

THE BOTTOM LINE

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The 80/20 Rule

A SEMA4 CASE STUDY AT PELLOW + ASSOCIATES ARCHITECTS INC.

By Michael Burns

Situation: Pellow + associates architects inc. (pellow) provides services in architecture, interiors, urban design, building sciences, contract and project management. Pellow started operations in 1978 and has now grown to include a staff of 30 in their Toronto office.

In 1999, pellow decided that their DOS-based system had seen better days, and after reviewing their options, choose the Deltek Sema4 system. Sema4 is designed specifically for professional serviced-based organizations, and has over 2,100 customers.

Sema4 is one of a number of professional service automation products supported by Deltek Systems.

Deltek Systems is one of the leading providers of enterprise software, solutions and consulting to more than 8,000 professional services firms and project-based companies worldwide.

Solution: The Sema4 product suite was designed for small- to mid-sized, project-based professional services [REC1]firms and includes general ledger, accounts receivable, accounts payable, timesheet and expense entry, purchase orders, Web-based time entry, an alert/work flow system (sends out e-mail based on rules when, for example, a project goes over

budget), and integration with Microsoft Project.

Pellow is using most of the system except for the Web-time entry, and the alert/work flow system and the purchasing system.

Pellow has acquired a licence for three simultaneous users of the entire system and a licence for 30 timesheet users.

If you were to purchase these licences today the software, implementation services and first year annual maintenance (software upgrades and telephone support) would cost in the range of \$12,000 to \$14,000. Sema4 was developed with Visual Foxpro and uses the Foxpro database management system.

The AMR Group/Advisors4biz out of Toronto [REC2]installed the Sema4 system for pellow. The controller at pellow, John Janicki, joined pellow after the system was already installed. John found the Sema4 system so easy to use that he has not required assistance from AMR.

Results: Pellow is very happy with the Sema4 system. Not only does it handle all the basics well, it also meets the more challenging needs of WIP management and flexible invoicing. Like most professional service-based organizations, pellow has a number of different methods for billing and the system

accommodates these requirements.

At minimum, service-based organizations should compare their budgets with actuals, which Sema4 provides at the project, phase and task levels. Unfortunately, with many systems you don't find out about problems until the project is over and it's too late to do anything about it.

Sema4 is designed specifically for professional serviced-based organizations.

Pellow was able to use the customization features of Sema4 to add user-defined fields for estimated remaining time and actual cost at the resource level.

The system's reporting tool allows them to generate budget to actuals comparison and estimated time to complete for project, phase and task[REC3]. Pellow created new reports that included a calculation comparing budget to actuals plus estimate to complete by resource.

Pellow takes the budgeting process a step further by starting at the resource level. The company manually creates resource budgets in an Excel spreadsheet and manually transfers the summarized results into

Sema4.

With the Microsoft Project interface, pellow has an alternate means to support resource level budgeting and estimated "time to complete" that would automate the transfer of data between both systems.

Today pellow would also like to have contact management and resource management completely integrated with the core parts of their system. Sema4 does not include contact management and is not integrated with any contact management system. Sema4 also does not provide for scheduling of resources except via Microsoft Project.

Another option for pellow to consider is an upgrade to a new, browser-based Deltek product, Vision, which was released in 2002. Vision not only includes budgeting at the resource level, but also integrated resource planning along with contact management/Customer Relationship Management. The other Vision modules include: Proposal Automation, Project Management, Accounting, Time & Expense Management, Billing and Human Resources. Pellow has considered Deltek Vision, but so far, has held off on making a decision. For Sema4 users planning to upgrade to Vision, Deltek offers upgrade incentives on pricing and an automated conversion process.

Bottom Line: John Janicki, the

controller at pellow, was not involved in the selection of Sema4, but he has been responsible for making it work for pellow. He has customized the system to provide better information to make decisions; linked scanned purchase documents to the purchase journal so that customers can easily be given copies of purchase documents for expenses that are reimbursable; and customized the system for comparing budgets to actuals and estimated time to complete by resource.

John has been able to achieve most of his objectives with the Sema4 system. Although John could select a more expensive system than Sema4 to get 100 per cent of his requirements met, he has followed the 80/20 rule.

The 80/20 rule states that the relationship between input and output is rarely, if ever, balanced. Typically you can achieve 80 per cent of the results with 20 per cent of your efforts. At this point, pellow is making the most of what they have.

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