



CONSTRUCTION WEBINAR

ERP Migration Readiness & Sage
Intacct CRE

July 13, 2023

Learning objectives

By the end of this presentation, participants will be able to:

- Understand construction industry market technology trends
- Identify when to implement or upgrade enterprise resource planning (ERP) software
- Explain the ERP implementation process
- List the tools Sage Intacct offers in the construction market

Today's speakers



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Agenda

- Introductions
- Construction IT Megatrends
- Construction Software Solution Overview
- System Implementation Journey
- ERP Readiness
- Sage Intacct Construction Product Overview
- Sage Intacct Construction Product Demo
- Sage Intacct Construction Roadmap

Construction IT Megatrends

- 01 ERP Modernization
- 02 Data Quality, Governance & Transparency
- 03 Construction Management Software

Project Management Trends

Construction companies are ramping up investments in Project Management solutions to drive project efficiencies and gain better visibility into overall margin.

- 01 Increased Investment in Project Management Software
- 02 Expansion of Mobile Application Use on Job Sites
- 03 Document Management Control
- 04 Project Forecasting Process Improvement

Digital Transformation in the Construction Industry

What We're Seeing

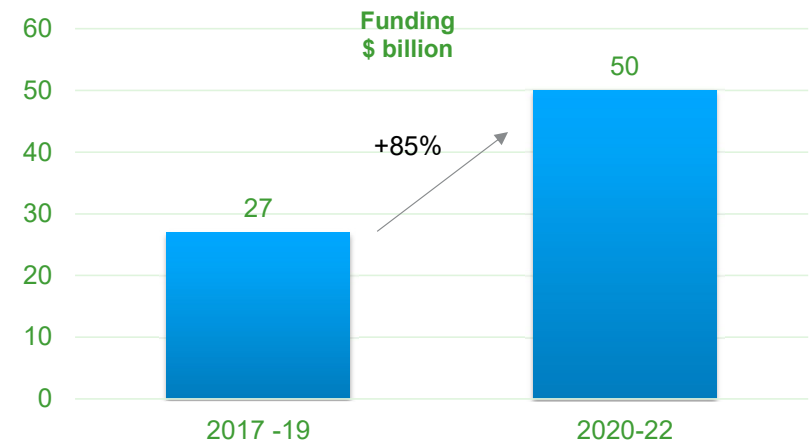
More and more of our construction clients are investing in new technologies. Digitalization in the construction industry has been a slow-growing trend for many years, but now its speed is *accelerating*. The amount of money poured into construction technology has increased greatly over the last decade. ***An estimated \$50B was invested in AEC technology between 2020 and 2022, an 85% increase than the previous three years.***

Why

- Strong demand for infrastructure and data transparency
- New generation of laborers and professionals
- Shortage of skilled labor driving need for technology to bridge the gap

What This Means For You

It is critical that organizations operating in a paper-intensive, manual environment evaluate their current technology stack and begin to identify areas where enhanced automation can improve processes. Investing in new technology will give management access to better project data and the analytics required to make smarter decisions when it comes to executing jobs successfully.



Construction Software Solutions



ERP



CRM



HR & Payroll



CPM & Business Intelligence

Logos for ERP solutions:

- CMiC
- Microsoft Dynamics 365
- VIEWPOINT
- infor
- SIS Strategic Industry Solutions
- Acumatica The Cloud ERP
- Sage 300 Construction and Real Estate
- JD EDWARDS ERP A Global Partner Network
- coins
- Jonas Construction Software

Logos for CRM solutions:

- salesforce
- Constant Contact
- Microsoft Dynamics 365
- HubSpot
- COSENTIAL
- BUILDTREND

Logos for HR & Payroll solutions:

- Microsoft Dynamics 365
- BirdDogHR
- penta TECHNOLOGIES
- Paycor
- FOUNDATION software
- CERIDIAN
- ADP

Logos for CPM & Business Intelligence solutions:

- Adaptive Insights
- bi360
- alteryx Premier Partner
- hostanalytics
- Prophix
- + a b | e a u
- Power BI

