eCMS ERP with Integrated Subcontract Management and Payment Processing

"With our innovative and integrated accounting and subcontract management apps, we improved payment cycles with electronic and accelerated billing, reduced errors and rework due to standardized documents, and particularly enabled collaboration with all stakeholders. Cloud-based and browser-based applications additionally allow us on-demand access to business-critical data, promoting productivity and fact-based decision-making." —Cassie Warner, SVP/CFO, Weis Builders

Company: Weis Builders

Industry: General Contractor

Construction Services: Full service general contractor from design, planning, construction, maintenance and ongoing management.

Corporate Headquarters: St. Paul, MN

Territory/Locations: Minneapolis and Rochester, MN; Chicago, IL; and Dallas, TX

Client Information: Weis Builders excels in various markets, including multi-unit residential, senior living, hospitality, retail, commercial and healthcare. The general contractor supports the construction and development needs of its clients by providing delivery methods such as design/build, general contracting and construction management. Weis Builders has earned a reputation for quality workmanship and outstanding client relations which has resulted in continued growth and market expansion, acquiring national clients and expanding Weis' operations with new office locations in the process.

Software Applications:
eCMS, Accounts Payable, Accounts Receivable, BusinessObjects, Imaging, eForms, Equipment Accounting, General Ledger, Human Resources, Job Cost, Payroll, Time & Materials, Integration Suite, eCMS Connect for Comdata and eCMS Connect for Textura

Technology Environment:
Cloud / Managed Hosting

Challenge: As a general contractor, Weis Builders performs most of its construction work as the prime contractor, while hiring and partnering with many subcontractors. Primary contractors carry numerous risks and responsibilities, including awarding the subcontractors and monitoring the technical and financial performance of the subcontract. In addition, the general contractor is responsible for monitoring its subcontractors' business processes and documents, and ensuring that proposals, costs, invoices, insurance documents and lien waivers are accurate and are submitted on a timely basis. As such, Weis must also ensure that subcontract costs invoiced are allowable, allocable, and reasonable, and that controls are in place to notify the government of auditable type subcontracts. Combine all of those demands with ongoing communication and collaboration, and the complexity of this monitoring and management process is exorbitant.

Weis Builders used to manually manage and monitor each subcontract, spending a lot of administrative and project management time in doing so. Once the subcontract was manually entered into the accounting system, the subcontractors (who did not use the same accounting system) would conduct manual processes of their own to provide the required documents, revisions and updates to the subcontracts and inquire about payments. A lot of untraceable phone calls and emails would take place amongst all parties involved. Often these one-off and manually-intensive processes resulted in having the wrong waiver submitted, the wrong form filled out, delay in payments and processing, and overall possible owner / client dissatisfaction. Subcontractors were also often paid with checks that provided opportunity for fraud, delay and limited audit trail.

The fact that Weis Builders was taking on national projects and opening up locations in multiple states only multiplied these challenges and an automated, standardized and integrated subcontractor management system was needed to help monitor and manage subcontracts and associated documents and costs. Weis Builders also needed a better way to communicate and correspond with their subcontractors, who are viewed by the project owner / client as an extension of the prime contractor and a failure by the subcontractor can adversely affect the prime contractor's reputation.

Solution: Weis Builders selected a powerful software solution for its subcontractor challenges and establish a standardized and automated way of managing all subcontracts and communication among all stakeholders. Weis Builders implemented eCMS cloud-based ERP system and integrated the Job Costing and Accounts Payables applications with a Subcontract Management solution from Textura. Working together, these applications provided Weis Builder with the opportunity to eliminate manual processes, administrative overhead and associated costs. The contractor chose a cloud-based ERP deployment to eliminate the expenses associated with hardware purchase, maintenance and management, and they were able to offset the risks of system management through hosting services. The contractor also chose browser-based solutions so users would have on-demand access to these applications anytime and anywhere.

Integrated subcontract management and accounting applications now handle the entire subcontract management and communication process, from the time of subcontractor registration to payment and final project completion. Once the subcontractor is selected, they are registered in the subcontract management app and assigned to the job. Then, the subcontractor uploads all the required documents, such as insurance, lien waivers, subcontract, etc., and makes this pertinent information visible to all involved. Having this information available and accessible in one central location ensures that all documentation is valid, accurate and is in the proper format, eliminating potential delays and concerns.

Job costs are submitted and processed through the integrated accounting applications for billing and payments. Payments are done through ACH processing, eliminating the need to cut and mail checks. This payment process also mitigates risks and eliminates unnecessary delays and costs. Subcontractors now have the ability to upload all project-related documentation for job costs and the subcontract, and can also track their payments real time. Seamless processes and audit trails have replaced the countless tracking phone calls and endless billing and payment delays.

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eCMS Connect for Textura CPM

This end-to-end solution not only benefits the prime contractor but also the subcontractor. In fact, Weis Builders has even leveraged this integrated approach in a situation where they were a subcontractor to another general contractor. Further, the cloud-based ERP and subcontract management solution provides Weis Builders with the ability to analyze past subcontracts and subcontractor performance. They can report on various data for auditing, risk management and business planning purposes.

Implementing these applications and tools at Weis Builders has resolved business challenges, strengthened productivity, enhanced profit margins and provided the opportunity for strategic business planning.

Benefits:

- Improved communication with subcontractors
- Reduction of unnecessary administrative expenses
- Elimination of several manually intensive processes
- Improved visibility into subcontract performance
- Greater efficiencies from automation and standardization of subcontract payments
- Improved project margins
- Greater customer/owner, subcontractor and employee satisfaction
- Elimination of 1,800 man-hours-per-year for accounting staff and 800 man-hours-per-year for project managers ($81,000 annually)
- Elimination of additional accounting staff at several new offices ($50,000 annually)
- Elimination of all manual subcontract check processing, printing and mailing ($10,000 annually)
- Elimination of thousands of dollars on hardware, operating system software and maintenance by leveraging cloud-based software applications
- Elimination of 10-15 hours per month in IT maintenance ($5,000 annually)

Lessons Learned:

After evaluating their business processes, Weis Builders implemented innovative, advanced and integrated software applications to improve productivity and efficiency. In doing so, the prime contractor quickly realized time and cost savings, but foremost improved communication and collaboration with all involved (owners, subcontractors, and office and field employees).

Hilton Garden, Fort Worth, TX

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