

THE HIDDEN COST OF TIME

One company discovers that efficiency yields far more than spare change.

by Jay Winchester

Stepping into the lobby of Tarlton Corporation's sleek, modern headquarters in St. Louis, there is no doubt over what this company is all about. The polished concrete floors and exposed metal beams frame a dramatic front desk, behind which the words *LET'S BUILD* hang prominently in heavy black letters.



©Debbie Franke

Build is exactly what the company does, and well. Over more than a half-century, Tarlton has completed high profile projects to critical acclaim, winning numerous awards for quality and safety along the way. Success is sweet, but with growth also came headaches on a grander scale. In early 2008, as growth continued but the economy squeezed margins, efficiency was a companywide priority, from the office of company President Tracy Elserman Hart, to superintendents at far flung jobsites.

As VP of Finance, David Moore is the man Hart trusts to see that critical processes run like clockwork. As the person responsible for balancing the double-edged sword of simultaneously financing growth and increasing profits, Moore knew that decades of expansion, both in terms of volume and geography, had become a burden on the company's manual, paper intensive processes for tracking job costs and completing payroll. While the company had become remarkably prosperous while sticking to tried and true methods, the consensus was that a more efficient way was needed, and soon.

It was determined that the company required a software application that would allow employees to record time and job costing without the burden of paper, and then allow efficient review and approval by field and office management. Furthermore, the system would have to integrate with their

accounting system, to ensure that the error ridden practice of re-entering the data no longer existed as a bottleneck. In spite of this tall order, Moore knew that the largest challenge would be overhauling two of the company's most critical processes without distracting from the core business of building.

"The correct allocation of labor resources, both in the field and for professionals such as project managers and engineers, was a challenge for us to resolve efficiently," says Moore. "Tarlton needed a better way to allocate professional labor to the jobs on which that labor was spent. At the same time, we needed a product that would permit field superintendents and foremen to produce daily timesheets electronically."

The scenario that Tarlton faced is a common one for construction companies of all sizes and types. Field management must simultaneously keep workers on task, oversee subcontractors, and ensure that owners are pleased with progress. However, this tyranny of the urgent often leaves the already tedious task of tracking costs a last minute chore. The very nature of paper and various spreadsheets results in human error, lost data, and delayed reporting. For executives, getting a clear picture of costs and profitability on a project from beginning to end, is further complicated when professional personnel such as engineers and estimators are added to the mix.

In spite of these challenges, the extent to which costs are tracked accurately and managed often determines corporate profitability.

As Moore evaluated software products on the market, he quickly discovered that few of them met most, much less all, of Tarlton's requirements. After much searching, there was only one application that seemed to fit their criteria. However, as he investigated the product more closely, another candidate emerged from an unexpected source. While speaking with a customer service rep at ACS Connect, a company that had supported Tarlton's previous accounting system for 20 years, Moore learned that they also had a product called Resource Commander that immediately caught his interest.

After much careful evaluation, Moore determined that either system would meet the requirements that had been outlined, leaving a difficult choice to be made. While the vendor of the first system had more experience integrating with Tarlton's accounting platform, Moore's team had developed a decided preference for the user experience that Resource Commander offered. Because the integration of payroll and job cost data to the accounting system was such a fundamental need, Moore weighed his options heavily.

After reflecting on their decades long relationship, Moore picked up the phone and called Roy Jaeger, President of ACS Connect. After discussing the number and variety of accounting systems his company had successfully integrated with, Jaeger reassured Moore of his commitment to ensuring a seamless integration, and to completing it on time. After reviewing the functionality of each competing application a final time, Moore and his team decided that Resource Commander was the best choice and began making plans for its installation.

When accounting for the myriad costs of a large construction project, accuracy is key and timeliness matters. While costing information gathered provides the basis for bidding new projects, it also provides critical insights into jobs already in progress, and can be used to gauge the performance of project managers, superintendents and foremen. Tarlton quickly found that the capabilities within Resource Commander make it uniquely suited for this challenge. By eliminating the possibility of coding to invalid jobs or cost codes, countless mistakes are avoided. It also enabled managers to easily search employee history, approve or reject time, and enter notes.

For all these benefits however, there are many details that must be thoughtfully addressed when implementing an automated solution that replaces an entrenched manual process. Moore found that ACS Connect's staff could provide a great deal of guidance from their experience with many similar

implementations. He and payroll manager Shirley Chapman worked closely with ACS Connect's Implementation Manager, Christine Pozefsky, to examine their process and address each unique requirement for recording labor costs in the field and from professionals in the office. Pozefsky spent several days at the company's offices configuring Resource Commander, testing the new integration, and training Tarlton's staff.

Once Moore was satisfied with the testing, the application was rolled out initially in the professional services area. After a few weeks of successful use in the office, field personnel began using the system to track employee time on Tarlton's various jobsites. Within the first few weeks, it was obvious that by reducing the number of times data was either recorded or entered, as well as the number of people involved, that Resource Commander would have a dramatic impact on the efficiency of the company's processes.

"The single biggest benefit Resource Commander has brought to the table is the efficient and accurate allocation of labor resources to our general ledger," says Moore. "Resource Commander has proven itself vastly superior to the process we previously employed, saving us significant time and money."

"The single biggest benefit that Resource Commander has brought to the table is the efficient and accurate allocation of labor resources to our general ledger."

Since implementation, Tarlton has found that the reporting time spent by each of their superintendents has been reduced by several hours per week. In the accounting department, Chapman reports that the time required to process weekly payroll has also

been reduced to just three hours per week, a substantial improvement. After totaling up these time savings, Moore concludes that based on time savings alone, Tarlton recouped the initial costs of the system *within just five months*. The investment continues to pay dividends, both in dollars saved and by allowing employees to focus more of their time on the business of building.

While important, cost savings was only one reason Tarlton chose to implement Resource Commander. The system allows the payroll and job costing processes to scale, laying the groundwork for near limitless growth. "We couldn't be more pleased with the way ACS Connect embraced the challenge of integrating Resource Commander with our accounting software," says Moore. "But that's what we expect from Roy's team, and it's the reason Tarlton has been an ACS Connect customer for over 25 years. They promised us the best solution, and they delivered on that promise. They solved our problem with greater ease and efficiency than we had expected." ■

More information about Tarlton Corporation can be found at www.tarltoncorp.com. To learn more about ACS Connect and Resource Commander, please visit www.acs-connect.com.