Construction Software Solutions



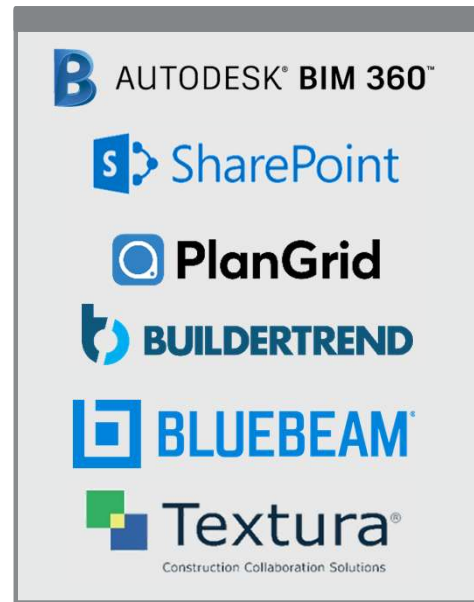
Scheduling & Project Management



Estimating, Bidding, & Submittals/RFI



Document Management, Plans & Collaboration



Automation



Generative AI Application

Text Generator produces natural language text, ranging from simple sentences to entire articles.



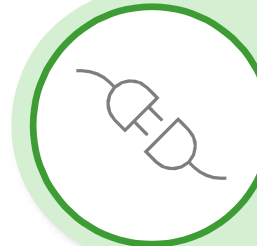
Image Generator can generate new images based on input parameters, turning text prompts into images and artworks.



Chatbot can engage in conversations with users in a friendly interface, providing relevant responses based on learned knowledge.



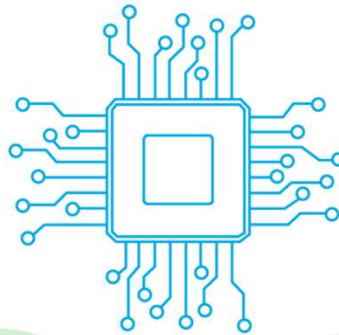
Plugins (such as those deployed by OpenAI), can be integrated into other software products, allowing for powerful capabilities within applications.



Summarization automatically generates a concise and coherent summary of any text or document.

