about Unanet ERP GovCon and what a purpose-built ERP solution can do for your government contracting business, contact us at

<https://unanet.com/contact-sales/>



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