

Phoenix Renovation and Restoration Renews Hope with Acumatica Construction Edition

OVERVIEW

When customers call Phoenix Renovation and Restoration, it's often due to a traumatic experience. A fire, a flood, a tornado, or even a hurricane likely destroyed their home or business. Repairing the damage takes heavy coordination, adept people, and skilled project management to complete. That's why Phoenix Renovation replaced QuickBooks and manual spreadsheets with Acumatica Construction Edition, gaining real-time visibility into operations, remote access from the field, and essential WIP and AIA invoicing within a modern future-proof business management platform. Acumatica allows Phoenix Renovation to restore hope to its customers even faster than before.

KEY RESULTS

- Connected siloed financial system and CRM, streamlining operations
- Achieved real-time visibility into financial operations fortifying strategic business decisions
- Expanded user count and acquired remote access for the field service team using the mobile app
- Acquired AIA invoicing and WIP reporting, improving operations and customer experience
- Automated AR and AP processes, greatly improving cash flow and saving time
- Eliminated the need to tap into its line of credit, becoming cash flow positive for the longest period in 22 years
- Reduced paper-based processes and associated risk, saving money

CHALLENGES

Although Phoenix Renovation and Restoration is a General Contractor specializing in insurance restoration fixing damaged residential and commercial buildings and properties, its real business is restoring hope.

"We are 90% therapist, 10% contractor," says CEO, Brad Heise. "We get a call when someone has just had their worst day or night. We are available 365 days a year and 24 hours a day. Our team needs to be good listeners and understand how to talk to someone during a difficult time."

"We're walking into somebody's home," he explains. "It's their biggest investment, typically. It's where their kids live or it's their business, one mom and dad may have started 30 years ago. Now the kids oversee it, and it's suffered a major loss of some kind. These situations are never ideal, and they are never planned."

The faster Phoenix Renovation can restore hope, the faster its customers can recover from the unfortunate event or disaster faced, he says.

In addition to structural repairs that come from natural disasters like a tornado or flood, the Kansas and West Central Missouri-based company also handles water mitigation, mold remediation, smoke abatement, and cleaning with a full-time team of 50 and hundreds of subcontractors.

"We complete more than 1,000 projects a year that range from a few hundred dollars to more than \$1 million," says Eric Hugunin, chief operating officer. "It's common to have more than 400 projects that are active and open at different stages at any given point in time."

Tracking 1,000 Projects on Paper

Phoenix Renovation's line of business requires heavy project management and coordination. Doing the heavy lifting on a project that can include insurance adjustors and agents, property managers or homeowners, facility managers, municipalities, colleges and universities, state school districts, and large corporations, among others.

Working on hundreds of projects at once and tracking all the vendors involves attention to detail, just by sheer complexity and volume. Previously, Phoenix Renovation used QuickBooks and spreadsheets to run its financial operations. "It was literally at the point of imploding," says Hugunin.

"We were very paper based and had user limitations in QuickBooks because we only had 7 or 8 seat licenses," he says. "Project managers and people in the field were very reactionary versus proactive because of this. This made it a challenge for the team to always be on the same page. There was a lot of independent and siloed business processes & project management happening that we weren't aware of from an administrative standpoint, causing confusion."



Company

Phoenix Renovation and Restoration Inc.
www.kcphoenix.com

Industry

Construction

General contractor specializing in restoration and remediation of damaged properties (commercial and residential).

Number of Employees

Approx. 50 full time employees

Location

Overland Park, Missouri and
Manhattan, Kansas

Products

Acumatica Construction Edition with:

- Advanced Financial Management
- Project Management
- Expense Management
- CRM
- AP Document Recognition
- WorkMax for Asset Management and Time-Tracking

Customer Social Sharing Details

 www.linkedin.com/company/phoenix-renovation-&-restoration

 www.facebook.com/phoenixrenovationrestoration

 www.instagram.com/phoenixrenovationrestoration

 www.twitter.com/phoenix_renc

 www.youtube.com/@phoenixrenovationandrestor9995

Partner Details



Strategies Group
www.strategiesgroup.com

Month-end Close Took 45+ Days

Information wasn't timely, he says, and it could take 45+ days to close a month because they had to wait for the paper backup to arrive and for credit card receipts and other expenses to get typed into the system.

"The frustrations and inefficiencies became progressively frustrating for AP and account supervisors because 40 percent of the receipts weren't in, or a statement would come through, and the backup was still sitting on a project manager's desk. We spent more time trying to herd cattle," Hugunin says.

"There was a lot we didn't know," he adds. "There were a lot of surprises that came up. That's not a great experience for our customers or the way we wanted to operate the business. Spreadsheets are what kept us together from a financial standpoint."