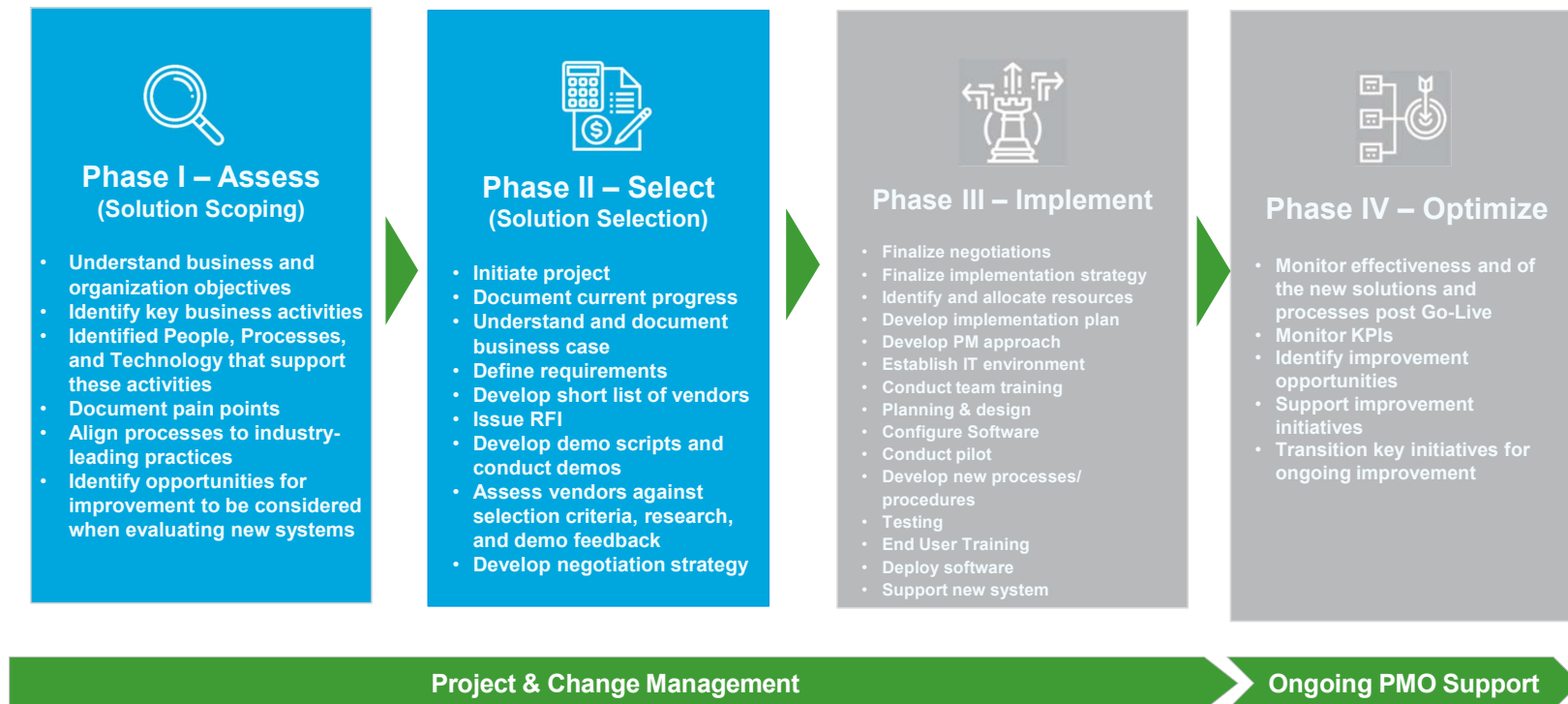


Code generation can create and explain functional code in multiple programming languages based on user input.



System Implementation Journey: Selection through Implementation

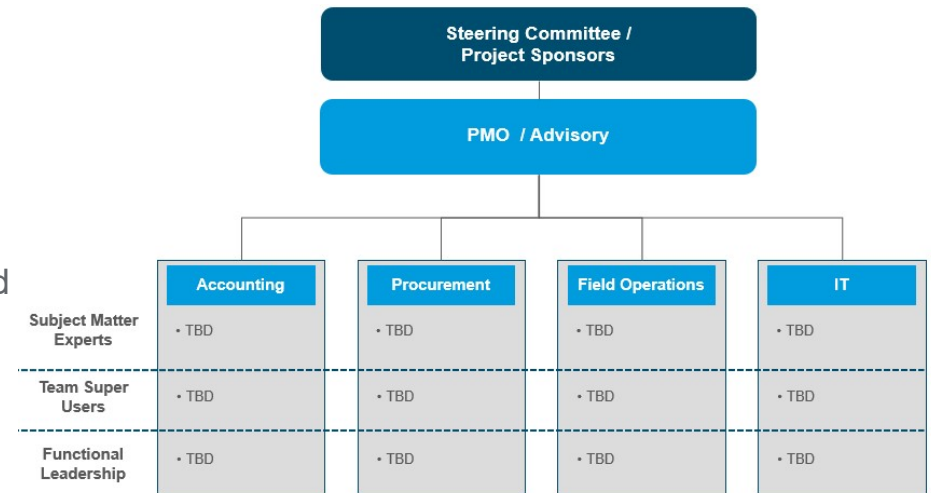
The following graphic outlines a standard approach to end-to-end system strategy.



Gaining Executive Buy-In

- ✓ Gaining executive buy-in is the first step in transitioning to a new system. Executive support will ensure that resources are made available and that the implementation aligns with the organization's strategic priorities.
- ✓ Next, champions should be identified across the organization. These resources will be critical in communicating the change throughout the organization and generating excitement from end-users.
- ✓ Once resources are identified, a governance structure should be developed including a project management office, divisional leads, and working teams. This governance team will be responsible for preparing the organization for the transition as well as assisting with the implementation activities.
- ✓ It is important to establish a regular meeting cadence and communication plan to align resources and manage risks.


