

Tester Construction Group is no longer concerned with scaling its general contractor residential community-focused business as it now has a financial ERP platform for the construction industry, with real-time information, more accurate job costing, and total visibility into its business.

Tester Construction Group Speeds Up Time to Value

October 2022

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Introduction

Tester Construction Group (TCG) is a general contractor specializing in mixed-use multifamily residential projects. Located in Philadelphia, Pennsylvania, the company has approximately 40 full-time employees.

The company realized it could not continue to operate on the software that supported its existing accounting system for several reasons: a lack of visibility into financial data, little aggregation of data and reporting capabilities, limited financial transparency of job costing, and insufficient manual processes. As the company grew, it needed more construction project management capabilities, including real-time job costing capabilities, improved cash management capabilities, visibility into all data, automation, and integration into other organizational systems.

System Selection

TCG reviewed several small and midmarket financial technology systems before deciding upon Acumatica as its solution. Critical to the selection process was the ability to have real-time data, seamless integration with its three other systems, automation, and more traceability and compliance. When the team from TCG reviewed the Acumatica product, it found the solution to be geared toward the construction industry and to offer real-time data capabilities and full visibility into that data, all enabled by open APIs.

SOLUTION SNAPSHOT

ORGANIZATION:

Tester Construction Group, a Philadelphia-based general contractor for residential communities

ORGANIZATIONAL CHALLENGES:

- » Semi-automated process management of construction projects and the subcontractors performing the work
- » Lack of full visibility into financial data
- » Little aggregation of data and reporting capabilities
- » Limited financial transparency of job costing
- » Insufficient manual processes

SOLUTION:

Acumatica construction industry financial/ERP technology solution

PROJECT DURATION:

Fast track of 14 weeks

BENEFITS:

Benefits have been numerous, including:

- » Real-time data and data visibility with open APIs
- » Seamless integration with other systems
- » Compliance to ensure faster payments
- » Job costing and controls built for the way the company runs its business
- » More accurate cost allocations and visibility into overall costs
- » Automation

Jay Feinman, TCG's CFO, noted, "Acumatica's job costing abilities and controls, along with the ability to provide flexibility of modules to us as we grew, were huge selling aspects for us." TCG also found that Acumatica made the buying process easy and that the purchase price was in line with the company's budget. After reviewing Acumatica in spring 2021, TCG completed the purchase in June, began implementation quickly thereafter in August, and was live with the solution in October.

Implementation

TCG moved to Acumatica with finance leading the activities, particularly around subcontractor commitments, purchase orders, invoice processing, job costs, compliance, and budgets. Integrating these business process components into TCG's construction approval process was critical to ensuring the success of the Acumatica implementation. TCG can now route approvals, send notification of invoices to project management, and approve and release invoices into the GL quickly. It is a huge win for TCG to have the real-time financial and job cost information provided by Acumatica.

As the implementation was completed, TCG was able to observe what was going on with its business overall. The company could quickly see its revenue based on project completion, including all costs, estimates, and percentage completed by project and period. These critical aspects to the business improved TCG's overall cash management program because the company could account for the real-time costs earlier and increase its cash management time to value.

"I am no longer worried about our financial ERP system growing with us. Acumatica has removed that concern."

— Jay Feinman, Tester Construction Group CFO

Challenges

The biggest hurdles for TCG were making sure its historical data successfully transferred to Acumatica and verifying that it could use that data as a baseline. TCG hired an individual for two months to ensure that the data was successfully extracted from its previous system and audited and to ensure the data could be successfully transferred to Acumatica.

In addition, TCG was new to a cloud product that could be quickly integrated with real-time information and open APIs. Testing this new functionality was critical as the company was moving from a hosted environment, with connectors that had to be hooked up every time TCG wanted to check that approvals were made. Once that was done, the company could move forward with that information to start the financial processes.

Benefits

TCG saw immediate benefits from implementing Acumatica, and as the company has grown, those advantages have continued. Benefits the company has seen to date include:

- » Real-time data and data visibility with open APIs
- » Seamless integration with other systems, enabling real-time information within Acumatica
- » Compliance to ensure faster invoicing and subcontractor payments
- » Job costing and controls built for the way the company runs its construction business
- » More accurate cost allocations and visibility into overall costs within projects and by period

- » Cash to cash cycle visibility and cycle time improvements of three to five days
- » Ability to close period-end financial books much faster
- » Ability to scale the company beyond \$100 million more quickly because of the financial visibility and available real-time information

Tester Construction Group believes its business will be enhanced even further in the future as it rolls out more Acumatica functionality to speed up its business processes even more.

Methodology

The project and company information contained in this document was obtained from multiple sources, including information supplied by Acumatica and questions posed by IDC directly to CFO Jay Feinman of Tester Construction Group.

About the Analyst



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Mickey North Rizza is Group Vice President for IDC's Enterprise Software. She leads the Enterprise Applications and Strategies research service along with a team of analysts responsible for IDC's coverage of the next generation of enterprise applications including digital commerce, employee experience, enterprise asset management and smart facilities, ERP, financial applications, HCM and payroll applications, procurement, professional services automation and related project-based solutions software, supply chain automation, and talent acquisition and strategies.

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About Acumatica

Acumatica Cloud ERP provides the best business management solution for transforming your company to thrive in the new digital economy. Built on a future-proof platform with open architecture for rapid integrations, scalability, and ease of use, Acumatica delivers unparalleled value to small and midmarket organizations. Connected Business. Delivered.

Acumatica Construction Edition is a complete cloud ERP with superior mobile technology that enables a 360° view of your business anytime, anywhere, from any device. The streamlined platform includes robust financials, job cost accounting, project management, payroll, CRM, inventory, service management, and property management.



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