



US Software & IT Services company discovers the value of real-time information with SAP Business One and Job Costing

For US-based Software and IT Services reseller Omega Group Inc. the decision to implement SAP Business One with Job Costing “had nothing to do with how many features the product had” according to Forrest Koch, CEO, it was all about the value of a real-time system that tells managers exactly what’s going on in the business as-it-happens.

Greater insight into operational costs as they happen

In a nutshell, the key driver in the decision to implement Job Costing was the need to more competitively position their software and value-added services in the reseller market – Omega needed a competitive edge.



Koch explains that like most service-oriented organizations, Omega derives its revenue from the value-added services they provide to their customers so a core business activity is the scoping of projects and resources to deliver those services. Profitability is directly related to how efficiently Omega can contain the costs associated with each project. As every business manager worth his or her salt will tell you, if you can’t competitively respond to customer needs in a timely manner, “make no mistake” – they will get what they want when they want it from your competitor.

Omega had been using Solomon Project Controller in-house for a number of years which is essentially a complex Financial Accounting system for accountants happy to

examine historical reports and perform multiple iterations of financial analysis but for the ‘in-the-moment’ business manager historical information reported a month after it happened has greatly diminished value. Management can only ever be reactive. Omega needed to gain greater insight into and visibility of operational costs so Project and Business Managers could make adjustments to projects as they were happening as opposed to month-end when a creeping project was already over-time and/or over-budget. The opportunity to change its course had well and truly passed.

Koch had been looking for a better way when he discovered and was delightfully surprised to learn about the differences between Financial Accounting systems and the more strategically focused SAP Business One with Job Costing which is a Business Management system for small to medium sized enterprises.

“Enprise Job Costing empowers the whole organization with real-time access to live information – management can see what’s happening as it happens”

J. Forrest Koch – CEO, Omega Group Inc

Much greater business agility and response times

Upon closer evaluation Koch was convinced that SAP Business One with Job Costing presented Omega with an opportunity to manage costs and issues on-the-fly since a view of a project at any time during the month revealed its up-to-the-minute status. This was a significant point of difference to Solomon which works on a batched basis where all the month’s transactions are processed at the end of the month so Project Managers don’t really know what’s happened on any given project until the following month. Being able to respond more quickly to problems or issues during the month and make necessary adjustments means projects run closer to time and budget and this has direct implications



for Omega's ability to more efficiently scope and cost future projects. Job Costing has had a direct impact upon Omega's competitiveness and bottom-line due to having a clear and present view of the business in real-time. This has provided a much improved level of business agility and responsiveness than was previously possible.

Real-time = real management

After years of having few clues about what was happening on a weekly let alone a daily basis business managers and consultants have even greater responsiveness to business as-it-happens through email alerts. Managers can instantly respond to an alert from anywhere at any time including Windows CE compatible devices. Koch says that the value of email alerts enables his business managers and consultants to check what's going on and make instant adjustments. This is about being liberated to work on the business as opposed to spending time trying to fix problems in the business. This is real management in real time. Koch's view is that SAP Business One with Job Costing has effectively empowered the whole organization with a business system every person can easily access and understand without needing to be a Chartered Accountant.

5% vs. 100% – Job Costing empowers the entire organization

Koch believes "SAP Business One with Job Costing empowers everyone with real-time live information" and he further explains that "the complexity of Solomon only made it accessible to 5% of the organization i.e. the accountant and other financial staff, whereas the relative simplicity and accessibility of Job Costing empowers 100% of the organization i.e. everyone from Finance to Sales and Marketing to the Project Teams all the way up and across to the CEO".

Reading and comprehending reports is no longer a task manager's grapple with at month-end – Enprise Report Writer as Koch describes it "has taken contention out of reporting making it a non-issue".

Omega are looking forward to continuing to grow and manage business more strategically using SAP Business One with Job Costing which has effectively taken the crystal-ball gazing and guess-work out of project scoping and management and helped Omega deliver a more competitive service to their customers.

Highlights

Customer

Omega Group, Inc

Head office

Oregon & Washington, USA

Sector

Software & IT Services

Summary

Omega is a significant Software and IT Services reseller with a staff of 20 based in Oregon & Washington, USA. They needed a real-time job costing system that would give them greater visibility of their daily operations, enable them to more accurately scope projects and facilitate timely business decision making and assume tighter control of costs as they happened as opposed to at the end of the month when little could be done to change history. After a long wait Omega discovered and implemented SAP Business One with Job Costing which has helped Omega to more accurately scope projects and resources, control operational costs, improve business decision making and agility and ultimately be more profitable.

Of most business value

- Real-time visibility of daily operations and costs
- Email alerts

Key outcomes

- Omega have moved from a reactive to a proactive management environment
- Access to real-time information has enabled more effective and efficient business decision making
- Greater level of business agility and responsiveness
- Improved profitability as a result of greater business competitiveness