

Interaction Associates Increased Project Profitability with Acumatica

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– Chris Williams, Director of Business Operations

OVERVIEW

Boston-based Interaction Associates improved employee morale and became more effective and efficient operationally with the decision to go 100 percent virtual. Because their legacy system and outsourced accounting provider couldn't truly provide an integrated cloud system, Interaction Associates quickly implemented cloud-based Acumatica, which provided a single source of data, an easy-to-use mobile app, and a project accounting module that streamlined time and expense reporting.

KEY RESULTS

- Gained anytime, anywhere access to a single source of truth
- Acquired mobile application access for ease of time and expense submission
- Improved visibility & reporting on project profitability, critical to the business
- Reduced time to accomplish tasks and IT costs by 50 percent

CHALLENGES

As a boutique professional services firm, Interaction Associates helps clients develop leaders, build inclusive teams and improve their meeting cultures with training and proprietary leadership content. In short, Interaction Associates or IA shows companies how to work better together.

The company continuously strives to improve its own operations as well, says Chris Williams, Director of Business Operations. In a move to make its 20 employees and more than 50 consultants more effective, and to improve operations, executives decided to go 100 percent virtual in 2018.

“Our employees dreaded the commute to Boston's seaport district in downtown,” Williams says. “It was an hour to an-hour-and-a-half on a good day, and we realized employees would be happier and more productive if they didn't have to commute.” The executive team also realized they could hire nationally without worrying about where a candidate lived or the relocation costs that could be incurred.

But going remote overnight wasn't a move Interaction Associates could make with its legacy technology platform. It had an old Sage MAS 500 system that ran on an on-premises server and had been heavily customized. While the system functioned on a basic level, the company lacked a backup system and the multiple Sage customizations stymied upgrades. Retrieving actionable business data was extremely difficult. Because the old system wasn't cloud-ready and IA's lease ended in 30 days, executives decided to outsource accounting.

Interaction Associates

COMPANY

- **Location:** United States
- **Industry:** Professional Services: Consulting

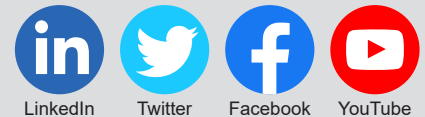
NO. OF EMPLOYEES

- 20 full time employees and a network of 50 additional support

PRODUCTS IN USE

- Acumatica Advanced Financials with Project Accounting & Velixo

CUSTOMER SOCIAL SHARING DETAILS



PARTNER DETAILS



ASC PARTNERS

ASC Partners, Boston, MA

Outsourced firm not project based

The outsourced solution lasted seven months. “The arrangement was a difficult one; the system and workflow the outsourced firm was using did not align with our business needs,” Williams says. “They utilized Intacct with a Nexonia Time & Expense Plug in. Because our business is heavily project based, it is critical that our time and expense data integrate directly into a project module.”

Williams discovered the outsourced firm treated IA like a manufacturing firm selling widgets. They did not set IA up with a project module, just a General Ledger. “I realized within the first 30 days, that we didn’t have the right technical set up for our business,” Williams says. “We have different bill rates and different terms and our accounting partner had assumed all our customers were net 30 while we offer 60, 90 and net 120 terms. In addition, the technical staff were based overseas in Bangalore, India; to operate we relied on communication through Google docs, lots of spreadsheets, and were challenged by the time zone barrier.”

The firm used Nexonia because Intacct did not have a mobile friendly app for time and expense. In addition, raw time and expense data – for every one of the accounting firm’s 400+ clients - was pulled once a week into a data warehouse and then pushed to Intacct.

“There wasn’t a clear mapping or structure between project data using a general ledger set up versus Intacct project so putting together client invoices was an absolute nightmare,” Williams says.

“I spent 50 percent of my week reading contracts and informing the support team how to set up our projects in the Intacct system,” he adds. “It was a frustrating situation. The outsourced accounting firm would send our client invoices, but their policy was not to make collection calls, so often customer invoices just sat in a queue.”

Emergency meeting

Williams called an emergency meeting with IA’s CEO and then redeployed half of IA’s sales operations staff to review invoices and make collection calls. In the background, the IA team began looking for a new technology platform so they could bring the accounting function back in-house.

“We got all our stakeholders together in a room for a day,” Williams says. “We walked through our entire workflow and outlined our requirements versus our needs. We worked as a group to bring in important historical context and really assess our minimum requirements – in other words, we practiced what we teach our own clients about the importance of stakeholder involvement, achieving clarity on the level of involvement in decision-making, and ways to reach the desired outcome.”

Armed with a short requirement list, IA hired an independent ERP expert to screen 15 ERP platforms and return a short list of three options. After watching demos of those three options, the stakeholders agreed one platform stood above the rest: Acumatica.

“It was so clear,” Williams says. “The first time I saw the user interface of Acumatica, I knew this was the way to go. I remember looking at Intacct’s user interface and thinking half of the screen was blank, it wasn’t responsive, and I almost needed a magnifying glass just to view the fields.”