Sample Governance Structure



Choosing an Implementation Partner

In addition to selecting the right ERP solution, most organizations will partner with a third party provider, such as RSM, to help manage the implementation process and ensure that the project is successful. An implementation partner is able to assist with any of the following core project activities:

- Develop project management office
- Define project governance
- Mitigate project risks
- Communicate with key stakeholders
- Communicate with end-users
- Advise on best practices
- Design and document future state processes
- Develop data migration strategy and cutover planning
- Assist with data cleansing and transformation
- Develop training materials and end-user manuals
- Manage user acceptance testing including test plans and end-user feedback



As you evaluate potential partner to assist with your preparation or with the implementation of an enterprise application, consider the following key success factors:

- ✓ Strong relationships with vendors
- ✓ Industry expertise
- ✓ Feedback and input from references
- ✓ Implementation approach

Change Management Bottom Line – *Speed to Value*

Change Management produces a *measurable business impact*. The ROI of change management is the **ADDITIONAL** value created by a project due to increased **employee adoption and usage**.

According to multiple studies (*McKinsey, BCG, Six Ways IT project Fail, Darwin*) on the impact and effectiveness of change management across completed projects:

Project ROI was:

- **143%** when a comprehensive Change Management Program was part of the initiative
- **35%** when no or limited change management included

Reasons attributed of success (to achieve targeted benefits):

- Strong executive sponsorship/leadership
- Appropriate and effective project management and governance
- Engagement and buy-in across middle management and front-line impacted employees
- Roles and responsibilities clear
- Targeted and effective communication leading to clear understanding and acceptance of project reasons and goals throughout the organization

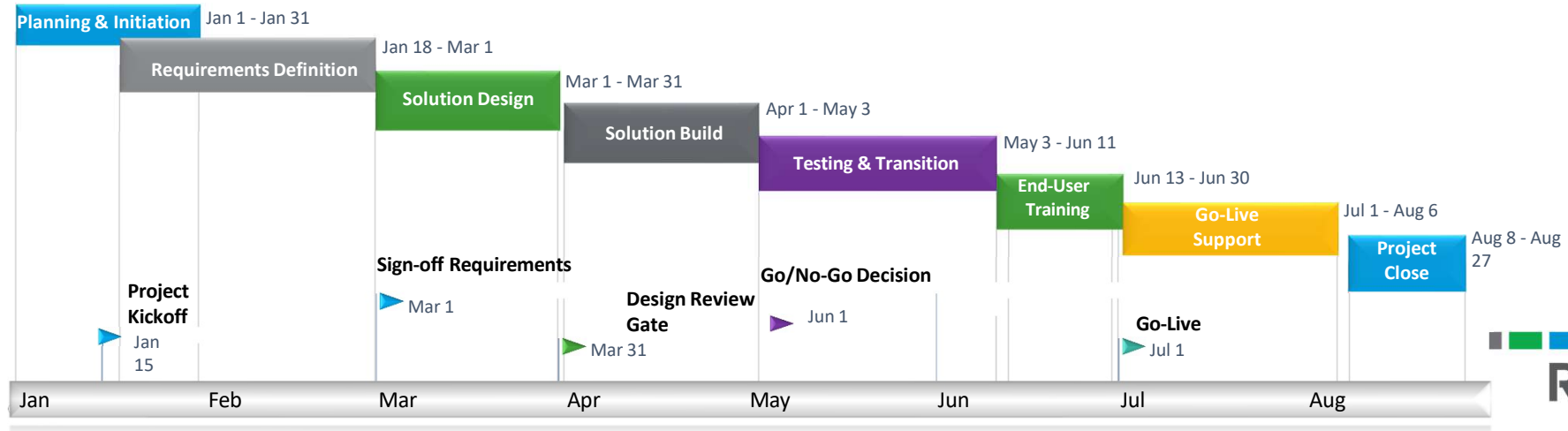
Reasons attributed of failure (to achieve targeted benefits):

- Lack of commitment and follow through by leaders/sponsors
- Poor project/program management
- Lack of stakeholder engagement and input
- Lack of training and support
- Poor communication leading to confusion amount impacted frontline employees

