Why Contractors Upgrade from QuickBooks®

Is it time to upgrade from QuickBooks®? That depends on why you are evaluating an upgrade. Learn when and why thousands of contractors have upgraded from QuickBooks® to a purpose-built software like Deltek ComputerEase.

Most small to mid-sized contractors rely on low-cost software like QuickBooks® to run the accounting functions of their business. That's because QuickBooks® does a great job addressing the needs of companies by size. It's a one-size-fits-all solution that is perfectly suitable to keep record and facilitate many accounting functions for the typical small business. However, some contractors using QuickBooks® reach a point in their story where they need a solution that isn't for every industry, can support rapid growth, and can meet requirements that are usually associated with larger and more complex construction jobs. That's when it makes sense to explore a purpose-built solution for construction like Deltek ComputerEase.

Learn why leading contractors upgrade from QB to a purpose-built solution that enables them to control the future of their business and meet construction-specific requirements.

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Why Contractors Outgrow Quickbooks®

The construction industry is entrepreneurial by nature. New construction businesses start every day. Many construction workers who have spent years working in construction eventually decide they are capable and ready to run their own business. It starts as an idea and then turns into a couple of clients, a logo, and an office space.

Soon after, contractors establish the basis for how to operate their business to include the software tools they use. Contractors at this stage typically use software tools like QuickBooks®, spreadsheets, and low-cost mobile apps. These low-cost tools can adequately serve a contractor for a long time.

However, some contractors may experience quick growth. Maybe it's an increase in the number of jobs or maybe it's the emergence of much larger jobs. While growth is an exciting development for a construction business, it often introduces new requirements, such as detailed Work-In-Progress (WIP) reports to get a surety bond for a job or to increase a line of credit with a bank, managing prevailing wage and certified payroll, or AIA billing. These requirements can be difficult to manage with a tool such as QuickBooks®, which is not intended to address construction specifically. To meet these needs with QuickBooks®, it usually requires the introduction of several new spreadsheets, additional 3rd party software, and modifying how QuickBooks® was intended to be used. Many contractors that have outgrown QuickBooks® end up spending a lot of their time managing their business outside of QuickBooks®.

Contractors that continue to use QuickBooks® while their business is rapidly growing or facing new, complex requirements leave themselves vulnerable to:

- Thin profit margins or profit loss on jobs
- Poor cash flow
- Penalties due to violating compliance
- Inefficient data collection
- Human error
- Lack of clarity into critical project and financial metrics
- Increased potential for negative client interactions

While growth is typically good news, the inability to manage growth and new requirements can be devastating to a contractor's business. It's at this point in the contractor's story that they need to seriously consider adopting new processes and tools to support their growth, such as job costing and investing in tools like purpose-built software. Similarly to how contractors adopt new and more sophisticated physical tools when they take on more complex jobs, the same concept can be applied to the software tools contractors use to run their business. For example, there comes a time when a backhoe is more worthwhile than a shovel and there also comes a time when a purpose-built software is more worthwhile than QuickBooks®.

When Purpose-Built Software Makes Sense

The following are top considerations for why a construction company like yours chooses to upgrade from QuickBooks® to Deltek ComputerEase:

» Rapid growth in jobs became unmanageable in QuickBooks®

» Job profitability was misunderstood and uncertain until after the job

» Cash flow was poor and not easily tracked

» New jobs with new requirements such as prevailing wage and certified payroll

» Needed accurate and detailed WIP reports to get a bank loan or a bond for a job

» Jobs expanded into states with local income taxes or new payroll complexities

» Services expanded from residential to commercial

Deltek ComputerEase Solution Overview

Whether your organization has 5 employees or 300, Deltek ComputerEase is priced and packaged for the needs of contractors. It includes everything you need to manage your books, control job costs, and meet construction requirements while connecting them all together in a single solution.

Job costing excellence is at the core of high performing construction companies. Unfortunately, generic accounting software programs, such as QuickBooks®, fall short on providing the functionality that construction companies require to be successful long-term.

For contractors that take on government contracts or prevailing wage jobs, it can be nearly impossible to manage compliance. QuickBooks® and similar solutions simply don't speak the language of construction. They don't understand prevailing wage, unions, AIA billing, or WIP.

Eventually, a low-cost and simple solution like QuickBooks® becomes expensive and complicated for a contractor. Contractors at this point need a solution that allows them to:

- Spend more time on their business vs. in their business

- Proactively make decisions vs. reacting to what has happened

- Make money with their software vs. cost money

- Meet construction requirements within the software vs. outside the software

An industry-specific accounting solution like Deltek ComputerEase gives contractors the tools they need to make better business decisions through improved visibility and insight to control all areas of their jobs and broader organization. It allows contractors to run their business by looking ahead rather than always looking back through the rearview mirror.

