PCG Teams with Partner and Microsoft to Build Construction Management Software

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Paul Magel, President of the Application Solutions Group, CGS

A multitude of factors influence the profitability of a construction project, so construction companies must have real-time access to information to remain competitive. PCG, one of the largest leading specialty contractors in the U.S. faced legacy software issues, so leaders reassessed the company's IT infrastructure. The company needed new software that offered a single view toward profitability with up-to-the-minute data. Their partner, CGS, helped them discover their needs could be met with Microsoft Dynamics AX.

Performance Contracting Group (PCG) is not your average specialty contractor. With over 65 years of experience and over $1B of annual revenue, PCG is ranked 12th of the top 600 specialty contractors in the U.S. by *Engineering News Record*. The company not only provides contracting expertise on projects like airports, hospitals, and high-rises, but historically having been a division of Owens Corning they have the experience to develop projects in industries such as nuclear power, oil and gas, marine, and solar. Labor and material costs make or break profitability in this industry, so the systems used to track project management and financials are critical to the company's success. It had become apparent to Dan Hefferon, PCG Senior VP and CFO, that to continue the organization's track-record of successful growth, the company could capture additional gains by updating PCG's software systems.

Microsoft Dynamics

The current systems were operating well, in fact, faster than industry standards – but Hefferon knew that new technology could make them more efficient. Says Hefferon, "We had significantly expanded our footprint and services within the construction industry. Some redundancies in our existing processes could be eliminated with updated software." Change orders were tedious and required manual tracking. The company had many different programs that weren't integrated. For example, once estimates for PCG customers were launched as projects, the project team had to duplicate portions of the work, entering much of the same project information into entirely separate systems. Says Hefferon, "Our existing custom-built software was not fully integrated, which made system updates difficult. When updates were essential, it frequently involved additional expenditures for development and programming."

It became apparent that a new company-wide system comprising integrated project management, financial data, labor, billings, and payroll would have a significant positive impact on the business. Hefferon says, "We wanted to minimize third party involvement and the need for additional software systems. The goal was to have one system that encompassed everything so we could focus less on process and more on expanding businesses."

Consequently, the company ran an RFP process considering Microsoft, Oracle, SAP, and Computer Methods international Corp (CMiC). After selecting a program and investing almost a year of assessment, they found the software would require far more costly customization than the PCG IT team envisioned. The team had already been backed into a corner with custom code in the past, and they didn't want to recreate another system that was too expensive to change or upgrade. The company's partner, Computer Generated Solutions (CGS), helped Hefferon and his team understand how Dynamics AX didn't require extensive customization, but rather, could be configured for the solution they needed now, and reconfigured to provide new solutions in the future. "Without CGS, I don't know how we could have moved ahead," says Hefferon.

At the partner CGS, Paul Magel, President of the Application Solutions Group, knew Microsoft would work closely with this client's requirements. Magel says, "The architecture of the Dynamics AX platform provides the flexibility PCG needs around business requirements, analytics, and business intelligence to bring the financials of project accounting into a single view. This is exactly what they were missing."

Microsoft

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Dan Hefferon, SVP and CFO, PCG

Leading the team to plan and launch the implementation was Division Controller/Program Manager, Eric Gove and IT Director, Elizabeth Johnson. Gove says CGS was able to illustrate how Microsoft Dynamics AX functionalities would reduce redundancy, eliminate multiple data entry points, and provide visibility into multiple systems so the organization could readily project how changes could impact project profitability. "We could convert an opportunity into a project without having to rekey all the information. Billings and labor would no longer be required to be entered into different systems. If we experienced labor impacts, we could immediately forecast the effect that would have on the bottom line," says Gove.

But it was the three-way partnership established among PCG, CGS and the Dynamics Solution Architecture group from Microsoft that Johnson feels made the project a success. Johnson says, "Microsoft's willingness to work with us was key to our decision to go with them. They are adding functionality based on our requirements, which we believe will allow us to configure more and customize less in future successive upgrades." There was complete transparency in communication between PCG, CGS and Microsoft," says Daniel Ogren, Group Program Manager for the Solution Architecture Group at Microsoft. "PCG recognized that a turnkey solution was not realistic for their complex business operations. They took full responsibility and accountability for the solution design but were open to the guidance and recommendations provided by CGS and Microsoft." Kevin Lutz

Vice President of Technology Solutions at partner CGS added, "Microsoft Dynamics AX provided the platform, and the partnership provided a world class team to execute. This resulted in a solution PCG can manage to meet their needs today, and well into the future."

With the help of Microsoft and CGS, PCG is accelerating ahead with the flexibility of configurable software, and working their way out of the trap of custom code. Looking ahead, PCG can focus more on what they do best – profitably building amazing, specialized structures that create incredibly satisfied customers.

Next Steps

- Connect with Microsoft Dynamics
- Become a Dynamic Business
- Learn about partner solutions available in the Microsoft Dynamics Marketplace

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