

Executive Report Outline: Sunrise Construction Using the System Approach

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1. *INTRODUCTION*

Sunrise Construction is a privately incorporated construction company that deals with commercial buildings in Ontario, Canada. It was founded in 2009 by Tyler and two other individuals and rapidly grew due to its reputation for high quality work. The firm secured a megaproject which generated significant annual revenues for many years. However, future success could be hampered by their Time Tracking System (TTS) which is so problematic that it currently threatens their ability to operate. In addition to overall growth, the company must shift from a single large contract to managing multiple smaller projects which will only increase the stress on their existing TTS. Therefore, Ben Smith, Vice President, Operations, has partnered with an Information Systems Consultant to evaluate various options and develop a solution to the current TTS crisis.

2. *SUMMARY OF RELEVANT FACTS*

Sunrise Construction uses a TTS that has not kept up with their business needs and now risks compromising their entire operation. The system is so overtaxed that one employee was concerned it could “fail at any time” and Sunrise would soon lose key team members with the deepest knowledge of the current system due to upcoming retirements. Construction is a highly regulated field that requires accurate documentation that is subject to external audits. It is also a very competitive field, thus Sunrise needs the ability to accurately estimate their expenses in

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order to provide competitive and feasible bids, and labor is by far their largest expense. Finally, employee contracts vary greatly between jobs making payroll extremely complex.

There are three administration employees who have laptops, no network servers on-site making cloud-based operations challenging, internet access is limited due to data caps, and only laptops networked together are able to share files. The management team has low-cost smartphones where they are able to use cloud-based technology and mobile-centric communications to run the company's operations. The company currently uses Google G-suite basic for general office functions, Google Drive for shared documents, Quickbook Contractor edition for accounting and Quickbooks Payroll for payroll. These systems are not fully integrated and do not have all of the needed features. As a result, there are numerous redundant manual workarounds incorporated into multiple workstreams.

The forepersons are not very technologically savvy and the overall team's compliance with policies pertaining to data is inconsistent leading to poor data integrity. For example, employee absences or time off is not always documented. Most of the errors are due to inconsistent data entry, manual calculations, paper-based processes, and too many individuals documenting the same data. Errors are time-consuming to resolve and are not always caught. As a result, inaccurate paychecks have become a routine occurrence.

In summary, inaccurate documentation may prevent Sunrise from providing competitive bids, lead the company to make poor business decisions, introduce substantial regulatory risk, tarnish their reputation, and decrease employee engagement. (Derek, Robert, Jane 2021)

3. *PROBLEM*

The problem is the Sunrise Construction TTS is compromising operations and their ability to adapt to bidding for and managing multiple smaller projects. Although Sunrise has thrived in business for some time, it failed to maintain its TTS. As the problem escalated, more

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indirect costs were incurred, which negatively impacted the firm's operations and increased the chances of the litigation. Inconsistency in data entry, use of manual calculations, and paper-based records were the primary causes of the errors in the system. Workers did not always follow policies for timely data completion leading to data gaps and errors exacerbated by poor recall (Carneiro, González-Riquelme & Madrid, 2020). The administrator failed to address the issue in a timely manner, which resulted in complex system errors. Overall, poor data quality in the organization affected invoicing, payroll, job costing, and bidding processes, which compounded the organisation's problems. The TTS crisis was affecting the organization at all levels of operation, and both workers and the leadership team were becoming increasingly frustrated.

4. ANALYSIS / ALTERNATIVES

Alternative 1- Switching to off-the-shelf product

The off-the-shelf products such as Sage and Harvest time tracking systems are best for Sunrise Construction to deal with the Time tracking System. Both are the softwares which allow real-time monitoring of the employee's working hours. These can be integrated with Quickbooks to track and pay the billable amount for the employees. This is a streamlined process that needs minimum skills to understand and integrate it. The off-the-shelf method aligns with the technical, economic, legal, operational and schedule factors which Robertson provided in his analysis.

Advantages of switching to off-the-shelf products (Sage Time Tracking or Harvest Time Tracking)

1. In this method, no software customization is required. The company can incorporate already established templates without creating any new ones facilitating a rapid transition with minimal downtime.
2. This interface is very easy for the user and training materials are already available from the vendor making training easy for skilled/unskilled workers in the company.

