

An Abak case study at AGTI

NOT THE SHOEMAKER'S SON

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Situation: AGTI Consulting Services Inc. is an information technology consulting firm based in Montreal and serving the Canadian market from offices located in Montreal, Quebec City, Calgary and Victoria.

AGTI has experienced rapid growth since its founding in 1996. By the end of 2001, its consolidated business revenues had climbed to \$38 million.

During 1999, it was clear to AGTI that their Excel-based systems were not going to suffice, and they began their search for a new system to track the time of their consultants and to bill their clients. They were primarily interested in a time-billing system.

A time-billing system contains many of the features found in what is called Professional Services Automation (PSA) including time and expense management, invoicing, project management, but may not include customer relationship management, opportunity management, resource management or knowledge management.

Objectives: Management of Work in Progress (WIP) was on top of the list of AGTI requirements. Some of AGTI's clients required bills to be based on WIP not at the end of a billing cycle, but rather on the completion of a milestone.

It was also important for AGTI to reduce the time to enter time sheets by their approximately 200 consultants, and to generate invoices. In addition, management required flexibility in reporting.

Solution: The PSA products that AGTI considered were weak in WIP and too expensive. In Abak, AGTI found an affordable solution that met their requirements.

The Abak system manages time sheets, expense accounts, projects, WIP, invoicing, and integrates with a number of accounting software solutions. Abak was developed by the Groupe AGI (no relation to AGTI) in Montreal, which started selling the system in 1997.

There are now about 300 clients

from a variety of industries including accounting firms, engineers, architects, and consulting firms.

The majority of Abak clients are in Quebec, but over the last two years, most of Abak's new business has come from outside of Quebec.

In January 2000, AGTI implemented Abak's client/server system, which automated billing and integration to Accounts Receivable. The consultants continued to send their time sheets as Excel spreadsheets by e-mail to administrators who would re-key a summary of the time into the Abak system.

AGTI considered using the AbakWEB product in 2000, but because of a number of specific AGTI requirements, it was not considered ready for use by AGTI. However in March of 2002, AGTI started to implement AbakWEB which now enables most of the AGTI consultants to enter their time from anywhere and at any-time over the Internet.

All they need is a browser on their workstation, and so they can do it even on a computer at one of their clients.

The newest version of Abak (Version 6.0) was released in May 2002, and includes a redesign with an MS Outlook look and feel, as well as new features including a mail-merge process from the Abak database to the invoice program.

In the short term, AGTI is not planning to use the new version for their consultants as it requires that a small program be loaded on the workstation or the server.

When consultants are working at a client's office and using their computers, this would be a problem for AGTI.

Therefore, AGTI would prefer to continue using AbakWEB, which only requires a browser on the workstation. However, implementation of the new version is planned for the administrators in December of this year.

The new version does offer an improvement in its architecture from a two-tiered to three-tiered system. This sounds technical, but is important to understand from a

performance perspective.

A two-tier system separates the database from the rest of the application, and is a big improvement over non-client/server systems.

In non-client/server (one-tier architecture), a request from a workstation for a customer would send all customers from the server to the workstation, and the workstation would pick the requested customer. This is not good as the network is flooded with data not requested.

A three-tier system separates the business logic from the user interface, and again improves network performance as only user interface commands are being sent over the network.

A three-tier system has another advantage in allowing a "thin client" on the workstation or on the server without any other software such as Citrix, which can be expensive.

Groupe AGI had considered just a Web-based product that only used a browser on the workstation for the new release, but decided against it because they would not have been able to give users access to the entire system with the same flexibility and performance as their three-tier approach.

You will find that other products will have part of their application available remotely via the Internet, but you need to use the client/server system at head office for more demanding functionality. With Abak, you can access the entire system from a remote location without the use of Citrix. You can also access time sheets and expense reporting with just a browser by using AbakWEB.

Challenges: A challenge for many computer consulting companies is the shoemaker's son syndrome whereby the son of the shoemaker is without shoes.

Computer consulting companies prefer to keep their consultants billable rather than working on internal activities. However, AGTI management realized the importance of improving the internal business process, and allocated resources to get the job done.

It was not just a question of training staff on how to use the new product. The training sessions reminded the consultants of the importance of submitting their time "on time," and helped ensure that they all understood the meaning of the coding scheme used by the company such as for non-billable activities including training, marketing, holidays, vacations, sickness, and leave of absence.

Another challenge to AGTI not attributed to the software is in expense reporting. The auditors of AGTI stressed the importance of having each consultant sign a hard copy of their expense reports with a copy of the receipts attached.

For this reason, AGTI has decided not to implement Abak's expense reporting system. However, the Abak system does not prevent AGTI from printing an employee's expense report, which could be signed and which could have receipts attached to it.

However, AGTI's elaborate tax management built into their existing spreadsheet system for expenses, has caused them to defer the implementation of Abak's expense reporting system.

Integration is usually the big challenge for every system. Abak, as with most PSA or time-billing systems, does not include general ledger, accounts receivable or accounts payable. Abak provided integration between AGTI's accounting system and Abak. For each invoice produced by Abak's billing system, a corresponding entry is automatically generated and sent out to AGTI's accounts receivable system. But there is no synchronization of customer information between systems.

On the accounts payable side, the combination of not enough external purchases allocated to projects and the lack of synchronization between suppliers in the accounts payable system and Abak, has caused AGTI not to use Abak's purchasing system.

It should be noted that the Abak system does provide synchronization of customer and suppliers with other accounting systems

including ACCPAC and QuickBooks.

Costs: AGTI paid about \$20,000 for the Abak software, which included the client/server version, AbakWEB for all their consultants, customization of reports and invoices, as well as training and implementation.

They spent about \$18,000 for hardware, networking and communications. However the hardware that was purchased for Abak is now also used by other administrative systems.

Benefits: It took about 21 days after month-end to complete the billing process before the implementation of Abak. It now takes about six days partly because of Abak, and partly because of additional administrative resources.

Another benefit is that there is a lot less time spent in generating the bills, which allows staff to work on other activities.

According to Jacques Parent, a partner at AGTI, who is responsible for the business case consulting practice, "We estimate that the migration from Excel spreadsheets to the combined use of Abak and AbakWeb has cut the workload in half."

Conclusion: AGTI is happy with its Abak system. Although this project was considered small, by AGTI standards, it required the same attention to project management, change management, process review and end-user support as do larger scale projects AGTI consultants carry out with their own clients.

A key ingredient to this project's success lies in the partnership that has developed over the years between Abak and AGTI. AGTI's recommendations have helped Abak evolve the functionality and ease-of-use of its software.

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