Phoenix Renovation grew to a point where they were running five separate instances of QuickBooks. "When it came time to run statements, we had to run them separately and then combine them all in Excel," says Aasha Cunningham, director of accounting and administration. "That was very time-consuming."

Siloed CRM, Time & Assets

The company used a separate CRM system which did not function properly in providing field staff with reliable data. "We had to import new jobs or claims into QuickBooks from the CRM and the field staff didn't have access to QuickBooks which created additional struggles," she says. "They relied heavily on the administration team, especially for project financial reports that were outdated when they received them. "

"I can't emphasize enough, how heavy the use of Excel was across the business to keep it all together," says Hugunin. "We relied on scanned or hard copy reports that, by the time they were generated, they were already outdated. If management wanted to follow up with questions or see what red flags came up on a project, the data was already too old to make any impact. Project managers were dealing with financial aspects on their own and we had trouble figuring out where we were off."

SOLUTION

Digital, Cloud-Based & More Paperless Platform

Phoenix Renovation started a digital transformation by replacing its 10-year-old servers and moving to the Cloud to strengthen its disaster recovery plan. Executives wanted a paperless system for operations and a construction-specific accounting solution. "We have a highly mobile workforce," Hugunin says. "We needed to move to the cloud for project managers in the field to have the data they needed from the job site or the road."

Phoenix Renovation wanted to eliminate the need to manually consolidate branch financials, be more GAAP compliant, generate better work in progress or WIP reports, and provide AIA invoices to construction partners. They wanted one business solution with unlimited users and a structured approval process. They needed a mobile application for the field to access information and upload expense receipts. A new construction accounting solution also needed to easily connect with its time-keeping provider, WorkMax.

A technology consultant gave Phoenix Renovation executives several options including Open Systems Traverse, Sage Intacct, other Sage products, Epicor, Zoho, AccountMate, and Microsoft Dynamics. They eliminated Dynamics and Epicor because "they were way out of our price league," Hugunin says. Zoho and Sage Intacct operated on a project basis and couldn't show how their programs could be used for a construction-specific business."

"Most charged per user, were older platforms, and didn't have an open API," says Hugunin. "Acumatica kept coming up to the top of the list, and eventually, it's the direction we determined we wanted to go."

Acumatica Construction: WIP, AIA, Flexible, Futureproof

The Acumatica Construction Edition Suite is flexible, customizable, and futureproof, preventing the need to replace it every several years, Hugunin says.

What sealed the deal for Hugunin was making the time to attend Acumatica's annual Summit event. The Phoenix Renovation team met Acumatica's top executives, talked with its developers, and learned about the company's strategy of investing in the product for the future. "We talked with peers in construction and gained insight into how they were using Acumatica," he says. "Some shared their experience that provided another level of reassurance that, when issues arise, the company prioritizes and makes fixes, listening to users and working actively to alleviate any issues."

Acumatica modernizes construction workflows with real-time task views, AIA reporting and billing, compliance management, daily field reports, and expense management. It gives them unlimited users, a built-in CRM, and seamless remote access for the field service team via a robust mobile application.

"We have 15 production technicians that don't need daily access to project information but do need to submit credit card receipts and the mobile app allows that, but we don't have to pay for a full user. The forward-thinking model of pricing vs the usual per-user license model really benefited us," Hugunin says.



“With Acumatica Construction, we have access to current data that helps us understand where our business is coming from, how profitable it is, and just where it stands at any point in time.”

—Eric Hugunin,
Chief Operating Officer,
Phoenix Renovation and Restoration

BENEFITS

Increased Data Visibility, Transparency

Thanks to Acumatica Construction Edition, Phoenix Renovation has full data visibility, increased transparency, and better accountability. All employees have access to the same information in real-time, from executives in the office to team members in the field. With Acumatica, Phoenix Renovation dramatically improved its cash flow by setting up automated workflows and more streamlined business processes.

"We're in the insurance restoration industry," Hugunin explains. "So, it's not usually a case of 'if you get paid' but 'when you get paid'. Generally, it's a very slow process. Insurance carriers and mortgage companies are often slow to release funds. It's not a coincidence that since going live on Acumatica, we haven't needed to tap into our line of credit in 14 months, and we are operating cash flow positive for the longest period in 22 years."

Automated Approval Process, Mobile App for Expense Receipts

Phoenix Renovation's construction business is fast-paced, largely performed in the field, and typically has 400 open jobs. "It can get out of control quickly and there's a lot of urgencies," says Hugunin. "Whether it's a toilet that overflowed, a fire, or a major windstorm that took off half a roof, we need to be mobile and operate in real-time from any location. Now that the approval process is paperless, that's been such a big win for us."

