



case study

FMI | MANAGEMENT CONSULTING • INVESTMENT BANKING
for the CONSTRUCTION INDUSTRY

FMI needed a solution that understood the challenges of the consulting industry.

With Maconomy, FMI found an ERP system that improved its way of doing business - without requiring significant customization.

maconomy
don't waste



“ We ultimately chose Maconomy because it required very little customization

Denise Proctor, CFO, FMI

FMI identifies challenges

In 2003, FMI, the nation's largest provider of Management Consulting and Investment Banking to the worldwide construction industry, was experiencing a number of problems:

- Internal client relationships were strained.
- Receivables weren't being collected in a timely manner.
- Month-end close would take at least a week every month.
- Accounting was bogged down with expense and job reconciliation and unable to generate timely reports for their consultants.

The reason for these challenges? FMI's systems were out of date and no longer able to support the growing numbers of consultants or clients. FMI required a solution that could handle their client and consultant load, understand the challenges of the consulting industry, and would not require significant customization

Need for accurate, real-time data

FMI consultants, the front line to all of their clients, pride themselves on offering an exceptional client experience. FMI believes so strongly in their ability to provide an outstanding customer experience that they offer a money-back guarantee if the client is not satisfied.

However, FMI's inability to provide consultants with the most up to date information was straining their client relationship. For example, a consultant might call a client to check on the status of a payment, only to learn that it had been received by accounting two days earlier.

“Consultants couldn't get the latest information on their clients without going through finance, and sometimes it could take five days to get the reports back out to them,” says Denise Proctor, CFO, FMI. “That doesn't work when you need the latest information.”

FMI in Brief

Overview

FMI is the premier Management Consulting and Investment Banking firm serving the worldwide construction industry.

Founded in 1953, FMI delivers innovative, customized solutions to contractors; construction materials producers; manufacturers and suppliers of building materials and construction equipment; private owners, managers and developers; engineers and architects; utility companies; multi-family developers; surety companies; and construction industry trade associations.

FMI creates value through enhanced performance of building and construction companies, teams and individuals and by mitigating risk

For more information, visit www.fminet.com



“The Maconomy Consulting Solution has been great. We have been able to give control to the consultants. The month end close process is less stressful and more streamlined in Maconomy

Velencia Carl, Accounting Manager, FMI

Accounts Receivable

Another challenge FMI had was with receivables over 120 days old, which were 19% of revenue totals. “We knew that the receivables number was holding us back. We needed to get that number down,” explains Proctor. The high percentage of old receivables had a significant impact on cash flows. Consultants are only paid when the money is collected from clients, so not only was FMI incurring a cash flow problem, but individual consultants were suffering from the high receivable number.

Delays and inaccuracies with month-end close

FMI found that its month-end close would take at least one week to complete. Expenses had to be submitted by consultants, reconciled by accounting, reviewed by consultants and then sent to clients. That process took at least one week every month.

Additionally, this process would often result in job billing errors, as the accounting employee was not always familiar enough with a project to know which expenses and jobs were connected. Accounting’s staff of six were consumed with these processes at the end of every month, leaving only three weeks a month to spend on productive activities.

All expenses and client receivables were sent through the accounting departments, without the knowledge of a consultant or project manager. When a consultant wanted to track the progress or budget usage on a job, they had to ask accounting for the report. It could take up to five days to get that report back, at which time the information was already out dated.

The search for a solution

It was clear that FMI needed to decrease their receivables, increase cash-flow, better support their consultants and relieve their overburdened accounting department. They set out to find the software solution that could accomplish these goals. Accordingly, FMI created a task force and a list of over 150 system requirements in order to guide their selection process.

“The most important requirement was a flexible invoicing system,” says Proctor. “We invoice in a number of different ways for all of our business groups, and we didn’t want accounting to have to do a lot of work on the back end.”

In its search, FMI considered Deltek, Accuity, Sage Software and Maconomy.

“We ultimately chose Maconomy because it required very little customization,” states Proctor.

Creating Value for FMI

Success Criteria

- Improve client relationships
- Collect receivables in a timely manner
- Complete month-end close in under a week every month
- Decrease burden of expense and job reconciliation on Accounting department

Maconomy Solution

- Maconomy Consulting Solution
- Finance
- Projects
- Inventory
- Subscriptions



Impressive results

FMI launched Maconomy's Consulting Solution in late 2003. Maconomy replaced Accuity across all FMI business units in an implementation that took about six months.

Maconomy has achieved results for all of FMI's business units.

Receivables over 120 days old are now 3.24% of revenues, a decrease from 19% to 3% in just 3 years.

Month-end close takes only two days with Maconomy. With the decrease in receivables, the more efficient month-end close, and by making each consultant and their administrative assistant responsible for their own projects, expenses, and job cost tracking, FMI was able to decrease the head count in accounting by three people within the first year of implementing Maconomy's Consulting Solution.

States Proctor: "Now our consultants know exactly where their clients are in terms of project costs, receivables, and project status. Having that knowledge has not only made them more effective and efficient, but it has improved their relationship with their clients, and cut down on billing errors. With Maconomy, the consultants (or their administrative assistant) enter their own time sheets, invoices and expenses, and can track jobs correctly without having to get accounting involved."

The flexible invoicing system saved accounting a significant amount of time on the back end, and cash flow has increased. Velencia Carl, Accounting Manager, says, "The Maconomy Consulting Solution has been great. We have been able to give control to the consultants. The month end close process is less stressful and more streamlined in Maconomy."



organic business solutions

Maconomy is a global provider of ERP business solutions for Professional Services organizations. The fully integrated solution incorporates financial management, project management, time registration, resource planning, CRM, HR and business intelligence for profitable results.

As a recommended provider to Professional Services organizations worldwide, Maconomy has focused exclusively on this sector for more than 20 years. This has given Maconomy unique insight into the best-practice processes of these organizations. Maconomy has created proven results for a wide range of international clients, including TNS, Millward Brown, Ogilvy PR and Interbrand, as well as all of the three biggest global marketing communications networks and four of the Big Five global accounting firms.

Maconomy is listed on NASDAQ OMX Copenhagen with headquarters in Copenhagen, Denmark. We have offices across Northern Europe and in the US as well as an extensive network of business partners, enabling us to service and support around 600 clients in more than 50 countries worldwide.

For more information, please visit

maconomy-usa.com



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