Developing Timeline for the Transition

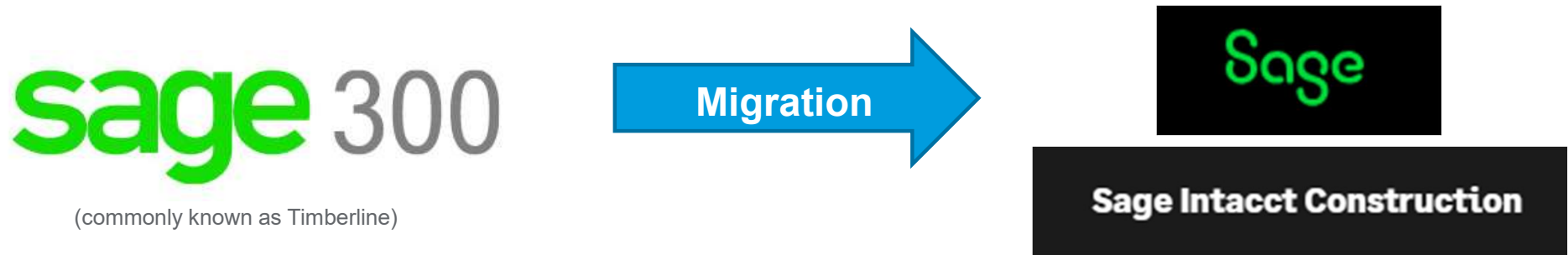
Typically we see ERP implementations for our *mid-sized* construction clients last approximately **4-6 months**. This process includes system design, configuration, data migration, testing, and go-live. Planning for the implementation is critical. As part of the planning phase, an organization should:

- Develop a project schedule with key activities by project phase and identify owner
- Identify resource requirements and ensure availability from key team members
- Formalize change management plan to reduce user resistance
- Identify potential project risks and determine steps for mitigation
- Hold project kickoff sessions to communicate objectives across the organization
- Complete prep work including data clean-up activities and future state process design



Sage Intacct Construction

Sage has made significant investments in developing construction specific functionality within the Intacct platform, a cloud-based Enterprise Resource Management (ERP) system that is recognized as a leader within the middle market for its core financial functionality. While Sage will continue to support Sage 300 CRE, formerly Timberline, the company will spend the majority of its efforts on the Intacct product and anticipates full parity with Sage 300 CRE within 1-2 years.



RSM Sage Intacct Construction Leaders



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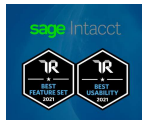
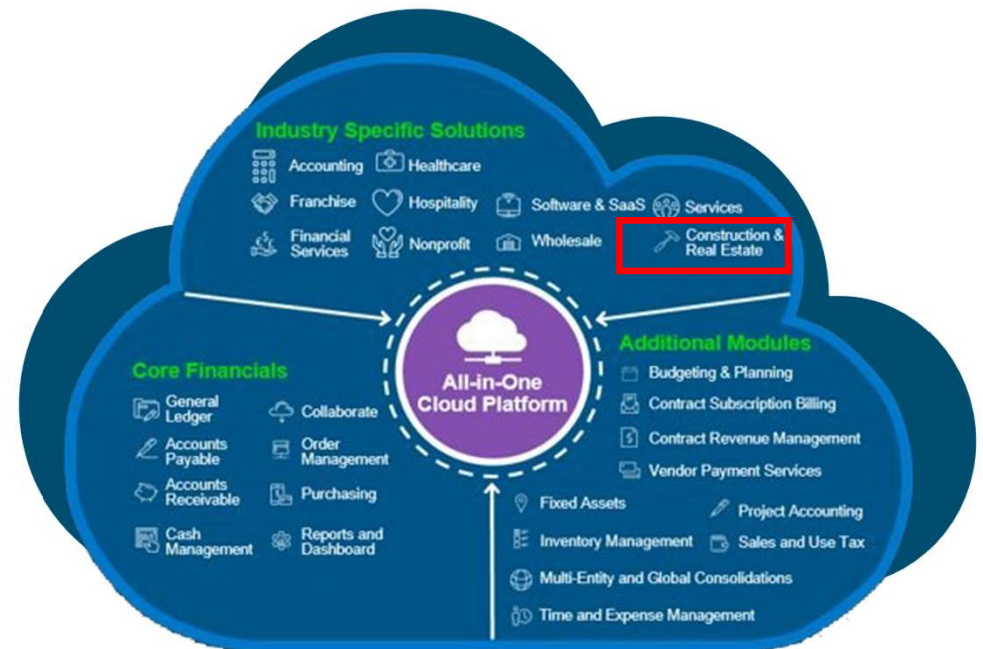
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'Born in the Cloud' Financial Management Solution