Insurance claims involve a vast amount of paperwork. Imagine navigating approvals across all involved parties, across a host of insurance companies, then hiring subcontractors to complete repairs, dealing with distraught owners, then multiplying that chaos by hundreds of projects at once. A lot of time gets wasted shuffling and tracking all that paperwork.

"With a paper-based system like we had, with receipts turned in weekly, it was too easy to fly under the radar or avoid an issue until the paper was processed or approved. This creates a risk to the business when all the information isn't there to make decisions," Hugunin says. "The mobile app makes it so now they submit a photo of the receipt, and the information is automatically added to the project. Senior project managers can instantly see them and question their legitimacy if needed. Acumatica provides visibility, transparency, and accountability, reducing risk. Acumatica gives everyone the same data set in real-time."

Automated processes and approvals and the ability to see data immediately greatly improved the company's visibility into its operations. "With Acumatica Construction, we have access to current data that helps us understand where our business is coming from, how profitable it is, and just where it stands at any point in time," Hugunin says.

Robust Reporting, Dashboards

The Phoenix Renovation administrative team no longer spends time creating reports for those without access when they ran on QuickBooks. They now concentrate on high-value work and essential duties. "Our stakeholders and project managers in the field have access to reporting data in real-time and that has been huge for us," Cunningham says. "Acumatica has made my life easier by having the visibility of accounts payable, accounts receivable, claims coming in, and the ability to easily build dashboards on whatever metric that I would like to see."

Connected CRM, Elevated Relationships

Prior to Acumatica, customer data was siloed and not easily consolidated so Phoenix Renovation had to do extra work to see where sales came from, or which jobs were more profitable.

Acumatica makes all customer information available to authorized users anywhere, anytime. The field services team can quickly access real-time leads, opportunities, invoices, payments, and project cost detail from any browser and device. When project managers, administration, or accounts receivable employees use Acumatica to contact a customer, they instantly see all open accounts receivable (AR) invoices, project percent of complete, and other project-specific tracking data for better decision-making.

With Acumatica and its connected CRM, Phoenix Renovation added user-defined fields, attributes, and personalized business events that better-facilitated communication with insurance carriers and internal data tracking. The company also gained a better understanding of its biggest and most frequent business referral partners and more effectively manages relationships with target clients (i.e., universities, school districts, nursing homes, and property managers).

"We've started to use the marketing campaigns features and data available on each project, and now have more insight into all the different lines of business our work comes from," Hugunin says. "We're on the first wave of activating the data for different marketing initiatives, but we are very optimistic about the opportunities we can develop with these new insights."



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Added Vendor Compliance

Phoenix Renovation improved its vendor compliance efforts by using Acumatica Construction to track 300 active subcontractors and when their insurance certificates are out of date, or if they've had to withhold payment for sub-par work. "We never had the ease of visibility in QuickBooks," Hugunin says.

Improved Customer Experience

When Phoenix Renovation receives a prospect call for a new claim, the information is put in as an opportunity, assigned to a project manager who enters notes on the project's status, whether it was won or lost, and if won, it's then turned into a project, Cunningham says. "If it was lost, there is a place to enter why. This is just one more example of how we can use the information on why we lost a claim and what happened to make us better when dealing with customers."

"Additionally, we've had a lot of incremental wins, small wins that add up and provide time-savings, making our employee lives easier. This gives employees more bandwidth to offer a better customer experience and be more real-time," Hugunin says. "Everything we can do to create better systems or processes, and be more efficient, leads to fewer burdens so they can devote their energy to giving a listening ear to the customers we serve, showing empathy and care. This care is one of the reasons people come back to us or refer their friends to us."

Scalable Platform for Growth

Phoenix Renovation may extend its service area to include specific hurricane-ravaged areas in nearby Southern states. "We have a platform that's scalable, and can add branches and employees easily," says Hugunin.

The company now makes data-driven decisions rather than assumptions based on gut feelings. "Acumatica helps us be more profitable and allows us to grow our volume with full visibility and transparency."

"Internally, our stakeholders know our sales goals and know exactly what we've achieved," Hugunin continues. "Being cloud-based gives the field access at any time. If they're at a house waiting for an appointment, they can sit in their truck, log in and approve bills or submit an invoice or expense receipt. There is so much they can now do without stepping foot in the office."

Phoenix Renovation may add additional Acumatica workloads and technology functions, Hugunin says. "I am excited to explore the self-service customer portal solution. It's possible we could use the portal for statements, billings, and collections so our customers and agencies we deal with feel like they are part of the process and are more in the loop on their project status. I see this being just one more business differentiator for Phoenix Renovation vs. others in our construction micro-vertical."

