

## Hartzell Construction Taps Acumatica for Integrated Construction Management

*South Florida Firm gains cloud construction software, increasing profits*

### OVERVIEW

In South Florida, a prevalence of aging infrastructure in need of upgrading has allowed Anderson Pinto and Hartzell Construction to build a remodeling empire. Anderson is transforming what started as a painting business into a firm offering an array of construction services - from concrete restoration to remodeling residential, commercial and municipal buildings. Soon Hartzell Construction will offer plumbing services as well as new building construction.

When legacy software ProContractor failed to provide insights, data and the back-office foundation he needed, Anderson turned to Acumatica Construction Edition, gaining a much easier-to-use, modern construction accounting software solution that offers financials, including job cost accounting, project management, customer relationship management (CRM) and mobile access.

### SITUATION

In South Florida, the challenge of aging infrastructure in dire need of updating has helped Hartzell Construction owner, Anderson Pinto, be well on his way to achieving his grand vision of offering high quality craftsmanship and construction services, from residential remodeling to high-rise concrete restoration, and soon, new home construction. His vision is centered on a course towards diversification, a strategy that will help the firm thrive during the inevitable industry downturns.

Years ago, Anderson helped Hartzell Painting launch Hartzell Construction and the company's concrete high-rise reconstruction business. He left to go out on his own before returning and becoming Hartzell's owner. Since 2000, the Pompano Beach, Florida construction firm has added a commercial remodeling and maintenance division, which focuses on property management firms with large complexes and clubhouses, to its residential services. Hartzell also offers municipality remodeling, including local and federal governments, and three years ago, acquired a window company.

This year Anderson is launching Hartzell Plumbing and near-term plans including moving into the new construction business as a developer of new homes, duplexes and apartments.

"Our growth rate is now \$1.5 million to \$2 million a year, and we should hit \$15 million this year," Anderson says. His plan is to nearly double revenue within three years and grow his team of 60 to more than 150.

After researching software that could handle accounting, estimating and project management, Anderson purchased ProContractor, then a popular choice among construction companies for integrated business management.



### COMPANY

- **Location:** Pompano Beach, Florida
- **Industry:** Construction
- **Application Replaced:** ProContractor

### SOLUTION

- Acumatica Construction Edition with:
  - Advanced Financial management
  - Job Cost accounting
  - Order Management
  - Construction retainage, cost codes and compliance
- Smartsheet integration
- ProEst Construction estimating integration

### KEY RESULTS

- Improved total gross margins at least 15 percent with better visibility into operations
- Eliminated time the Finance Team spent assisting project managers by 20 percent giving them more time for higher level tasks
- Gained a single connected system for project accounting, job costing and estimating
- Increased productivity, giving Hartzell Construction team access to critical data
- Provided real-time mobile access for project managers on jobsites to the back office
- Automated and improved the vendor and subcontractor approval process

## ProContractor was Hard-to-Use, Limits Growth

With no one designated to implement the solution, ProContractor sat idle for two years. Anderson hired Reinaldo Mesquita to help streamline operations, including the company's technology. After Reinaldo attended trainings on ProContractor, he attempted to use the software but found the product extremely difficult when it came to the ability to obtain the insights, reports, and data Hartzell Construction and the expanding business required.

"With ProContractor, there were so many steps to produce a simple change order, it was like pulling teeth," Anderson says. The legacy program wasn't user friendly and only ran on-premises. "The search function was horrible," Reinaldo adds. "To find anything, you needed to be in a very specific area and know exactly what you were looking for."

Because ProContractor's per-seat licenses were so expensive, Anderson purchased a 5-user license, but when a sixth person wanted to use the system someone else needed to log out, which he found problematic.

## Manual Workarounds and Paper Process

Hartzell Construction created a manual vendor and subcontractor approval process as a ProContractor work-around, which ended up being lengthy and error-prone. "You had to write your approval, put it in a folder, give it to the project manager then he would have to sign off," Anderson says. The folder then needed to find its way back to accounting and was sometimes misplaced or lost. Without a proper process in place, a check might be cut when it wasn't correct or approved.

The paper trail per project was often hard to reconstruct and reconcile, and as the company grew, so did the paper - mountainous piles and files eventually filled an entire room.

Because there wasn't a way to access information from a jobsite, project managers had to drive to headquarters to process paperwork, further lengthening their already long days.

ProContractor's job cost reporting wasn't ideal, and project managers and management constantly had to ask the Finance team to run reports to be sure invoices were paid since they had no way to access to the system.

Becoming increasingly frustrated with ProContractor, Anderson and Reinaldo agreed they needed to find a new, user-friendly solution that would better fit the growing construction company's business.

## SOLUTION

### Acumatica Construction Edition

Reinaldo worked with Hartzell's outside IT consultant, Alliance Solutions Group, who introduced him to Acumatica Construction Edition, a mobile cloud software solution tailored specifically for construction management. Acumatica Construction Edition manages projects, costs, and provides company-wide access connecting opportunities, contracts, schedules, budgets, change orders, subcontracts and compliance from one screen, allowing construction firms to make more data-driven decisions.

