

# Top Considerations for Adopting an A&E Industry Specific Accounting Platform

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Project management excellence is at the core of high performing Architecture & Engineering firms. Unfortunately generic accounting software programs, such as QuickBooks, fall short on providing the functionality that A&E firms require to be successful – primarily a solution that lets them manage and plan resources, handle project variation and complexity and easily adapt to customer requests. An industry specific accounting solution gives A&E firms the tools they need to make better business decisions through improved visibility, insight and control across all areas of their projects and broader organization.

The following are top considerations for why an A&E firm like yours may want to consider adopting an A&E industry specific accounting solution:

### 1. Tailored for a Project Based Business

Would you run a marathon in high heels? Probably not. The same parallel can be drawn with accounting systems – why use a platform that is not optimized for the road ahead? To manage projects efficiently and measure profitability, a project based firm needs to be able to accurately track time, resources and expenses, and attribute them to the appropriate project.

Generic solutions like QuickBooks have been designed to meet the general needs of many types of businesses. As a result, generic solutions don't have the ability to handle project variables, which can range from prepayments

and different billing types to unorthodox work breakdown structures. Nor can they handle basic functions an A&E firm requires such as tracking work-in-progress, splitting time between phases, applying multiple billing types to projects, or calculating direct and indirect costs. These limitations can negatively impact your firm's utilization, project profitability, cash flow and data accuracy.

### 2. Integrates Accounting, Time Entry and Project Management into One System

When you use separate systems for accounting, time entry and project management, the result will be disconnected data flows and work processes. Most A&E firms operating this way find themselves manually moving data across systems, doing double data entry, or reconciling invoices and accounts receivable in more than one system. Often there is a dependency on homegrown spreadsheets for managing project data, which results in siloes of data that may not be reliable or consistent across the firm.

With one integrated system you can control all aspects of accounting, time entry and project management and share real-time project information across your firm. Information is consolidated into one database so everyone at your firm will be working with the same data. This helps streamline your business processes and eliminate redundancy and error.

A real-time customizable project dashboard is one of the biggest benefits of an A&E industry specific project-based accounting system.

### 3. Provides Real-time Visibility and Analytics on Demand

Is your firm spending time and effort managing problems after negative effects have already taken their toll? Do you struggle with data accuracy? Are you spending more time looking for data than analyzing it? Or worse yet, basing important business decisions on gut feel or guesstimates?

Managing your business without real-time information and analytics is like driving a car using only your rear view mirror. Firms that operate this way only get a sense of where they stand as they are preparing invoices at the end of the month. If your firm is operating in this way, you are at greater risk of budget overruns and project failure.

An A&E industry specific solution that provides ease of access to real-time information enables your firm to spend more time analyzing data to improve project planning and execution. Real-time visibility increases accountability and helps your project managers focus on project profitability and additional services. Since they are able to identify issues much sooner, they can be proactive rather than reactive in addressing them.

### 4. Promotes Project Management Excellence

With strong project management in place, your A&E firm stands to improve its client experience, firm profitability, process efficiency and most importantly, the utilization of your firm's greatest asset - your employees. Well-managed projects generate higher profits through timely bidding, identifying and winning better projects, asking for more appropriate project fees, and optimizing utilization. Project managers have more time to adjust plans or request additional services as problems occur or project scope changes.

Generic accounting systems without integrated project management functionality are confined to back office accounting staff.

With restricted access to information, your project managers are reliant on your accounting staff for information, impeding their ability to make timely business decisions. For your business to run efficiently and maximize profitability, your project managers must have ease of access to the information they need.

A real-time customizable project dashboard is one of the biggest benefits of an A&E industry specific project-based accounting system. It provides your project managers instant visibility into information they need for making decisions and managing their projects more efficiently. No longer will your project managers need to spend time searching for information in multiple places or rely on accounting staff to generate reports. Ease of access to system data and the ability to self-serve also helps to speed workflows, increase staff efficiency and minimize costs due to error.