sage Intacct

Why Sage Intacct?

- Native Cloud from the 1st line of code
- Deep multi-dimensional accounting & automation for efficient financial operations
- Sophisticated visibility for real-time decision making
- Best of breed, easy integration to other solutions
- Fresh & modern user interface
- Designed for CFOs and professional finance teams looking for a powerful solution



Best of
Feature set and Usability



Platinum
Provider



Preferred
Provider



Preferred
Choice



Visionary
Cloud Financial
Management



#1
Customer
Satisfaction



Sage Intacct Construction and Real Estate (CRE)



sage 100
Contractor

Sage 300
Construction
and Real Estate



sage Intacct
Construction

sage Intacct



Preferred
Provider



#1
Customer
Satisfaction



Visionary
Cloud Financial
Management

Sage Intacct for Construction

Build a better business with a modern cloud accounting solution increasing visibility into financial and operational metrics to make timely, data-driven decisions

- Estimate tracking (along with 3rd party integrations for seamless entry)
- Commitment and commitment change tracking
- Contract change order tracking
- Contract progress and T&M billing
- Client and Vendor retainage tracking
- Integrations with project management solutions such as Procore, GCPay

Key Functionality



- Improve client relationships and cash flow—with more prompt, accurate and complete billings
- Improve vendor relationships—with timely payments
- Improve project management—with real-time integrated project budgets, commitments, costs and billings
- Increase efficiencies—with automation of manual processes such as updating financials and generating other business-critical reports