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3. Mobile time trackers are available which are easy and convenient for any employee to log their time while on site.
4. There are minimal overall and maintenance costs; Sage is less expensive than Harvest with similar functionality.
5. Ongoing support is available from the vendor at no additional charge.
6. Integrates with QuickBooks Financial software.

Disadvantages:

1. Off-the-shelf products offer limited customizability.

Alternative-2 Switch to custom product Google G-Suite Business Edition

The G-Suite business edition will provide real-time collaboration and secured document sharing including workflow automation, accessible from any location. The G-Suite Basic is a platform for sharing email, calendar, spreadsheets, documents and Google Drive for storage sharing.

Though Sunrise has been already using this software in addition to Quickbook Payroll edition, it is advisable to continue these with more reliability and to process payroll within the same system. Sunrise would likely need to hire a full-time IT worker to support the system.

Advantages of switching to custom product Google G-Suite Business Edition

1. As employees are already familiar with this software, there is no special information system strategic change is needed to incorporate in the Sunrise thereby reducing the transition time and implementation time.
2. The whole software kit is customized without any nonessential functions and easy to use with maximum efficiency.
3. The system can be further customized over time to meet changing business needs and scale.
4. A custom solution would be able to integrate with Sunrise's existing applications.

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Disadvantages of switching to custom product Google G-Suite Business Edition

1. The system does not integrate with the Quickbooks Accounting Information System.
2. The company needs to hire highly skilled IT resources as it is required to run and manage the time tracking system by software efficiently.
3. Recruitment may delay the process and this method is more expensive than an off-the-shelf system.

Alternative-3 Outsourcing the payroll service

Another alternative would be outsourcing the payroll service to a third party firm so that they will run the payroll to all the employees of Sunrise Company. This method will leave the company to concentrate on its core business of construction and removes any incompatibilities associated with the TTS. This method gives the company a relief from the many years of TTS issues and increases the efficiency of employee payroll.

Advantages of Outsourcing the payroll service

1. Efficiency of payroll is increased under professional analysis.
2. No extra hiring or changes are required.
3. The company can concentrate on the core business activities.

Disadvantages of Outsourcing the payroll service

1. Company's ability to fight the problem is questioned while making a decision of allocating to a third party firm.
2. Hiring an outside agency is likely the most expensive option.
3. Depending on customer service, outsourcing could further decrease employee engagement.

5. *DECISION*

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Sunrise construction's leadership team identified that their ideal solution would be easy to use, integrate with their existing systems and processes, not require significant ongoing customization, be scalable, have strong input controls, be cost-effective, and require minimal downtime with a rapid transition window. While no approach fully meets all of their goals, an off-the-shelf solution best meets these objectives. Of the two off-the-shelf solutions evaluated, the Sage Time Tracking system is the most cost-effective option. Sunrise construction could work with the vendor to connect them with similar companies that currently use their software to identify alternative workflows in lieu of customization where necessary. They can also advocate with the vendor to add necessary features over time.

6. STEPS FOR IMPLEMENTATION

1. Gain buy-in from company leadership and key personnel for proposed solution
2. Designate senior leader in charge of conversion
3. Communicate planned change and reason for change with company staff
4. Connect with and/or shadow current users with similar business needs
5. Create project schedule
6. Adjust work schedules to allow time for training
7. Schedule training with all relevant personnel using vendor-supplied materials
8. Schedule extra internal and vendor support if possible during go-live week
9. Conduct meetings at least daily during and for a period after go-live with managers, leaders and the vendor to communicate any issues or changes
10. Audit new processes (e.g. timecards, payroll) to identify and address any issues, ensure business needs are being met
11. Provide feedback to the vendor as needed

7. CONCLUSION

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Sunrise Construction must urgently make changes to their Time Tracking System to avoid ongoing costs and risks. Implementing the off-the-shelf Sage Time Tracking System will allow the company to both address long-standing issues with their current system and adapt their business to meet the new needs of managing multiple projects and contracts simultaneously.

References

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