SOLUTION

Swift, agile implementation

True to [The Interaction Method™](#), Williams asked his ten stakeholders which software they would choose, and everyone in the room said Acumatica. “So, our decision to proceed with Acumatica wasn’t made by just one senior executive thinking they knew the requirements but instead a choice from the end-user level,” he says.

The IA team was impressed with the power of Acumatica’s project accounting module, the software’s flexibility to match the complexity of its client business and invoicing requirements, and its mobile app, which provides seamless integration between time & expense and projects.

Acumatica’s unlimited user pricing model played a critical role. The company has some 50 outside 1099 contractors who may utilize the expense module – but don’t need access to it each week.

“Once we decided to go with Acumatica, that’s really when the fun began,” Williams says.

With its implementation partner, ASC Partners, IA remapped its revenue budget, including GL categories. “Previously, we had a heavily customized Sage system and had over 400 subaccounts and revenue categories, and we really only needed 20 at the most,” Williams explains. “It was a massive mapping exercise in Excel, determining what are the core accounts and what are the subaccounts we needed for executive and Board reporting. This was an opportunity to adjust what was put in place 15 years ago.”

IA informed its outsourced accounting provider that they weren’t renewing their contract. The firm agreed to host the GL through February. ASC then helped IA merge the two databases into Acumatica.

“March 1 was our go live date, and we literally did all scoping and technical mapping of two systems (Mas 500 & Intacct), and all the reorientation and training in 8 weeks,” Williams says. “The implementation process was very, very quick.”

BENEFITS

Gained business intelligence and project profitability

With Acumatica, Interaction Associates gained a single source of truth for its finances for the first time in years. “Acumatica has been transformative for our business, primarily because we have a single source of truth for rich data,” Williams says. “Our executive team now has knowledge of what the AR registry looks like, up to the minute past due invoices and more; everyone has access to that info. It’s huge.”

When the pandemic hit, IA’s operations weren’t impacted because the firm was already 100 percent virtual with Acumatica. IA relied on Acumatica to quickly adjust client invoices and terms to retain positive cash flow to their business.

With Acumatica, executives can now measure P&L profitability per project, better understand its clients as well as profitability within its service lines. Because Acumatica seamlessly connects to third-party applications, IA created additional Excel reports with Velixo.

"Gaining project level profitability was a key cornerstone moment because it was no longer something that was assumed," Williams says. "Now I am actually seeing it and to have the ability to pull reports and see the data was really eye-opening."

"I saw that our core business was profitable, of course, but I also saw some projects that had not been renegotiated or gone through a rate renewal in years. Those projects were not as profitable as we believed they were," he adds. "With Acumatica, we have a lot more actionable business intelligence than we had before."

Saved 18 hours a month, cut expenses

Acumatica helped IA recoup lost time and cut expenses by 50 percent.

"I now spend two hours a week in Acumatica when I was previously spending 20 hours on the same tasks, so the time savings was huge," Williams says. "The ability to program contractual requirements at a project level, and for the system to seamlessly pull time and expenses and data into one place was just enormous in time savings, in accuracy, and made our team be joyful about how they were working. They are not stressed or worried, and they don't have to do things two or three times."

Williams estimates the company reduced its monthly technology costs by 50 percent moving to cloud-based Acumatica. They no longer rely on a physical server or expensive outsource contracts. Acumatica's unlimited user licensing model and its cloud model allow IA to affordably and quickly scale when IA has a burst in business, Williams says.

"Three years ago, we landed a large contract with the nation's second largest utility that needed us to teach leadership skills to 6,000 managers in six weeks," Williams says. "We needed to quickly augment our workforce, but these people aren't in our system every day." Adding so many users with software requiring per user licensing would have been cost prohibitive. But Acumatica's consumption-based model allows IA to scale up and down affordably.

Tailored to the way IA does business

Acumatica's flexible project module allowed IA to create project templates based on the way IA – and its customers - do business. They also tailored Acumatica to work using language similar to IA's already in use Salesforce CRM. In addition, they set up and activate projects 30 days prior to a project's start date to proactively capture pre-project expenses such as design, coaching, and travel expenses.

Having one connected system allows time and expense information to flow automatically to the correct project. There isn't a delay. "We have an expectation internally that consultants input time and expenses by Monday at noon so we can promptly invoice," Williams explains. "In the old system, if a consultant didn't input data until Wednesday at 4 p.m., I couldn't release an invoice until the next Wednesday because the data was pulled over to the data warehouse only once a week."

Because IA can now invoice customers accurately and faster, the company has improved its customer service thanks to Acumatica.

"We work with some of the largest companies on the planet," says Williams. "They all have unique invoicing requirements. We needed a system that was flexible and could scale and fit the needs of a small business like ours."

"If you're looking for a cloud-based solution that is flexible for your current and future business needs, I highly recommend considering Acumatica."

 *Acumatica is flexible, can scale, and fits the needs of a small, professional services business like ours. Versus our legacy system, we've seen a 50 percent savings in time and a 50 percent savings in expenses.*

– Chris Williams, Director of Business Operations 