Key Benefits





Best-in-class modern cloud platform

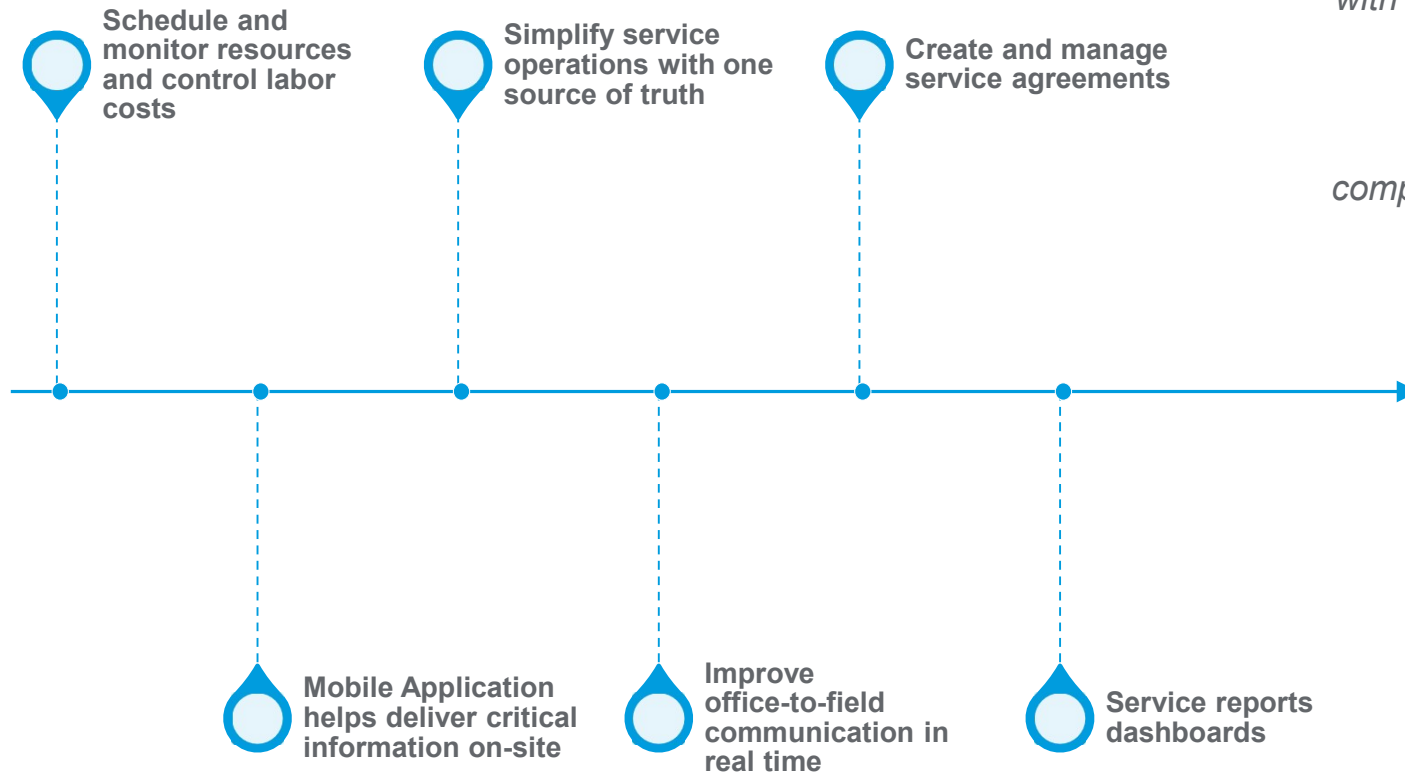
Choose the superior product for your ecosystem



Don't risk vendor lock-in and settle for an all-in-one suite that may not be the best solution for all areas of your organization

Sage Intacct Field Operations

Sage Field Operations, integrated with Sage Intacct accounting and customer data, gives service-providing companies a superior tool to manage the work order life cycle.



Construction Payroll

When it comes to your projects, labor costs are one of your biggest risks. So, ensuring you have timely, accurate visibility into your labor costs is critical to reducing cost overruns and improving profitability.

Labor Costs

- Automatically calculate rates, deductions and fringes based on employee's union local and class
- Automatically Allocate across multiple dimensions such as
 - Job
 - Cost Code
 - Cost Type

