Jeffares & Green: Seizing Control of Complex Financials

Partner

4most

Executive overview

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Company
Jeffares & Green (Pty) Ltd

Industry
Engineering, construction, and operations

Products and services
Civil and structural engineering and project management services

Web site
www.jgi.co.za

SAP® solutions
SAP® Business One application

Partner
4most Systems (Pty) Ltd

Imagine the complexity managing financials and consolidating results from a dozen legal entities that frequently make intergroup transfers. It was so hard that Jeffares & Green (Pty) Ltd, a fixture in South Africa's civil and structural engineering industry, took six to eight weeks to complete its monthly reports. "We switched to the SAP Business One application, which cut the time in half," says Desre Guerini, the firm's financial manager. "It is a lovely package, so **easy to use."**

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Building South Africa's infrastructure for nearly 90 years

Jeffares & Green (J&G) has been providing the full spectrum of civil and structural engineering and project management services throughout Africa since 1922. Headquartered in Johannesburg, J&G has offices in most major South African centers. It employs nearly 300 people and commands annual revenues of approximately US$25 million.

The firm, which originally concentrated on rail and road transportation, now also includes specialist companies in the fields of geotechnical and environmental services, pavement technology, traffic and transportation, water management, and social development. These companies, along with others that hold properties and conduct trades, are all separate legal entities that maintain information on their own financial transactions and perform frequent intercompany transfers. J&G contracts engineers to its various subsidiaries and monitors their time and expenses, which are reported weekly. Every month each company in the group compiles financial results and delivers them to the holding company, which reconciles its books with theirs and prepares overall consolidated financial results. Adding to the complexity, the consolidation process includes project-by-project accounting so the company can make detailed reports to its project managers and customers.

"The nature of our business and our corporate structure present many accounting steps and obstacles that are unique to Jeffares & Green. That is why it used to take us up to eight weeks to prepare a monthly report."

Desre Guerini, Financial Manager, Jeffares & Green (Pty) Ltd

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Simplifying financial reporting and project management

J&G wanted to simplify its monthly accounting and speed up the preparation of reports, but its previous accounting package provided little help. "Our financial information was all over the place, not in one central location," reports Guerini. "Time and expense data were maintained separately. The consolidation process entailed a lot of manual steps, and sometimes mistakes were made that caused us to overlook items in our billing."

Disparate databases were not the accounting package's only problem. It had been heavily customized over a period of many years and was therefore virtually impossible to upgrade. Its server was old, slow, and out of date. With all the customization, J&G cringed at the thought of trying to migrate the software to a new platform.

As the need for a new solution became clear, J&G's previous vendor accelerated the firm's decision by announcing that it would soon cease application support. "It was obvious that we needed a new solution," says Guerini. "But we wanted more than just another accounting package. We wanted something that would help us with other aspects of our business like project management, invoicing, payroll integration, and human resources. We wanted complete enterprise resource planning."

"With our legacy system we were looking at a ticking time bomb."

Desre Guerini, Financial Manager, Jeffares & Green (Pty) Ltd

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Covering the spectrum of needs through SAP and its partners

J&G went about its selection process with great care. Over the course of six months it evaluated several vendors and eventually culled the list to two finalists, SAP and Microsoft, before finally choosing SAP Business One. "We liked the functionality of SAP Business One, especially in financials, and its ease of use," Guerini explains. "After our previous experience we certainly did not want a vendor that might someday abandon its solution and its customers, and with SAP we know the support will always be there. With Microsoft we had concerns that we'd be in for too many changes as it consolidated different offerings, whereas SAP presented a clear, stable road map for SAP Business One."

Another appeal of SAP Business One was the extensive ecosystem of software and service partners SAP has assembled for the solution. In the third-party software library, J&G found an ideal application for extending the solution's reach deep into project management, a vitally important area. This application, Job Costing from Enprise, is an add-on solution with SAP-certified integration with SAP Business One that helps companies like J&G prepare customer quotes and manage time, staff, and other resources on a job-by-job basis. These features function smoothly with SAP Business One and employ the same user interface.

"SAP Business One had it all – the functionality we needed, support we could count on for the long haul, a stable road map, and partnerships to satisfy our special needs. And for everything you get, the price was very reasonable."

Desre Guerini, Financial Manager, Jeffares & Green (Pty) Ltd

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Meeting an aggressive schedule and budget

As its implementation partner, J&G selected another member of the SAP ecosystem, 4most Systems (Pty) Ltd, a company that specializes in services for SAP Business One in southern Africa. 4most installed SAP Business One, as well as Enprise Job Costing, and tailored the solution to J&G specifics while avoiding the extensive customization that had become so problematic with the previous solution. "We learned our lesson about customization," says Guerini emphatically.

One of the keys to the implementation's success was that Guerini was heavily involved, personally attending a training course on the use of the applications.

Despite encountering several obstacles, 4most completed the implementation on schedule – within three months – and came in under budget. "4most's people did a very good job, and they continue to support us well," Guerini reports.

3 months

Implementation time

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Solving many problems with a single database

With SAP Business One and Enprise Job Costing, the time and expense data entered by project personnel all flow to a single database. Project managers can easily check this data to see whether costs have been correctly allocated and make changes if necessary. Data for all projects and all the legal entities are consistent for the first time, greatly simplifying consolidation and reconciliation. J&G often takes advantage of the application's ability to export to Microsoft Excel, a feature that was lacking in the legacy system.

J&G has automated its invoicing process with SAP Business One, speeding up the process while avoiding the human errors that often occurred with the legacy software. It has also automated the generation of alerts to its various companies and their branches whenever a payment to them has been allocated – another previously manual process that was sometimes overlooked.

The human capital management functionality of SAP Business One is also proving beneficial, making data about everybody working on a given project readily available to project managers – yet another first for J&G.

"We are more efficient across the board with SAP Business One, which saves us costs."

Desre Guerini, Financial Manager, Jeffares & Green (Pty) Ltd

SAP® Business One

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Streamlining financials and project reporting

Month-end closing is now a far easier task for Guerini and her staff. With all financial data finally stored in one location in a consistent format, they are publishing reports in three to four weeks instead of six to eight. "From a financials point of view, I am 100% happy with SAP Business One," says Guerini. "I'd never consider using anything else."

Project managers also appreciate the improvements introduced by SAP Business One and Enprise Job Costing. They too had never had a single place to look for all time and expense information, let alone a real-time view of their job's status at all times. "Our projects tend to be very large, which makes them difficult to manage from a costing perspective," Guerini says. "The new solution makes it easier for our project managers to stay within budget. Their work-in-progress reports are more reliable and accurate."

50%

Reduction in monthly closing time

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Enjoying the freedom to stay current with business software

Now that J&G has freed itself from the binds of customization, it can easily incorporate upgrades from its vendors and has plans to do so. "In the future we expect to stay current with upgrades and enhancements," says Guerini.

The construction industry has experienced difficult times the last few years in South Africa, as elsewhere, but J&G has fared well and looks forward to growth as the economy picks up in the years ahead. "SAP Business One has seen us through a couple of lean years, and there might be more ahead," Guerini concludes. "But we are confident that we will see an uptick soon and that SAP Business One will see us through growth years just as ably as it has so far."

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