

# THE BOTTOM LINE

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## A Changepoint Case Study ONE POINT OF TRUTH

**Situation:** SAS Institute (Canada) Inc. is a subsidiary of SAS Institute Inc., the world's largest privately-held software company. SAS develops, markets, and supports data warehousing and decision support/business intelligence software.

These tools turn raw data into usable knowledge. With more than 3.5 million users at more than 33,000 customer sites in nearly 110 countries, the company earned revenues \$1.02 billion US last year. Ninety per cent of the overall Fortune 500 are SAS customers.

When Jeffrey Green joined SAS Canada over two years ago, there were multiple places to look for information related to projects — spreadsheets, e-mail, MS Project... SAS Canada performed a thorough search of the marketplace to replace their disparate systems and selected Changepoint in September 2000.

Other SAS offices are using a mixed bag of solutions for professional service automation (PSA). Canada is an excellent test site for multinational companies to experiment with new software.

The costs are relatively small for just a Canadian implementation, and thoughts are, if it works in Canada, it should work in the U.S. SAS Institute Inc. considers SAS Canada a test site for Changepoint.

**Objectives:** Green's objective was to create "one point of truth" and replace all the disparate systems with one system for engagement and project management.

He wanted to know where a project was, compared to milestones, budgets and customer expectations. Green wanted to streamline SAS Canada's business process and adapt "best practices" to be more effective in delivering quality to their customers and reducing risk to themselves.

**Solution:** Changepoint Corporation provides solutions to professional service-based organisations including IT (Information Technology), business and management consulting, engineering services and billable corporate IT departments.

Changepoint, a Canadian company with headquarters on the outskirts of Toronto and offices in the U.K. and France, is one of the leading PSA solutions available today anywhere.

The company has over 340 customers, and approximately 4 per cent are in Canada. It targets larger firms with clients such as Microsoft, Dell, NCR and AT&T Canada. Microsoft selected Changepoint for its 6,000 employees in its consulting division in April 2002.

The Changepoint system includes customer relationship management (CRM), engagement management, billing, knowledge management, project management, time and expense reporting, and resource management. SAS maintains its own CRM and knowledge management systems and did not need Changepoint for these systems.

SAS Canada purchased a 100-user licence from Changepoint, based on named users in the system. Employees are able to access the system from anywhere, anytime with Microsoft Explorer.

The system administration module of the Changepoint system (setting up and changing clients, projects, employees) is not browser-based and uses client/server technology, which means system administration is performed at the SAS head office rather than from remote locations.

**Challenges:** The first challenge was to implement a new system to employees who are typically on the road and adverse to spending administration time.

With lunch & learn techniques

and a lot of communication, including user feedback surveys and staff involvement, SAS Canada was able to implement Changepoint in four months.

Changepoint needed to be integrated with SAS's CRM, HR and financial system. The integration was done by both SAS Canada and Changepoint. CRM integration is now working, and includes synchronization of customer and project information between the two systems. Integration with HR and financials has been the bigger challenge.

SAS currently uses a legacy system, but is in the process of converting to Oracle. You can imagine the many touch-points in the integration of Changepoint and the legacy system or Oracle. Right now the integration between the legacy system and Changepoint is highly customised. Changepoint is in the process of providing comprehensive integration with Oracle — as it has done with other accounting and ERP systems.

Part of the integration process between Oracle and Changepoint includes reconciliation of project expenses. Project expenses are entered in detail into the Oracle system and transferred automatically, in summary, to a customer/project in Changepoint.

SAS Canada did not implement Changepoint's revenue recognition system, as it didn't meet their needs, which included the ability to mark-down WIP (work in process) and write it off to the appropriate department. Customization of the Changepoint system has now given SAS Canada the functionality they required.

One of the concerns that many companies have when considering implementing a Web-based system is speed and reliability.

After some fine-tuning, speed and reliability of the system has

been "pretty good" over the Internet with about 85 per cent to 90 per cent of the performance of the system at the office. SAS Canada is running Version 6, released in Feb 2001. Changepoint's more recent releases (Version 7.0 and Version 7.5) include improvements in performance and usability.

Many IT consultants, including those at SAS Canada, use Microsoft Project to set up and maintain their projects. A newer release of the Changepoint system should improve the integration with Microsoft Project for SAS Canada.

**Costs:** Licence costs for Changepoint were \$1,200 per user at SAS Canada. The implementation costs were about the same as the licence fees and included the customisations for integration and revenue recognition.

**Benefits:** SAS Canada did not conduct an ROI (Return on Investment) analysis for Changepoint, because they are unable to provide metrics before the implementation on key business processes.

Anecdotal evidence suggests big improvements in access to critical information (what took days now takes minutes) and in completing month end processes more quickly.

The newest version of Changepoint gives users the ability to assign metrics to individuals or teams in order to assist in optimizing employee performance, as well as real time visibility for both employees and management into performance against these metrics.

SAS Canada has been able to improve many business processes with the Changepoint system. For example, SAS Canada is now able to better schedule resources based on their availability and skill level; and approvals of timesheets and expense reports are now done online.

**Conclusion:** Is it surprising that only 4 per cent of Changepoint's clients are in Canada, even though Changepoint is a Canadian company?

According to Chuck Tatham, vice-president of marketing and business development for Changepoint, "It's purely a relative size of market concept — not that Canada is slower or more conservative."

It's interesting to note that SAS Canada chose Changepoint over Oracle's own project costing system, which includes some PSA functionality. For SAS Canada, a best-of-breed approach made more sense than one integrated system.

PSA is a relatively new product, with Changepoint as one of the first to market. Times have been tough for some of the PSA vendors and some competitors of Changepoint (Portera and Novient) have been recently bought out.

Another concern for PSA vendors is that Microsoft has recently released a new enterprise version of Microsoft Project, which contains some of the elements in a PSA system.

As well, there are elements of PSA in Great Plains, Solomon and Navision — now all Microsoft products. Fortunately for Changepoint, Microsoft also purchased 6,000 Changepoint licences in April 2002, which is a good sign that Changepoint should continue to be one of the leading PSA systems in the future.

SAS Canada now relies on Changepoint for the key metrics to evaluate projects compared to milestones, budget and customer expectations. Changepoint has allowed SAS Canada to come a lot closer to one point of truth.

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