Deltek ComputerEase Capabilities

- Proactively manage job profitability with job costing and WIP reports
- Stay connected to your business through real-time analytics dashboards
- Manage the workflow of change orders
- Establish user access permissions and approval roles
- Bill customers through a variety of methods (AIA, unit, T&M) and easily track retainage
- Automatically apply invoices to a job and manage lien waivers and two-party checks
- Catalog, track, and transfer inventory to jobs and back to the warehouse
- Handle multiple departments and consolidated financials with the flexible general ledger
- Job cost your equipment, fleet, and assets
- Streamline the flow of field information such as time entry, work orders, and expenses
- Manage subcontracts and subcontractor relationships
- Control the workflow of project documents such as RFIs, submittals, and more
- Manage the allocation of skilled labor and equipment to meet timelines
- Dispatch and manage work orders between the office and the field
- Manage sales activity, customer relationships, and pipeline
- Ensure business continuity with the cloud
- Save time and stay compliant with Payroll Services

How Deltek ComputerEase Empowers Contractors

There are companies who help contractors with strategic goals and vision, bringing knowledge and experience. Then there are companies who provide tools to help you execute your vision, bringing systems for your processes. At Deltek ComputerEase, we provide both. When you prepare to expand your construction business, generic solutions like QuickBooks® simply aren't enough. Here are the ways Deltek ComputerEase helps fast-growing contractors.

TAKE CONTROL OF YOUR FUTURE

Job costing practices like WIP reporting are critical to understanding the future-state of jobs. Deltek ComputerEase produces both job-level and comprehensive WIP reports that can be customized to meet a contractor's unique needs and to present to different audiences. These reports serve as a tool for contractors to manage their profitability proactively while also providing the essential details often required by banks, bonding agents, and more.

REST EASY WITH JOB VISIBILITY

Running a construction business can be stressful. Especially when there are several jobs running at the same time with different nuances and compliance regulations. Deltek ComputerEase supports the entire job lifecycle with comprehensive job costing capabilities. Unlike QuickBooks®, Deltek ComputerEase helps contractors succeed by arming every part of the construction business with purpose-built tools that allow staff to work together more efficiently and informed.

MAINTAIN A STRONG CASH POSITION

Managing cash flow is vital to survival, and small businesses face unique cash flow challenges. Deltek ComputerEase provides one consistent platform for all financial and project data and eliminates spreadsheet chaos to improve planning efficiency. Deltek ComputerEase produces both job-level and comprehensive financial statements. They ensure invoice accuracy with efficient revenue and billing cycles, furnish flexible invoice options, and track vendor and employee time to jobs.

How Contractors Upgrade from Quickbooks® to Deltek ComputerEase

Deltek ComputerEase is more than just a software solution. With hundreds of years of combined construction accounting experience, Deltek ComputerEase has successfully upgraded thousands of contractors from QuickBooks® to Deltek ComputerEase.

While each upgrade from QuickBooks® to Deltek ComputerEase has its unique needs, most of these upgrades can be done within 60 days. This process has been built over more than 15 years of helping thousands of contractors upgrade their business processes and software to meet the needs of growth and construction requirements. Contractors that make this upgrade have a partner in Deltek ComputerEase that speak the language of construction and that is dedicated to its clients' long-term success.

MEET UNIQUE CONSTRUCTION REQUIREMENTS

Construction jobs may have unique requirements that aren't accommodated by solutions like QuickBooks®, like prevailing wage, certified payroll, unions, and complex local income tax scenarios. Deltek ComputerEase was built to understand and accommodate all of these requirements and more so contractors can focus more on the success of their jobs vs. staying compliant.

REPORTING YOUR WAY

The art to a financial statement is the ability to tell your story. Financial reporting in construction can be challenging as each contractor can vary by trade, region, union / non-union, commercial / residential, and more. Deltek ComputerEase's custom report writer is intentionally flexible to meet the needs of each contractor, which gives them the best opportunity to tell their story.

STREAMLINE THE OFFICE AND THE FIELD

Managing the jobsite from the office can be challenging in construction. Many contractors lack the visibility and connection to what is occurring in the field. Deltek ComputerEase offers a full suite of mobile field applications that syncs the office to the field so the office is informed of all business happenings onsite in real-time. Whether it's tracking time, managing work orders, submitting field logs, or recording field expenses, Deltek ComputerEase has you covered.

PROJECT KICKOFF

This is a critical meeting to ensure everyone is on the same page with a common goal and go-live date to work towards together. The meeting is held amongst the contractor's key stakeholders and the Deltek ComputerEase Training and Implementation consultant to establish the upgrade process, key milestones, expectations, and more.

DATA MIGRATION

The data migration step includes transitioning and formatting the chart of accounts, customer list, and vendor list from QuickBooks® to Deltek ComputerEase. For each set of data, an expert consultant joins the contractor to log into QuickBooks®, export the required data, make modifications to the data formats, and import the data into Deltek ComputerEase. Every experience has its unique challenges, but the Deltek ComputerEase expert consulting team has encountered and accommodated all of them with their many years of experience, providing contactors expert navigation through the software upgrade process.