### 5. Optimizes Resource Management for Profitability

Do you have enough work to keep all of your employees employed and busy? Do you have the right resources for all of the work to which you could potentially commit? If you are unable to track your resource utilization today, how can you expect to be able to accurately forecast your future resource needs?

As the economy continues to improve and the focus shifts from survival to growth, resource management is becoming a top priority for A&E firms. Resource management is key for keeping a firm's utilization high and forecasting future staffing requirements.

If your project managers have their own way of doing things and create custom spreadsheets for managing project budgets and schedules, it will create a fundamental challenge for your firm to understand the workloads and utilization of your revenue-generating resources.

A&E industry specific solutions include built in resource management capabilities that eliminate the need for your managers to manually track budgets, schedules and utilization in spreadsheets.

A&E industry specific solutions include built in resource management capabilities that eliminate the need for your managers to manually track budgets, schedules and utilization in spreadsheets. Dashboards and reports can be set up by role and generated on demand. For instance, a “budget to actual” snapshot report allows your firm to see how many hours were budgeted for a particular project, how many hours were billed and what is remaining. When this information is paired with projected time using the scheduling tool, it helps your project managers more easily manage staff and project workloads on a weekly basis.

#### **6. Adheres to Government Compliance Reporting Requirements**

Government contracts require specialized timekeeping, cost tracking, reporting and accounting procedures. If your firm is doing government work (or would like to be) and you’re using a generic accounting system, it will be challenging for you to remain current and compliant with regulations for FAR and government agencies such as DCAA, DOT or DOD.

The key to FAR compliance is to use an A&E industry specific project based accounting solution that will allow you to follow specific accounting and government procedures. At a minimum, the system must be able to provide the ability to track allowable and unallowable costs, accurate time and expense by employee, as well as costs, revenue and profits by project. The system should also be able to accurately report on overhead.

#### **7. Supports Flexible Billing and Customized Invoicing**

Your customers most likely request some level of invoice customization. This can be a challenge for an A&E firm like yours if you

are using a generic accounting system. As a workaround, firms often manually create custom invoices using spreadsheets or word processing tools. This approach is prone to error and will not leave a clean audit trail or allow proper tracking for billing purposes.

An industry specific A&E accounting solution is designed with project billing requirements in mind. Invoice designers included in the system allow you to easily customize invoice billing types, billing rates and payment terms. Integrated billing allows your staff to review invoices online, email directly from the system and track the collection process. Streamlining your billing process reduces the time it takes for your firm to be paid, significantly improving cash flow.

#### **8. Adapts to Changing Business Requirements and Firm Goals**

With growth comes new business requirements and goals, and usually new systems and processes to efficiently facilitate these changes. For instance, take a small firm that is growing quickly. At some point it will want to departmentalize or implement some sort of segmentation in order to understand the different areas of its business and how they are performing.

Generic systems like QuickBooks do not give you the ability to departmentalize or analyze segments by performance. As your firm grows it will be challenging for you to scale the system due to the heavy burden it will place on your administrative staff. Many A&E firms move to an A&E industry specific project based solutions because they simply “outgrow” a generic accounting system.

It can be challenging to learn a new system during a time of rapid growth. Successful firms prepare for this by implementing new systems just ahead of the curve so their staff is ramped and business processes and key metrics have been established.

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**Summary**

Deltek provides project-based ERP solutions that provide A&E firms with the tools they need to grow their business and increase profitability. Deltek project-based ERP solutions manage all aspects of time entry and expense management, project management, accounting and reporting,

and enable real-time project information to be shared across the firm. Deltek solutions benefit every role within the firm and enable A&E firms to make better business decisions through improved visibility, insight and control across all areas of their projects and broader organization.

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**Next Steps**

To learn more about Deltek project-based ERP solutions go to [deltek.com](http://deltek.com)

To schedule a personalized demo, email [info@deltek.com](mailto:info@deltek.com)

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