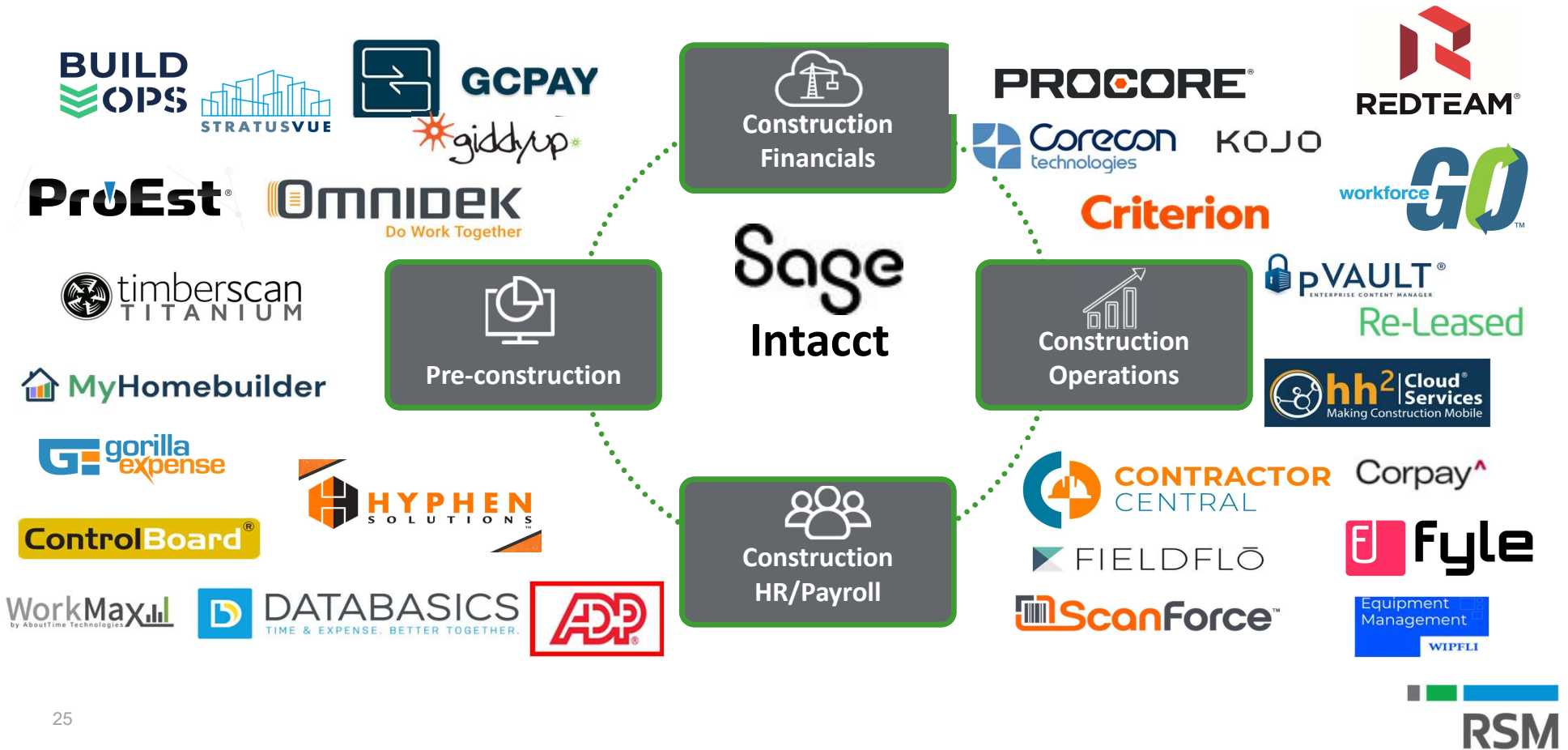
Automate Complex Payroll

- Across Multiple Localities
- Union Pay Rates and Payment Types
- Union and Tax Reciprocity at the state, city, count, and union local levels

Public Work

- Certified Payroll
- Prevailing Rate Determination

Sage Intacct Construction Strategic Partners



Sage Intacct Real Estate



Integration with Sage Intacct, which eliminates manual data duplication between disconnected systems to save time and reduce errors.

Who is Sage Intacct for Construction for?



Subcontractors & Specialty Contractor



Residential



General Contractor



Developers

Sage Intacct Construction Customers



Vertical		%
Developer		26%
General Contractor		24%
Subcontractor		22%
Specialty		15%
Residential		9%
Non-profit		2%
Equity		1%
Civil		1%



Sage Intacct Construction Roadmap

2023 Release 2

Construction Billing

- T&M summary billing (i.e. cost based progress billing)
- Change request detail integration to project contract lines

Commitments

- Purchasing reverse conversions (Non-Inventory Items)
- Project commitments tab (360 View)

Reporting

- Report packages in the partner community

Up Next

Construction Billing

- Project contract billing object for reporting and doc template invoice presentment

Vendor Compliance

- Vendor insurance tracking
- Vendor miscellaneous compliance tracking

International

- Retainage support for VAT / GST tax solutions

Reporting

- Project detail reporting area
- Retainage flag on AP/AR invoices

In The Works!

Vendor Compliance

- Lien waiver tracking
- Secondary vendors
- Joint checks

Misc Enhancements

- Order Entry reverse conversions (Non-Inventory)
- Purchasing multi-document conversions (Single invoice / Multiple PO's)

WIP Posting and Forecasting

- Project WIP

Reporting

- New reporting areas and fields
- Additional report packages
- Library reports



QUESTIONS AND ANSWERS



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