COMPANY SET UP

With the imported chart of accounts, the consultant can now set up the contractor's company (to include payroll) within Deltek ComputerEase. Once set up, the consultant walks through and reviews the company with the contractor to verify that it meets their needs.

TRAINING

Once the company is properly set up within Deltek ComputerEase, the consultant begins training on the software and procedures. The beginning of training always starts with job costing. The consultant identifies the contractor's comfort level with job costing, walks the contractor through how to job cost in Deltek ComputerEase, and provides the contractor a practice company with real data that is used to progress through the subsequent training sessions. After the contractor is comfortable with job costing, the consultant continues training in dedicated sessions to cover topics such as accounts receivable, accounts payable, payroll, and the general ledger. Additional training may be required if other modules have been included in the system such as mobile field apps, equipment costing, subcontractor management, service management, and more.

IMPORTING AND VERIFYING BALANCES

After the completion of training, the next step is to import and verify balances between QuickBooks® and Deltek ComputerEase. First, the consultant starts by verifying that the loading balances for payroll match between Deltek ComputerEase and QuickBooks®. Once verified, the consultant facilitates the same process for accounts receivable, accounts payable, general ledger trial balances, and job costing balances.

GO-LIVE

Now that the contractor's QuickBooks® data has been transitioned and formatted into Deltek ComputerEase, the company is set up, the contractor's team has been trained, and balances have been imported and verified, it is time to go-live with the system. The official go-live includes an overlap of using both QuickBooks® and Deltek ComputerEase for a short period of time to verify throughout that everything has been accounted for and that the contractor's team is comfortable with the transition to a new system and procedures. Once everything checks out, the contractor officially transitions running their business out of Deltek ComputerEase on the go-live date that is established during the Project Kickoff.

TRANSITION

For 30 days following a successful go-live, the consultant guides the contractor through bank reconciliation, balancing, closing a period, and retrains on any sections of the software that need to be revisited by individuals or the team overall. While this concludes the process of upgrading a contractor from QuickBooks® to Deltek ComputerEase, additional training and modules of the software can be added over time given the business' needs. Deltek ComputerEase customers also have access to comprehensive training videos, user manuals, monthly Advanced Training webinars, and twice-a-week Meet the Expert support sessions.

Committing To Your Why

While the need to upgrade to a purpose-built solution like Deltek ComputerEase may be obvious to a particular contractor, each contractor is faced with assessing whether their team is ready for a new process and software to manage their business. The determination and commitment to this is critical to the success of the business' ability to transform and fully leverage the power of a solution like Deltek ComputerEase.

Contractors that are currently using QuickBooks® and that are considering an upgrade to a solution like Deltek ComputerEase need to ask themselves a fundamental question: "Why?" Is it because your business has new requirements to manage? Is it because you are trying to get a better handle on your job profits and cash flow?

Whatever your "why" is, it's important to keep that in mind throughout the first year of adopting a new process and software amongst your team. If the "why" is always front-and-center, it keeps the team aligned and motivated towards a common goal. The ability for the construction business to adapt internally to new processes and software tools is as important as the software tools themselves.

How to Take the Next Step

ASSESS WHERE YOU ARE TODAY AND WHERE YOU WANT TO BE

Prioritize areas in your business you would like to improve. Maybe you haven't been tracking committed costs or maybe you would like to meet more frequently as a team to review WIP. There's no need to change everything at once. Plan for a phased approach, start small, and then scale to success. Most importantly, determine metrics for process improvement that can be measured. These may change over time, but it's important to establish your "why" and how success is measured initially so that everyone is focused on a common goal.

IDENTIFY A SOFTWARE THAT WILL SUPPORT YOUR GOALS

Do you have the software tools for the job? Maybe you have the right software for the job today, but what about six months from now or next year? Based on what you would like to accomplish, do you have the software tools that will support your efforts? If you aren't sure, put together a team with the task to research and explore options as a part of your overall plans. It is important that you include key stakeholders and leaders of certain functions outside of accounting (e.g., project management). Make sure that the software partner you consider has proven success meeting the unique needs of contractors and understands your specific business. This enables smoother communication and ensures that your specific accounting needs will be addressed.

FAIL FAST AND PIVOT FOR LONG-TERM SUCCESS

When you try something completely new, it's not going to be a perfect experience the first time. At first, focus less on generating perfect outcomes and focus more on progressing your processes. Meet frequently with key team members to identify what is working and, most importantly, what is not working. Adjust from these learnings, and set new goals for your next meeting. Transforming your construction accounting and operations will come with its share of failures but don't lose sight of your long-term goal and focus. Pivoting from lessons learned and patience will be the key to your success.

Learn more to see if upgrading to Deltek ComputerEase makes sense for your business.

Reach out at: <u>deltek.com/computerease</u>

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