"When I looked at Acumatica Construction Edition for the first time, I saw how easy it was to use; it didn't appear to be as complex as ProContractor," says Anderson. Also impressed with Acumatica's mobile application that gives project managers critical information while on job sites, Anderson had no hesitation to align with a relative newcomer in offering construction technology solutions.

*"I truly believed Acumatica would be good to partner with after seeing the innovative technology they are bringing to help modernize the industry."*

– Anderson Pinto, Owner & CEO

## BENEFITS

### Hartzell Construction's Transformation

The Acumatica Construction Edition implementation was smooth and Hartzell's team immediately erased one of their biggest frustrations: Everyone could be on the system at the same time, Reinaldo says.

The company has 40 Acumatica users and Anderson doesn't have to worry about adding expensive seat licenses as the company grows because of Acumatica's consumption-based pricing structure.

Hartzell purchased the Construction Edition and implemented Acumatica modules including CRM, Financials, Project Management, Inventory, Intercompany, Distribution, Field Services, and Outlook integration.

### Seamlessly Integrates Front and Back-office

With Acumatica installed, Hartzell Construction gained seamless integration and connectivity, giving executives and managers a holistic view of the company, allowing them to

view all its different entities and project details, in real time – no matter where they are.

Acumatica streamlined and automated the company's entire operation, from its subcontractor approval process to job cost reporting to inventory, improving its total gross margins at least 15 percent, Anderson says.

*“For me, the biggest benefit is to be anywhere in the world and see what’s happening in my business-our overall finances and each job without having to be in the office looking at paper.”*

– Anderson Pinto, Owner & CEO

### Improved Communication Eliminates Wasted Time

Acumatica's seamlessly connected applications, such as CRM and Financials, have improved communication between all departments, Reinaldo says. Acumatica adoption is high; even the company's long-time employees have embraced the modern software due to its ease of use.

When it comes to search, “Acumatica is thousands of miles ahead,” he says, adding the fast, accurate search capability helps everyone save time.

With Acumatica Construction Edition, project managers are connected to the office and can see how they are performing against budget, which subcontractors need to be paid, and even understand the profitability of a current or past project. Stella Carneiro, Hartzell Construction's Controller estimates she has saved 20 to 25 percent of her time previously spent looking those items up for project managers, allowing her to now concentrate on higher priority tasks.

With a simple drill down, project managers can see critical project data, material arrival timelines, invoice approvals, and track the actual expenses applied to a project – information they didn't have previously.

### Tracking Critical Data Improves Gross Margins

With the improved data made available with Acumatica Construction Edition, Hartzell Construction “can catch things before they are red lined and fix issues ahead of time,” Stella says. She estimates the firm has reduced the number of unprofitable projects and contributed a 10 percent increase in gross margins. Stella previously ran quarterly reports which Anderson Pinto then poured over trying to figure out why a project was in the red. It was hard for project managers to provide an accurate picture of expenses three months after a project ended, he says. Now everyone has critical data at their fingertips.

Better controlling inventory bumped gross margins another 10 percent, Stella Carneiro says. “Before inventory tracking was minimal so we'd end up purchasing something twice or hold

inventory for something we were not going to use. Today, inventory is much better controlled and that's money we aren't going to lose anymore.”

### Eliminating Paper Improves Productivity

“I wasted a lot of time with paperwork,” says Anderson, explaining he hopes the company will be paperless someday. “Acumatica has cut 60 to 70 percent of our paperwork. We used to have an entire room with paperwork on projects and we no longer have that, which to me is amazing.”

Instead of spending time shuffling through hand-written receipts and jotting things down on paper to reconcile and understand what happened on a particular project, he now looks at a dashboard that provides all that information and more.

“A good 70 to 80 percent of my time is now spent helping my guys and the business grow,” Anderson says. “My time is spent properly managing the company and improving the company's bottom line.

### High Praise for Service, Continual Development

Anderson Pinto had high praise for Acumatica's service and dedication to helping customers succeed. “We're very impressed with the response we receive when a problem has come up,” Anderson says. “They really go after the issue and take care of it; there's no better thing than to hear from my staff that we got a response right away.” In addition, he praised Acumatica's development team for fixing problems promptly and listening to customers when they provide input on new features they'd like to see. “It's like we get software customized to us rather than the standard in the industry where you spend a lot of money to have software customized,” he said.

### Hartzell Construction: Rapid Growth with Improved Profitability

Anderson Pinto and Reinaldo Mesquita are now laying the groundwork for process changes that will improve Hartzell's operations and grow revenues. One reason they chose Acumatica Construction Edition is that the software doesn't pretend to be an all-in-one construction management program but offers an open API so third-party software can seamlessly connect.

For many in the construction industry, that means working well with Procore Construction Management Software and other construction applications, which Acumatica does. Hartzell is implementing SmartSheet, ProEst Construction estimating, and is evaluating electronic signature and barcoding options. In the future, Anderson plans to add customer and vendor portals to allow them to see project statuses and to upload invoices, among other tasks.

“I'm very happy I chose to go with Acumatica Construction Edition,” Anderson says. “The potential is there to take us to the next level and we've just scratched the surface.”