

Suffolk Builds Strong Finance Systems for Accounts Payable and Client Billing

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Agenda

- Suffolk Construction Overview
- Suffolk's Expenditure-to-Cash Processes
 - Before
 - After
- Project Reflections
- The Bottom Line

Suffolk Overview

- Founded in 1982 by CEO John F. Fish
- Privately held building construction contractor
- “National presence with regional dominance”
 - Boston, MA
 - West Palm Beach, FL
 - Falls Church, VA
 - Irvine, CA
- 2007 Revenue: \$1.22 billion
- 900 employees nationwide

Suffolk Overview

- Market Sectors:
 - Assisted Living, Entertainment, Commercial, Education, Healthcare, Hospitality, Public work, Residential, Restaurants, Retail & Special Projects
- Suffolk Rankings:
 - *ENR* – 43rd on “Top 400 Contractors” (2007)
 - *Boston Business Journal* – First on “Area’s Largest General Contractors” (2004, 2005, 2006, 2007)
 - *ENR* – 22nd on “Top Domestic General Building Revenue” (2007)

National Presence



www.suffolkconstruction.com

Mandarin Oriental Hotel & Residences



home of the OAUG Knowledge Factory 

Accounts Payable, Expenses and Client Billing Processes

The “*Before*” Picture

Former Expenditure-to-Cash Processes

The Challenges Faced:

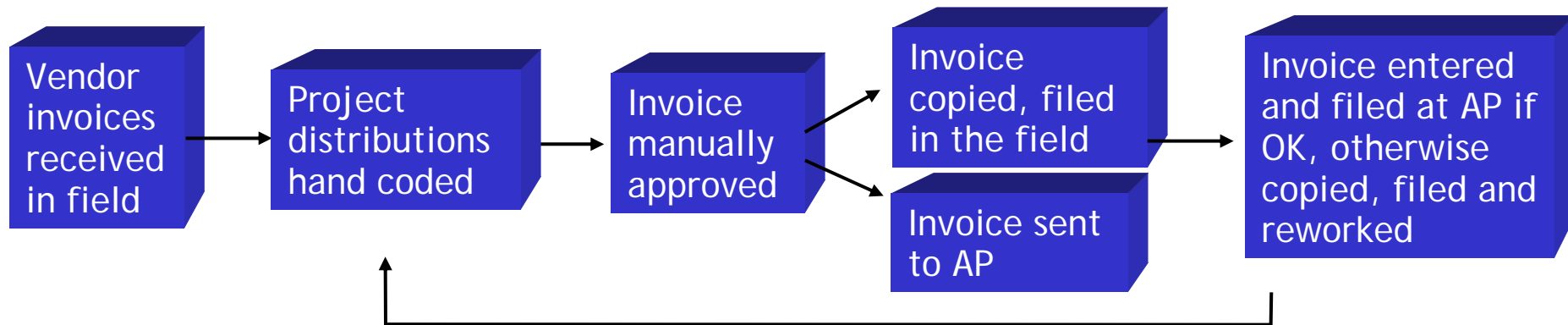
- Manually processing project-related expenditures (invoices, expenses, time & labor):
 - Extremely time-intensive, costly and error-prone
 - Often lacked adequate controls
 - Missed costs = missed revenue
- Efficiently compiling and presenting customers with back-up and audit documentation for their invoices
- Systems in use – Legacy system with manual, paper-based processes

Former Expenditure-to-Cash Processes

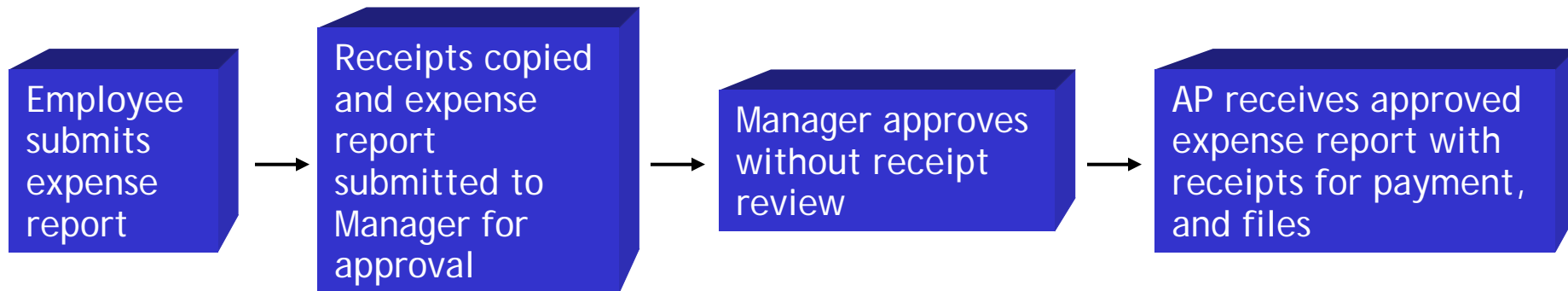
The Business Impact:

- High costs incurred from paper-based process:
 - Productivity losses in AP and the field
 - Document transportation to / from main offices and the field
 - Filing, copying, “touching” the documents too many times
- Revenue and cash impact:
 - Project managers spent too much time on paperwork vs. revenue-generating activities
 - Negatively impacted cash flow
 - Created accounting exposures: inaccurate reporting
 - Lost revenue: unrecoverable charges due to missing or lost backup
- Inability to offer our clients flexibility and collaboration

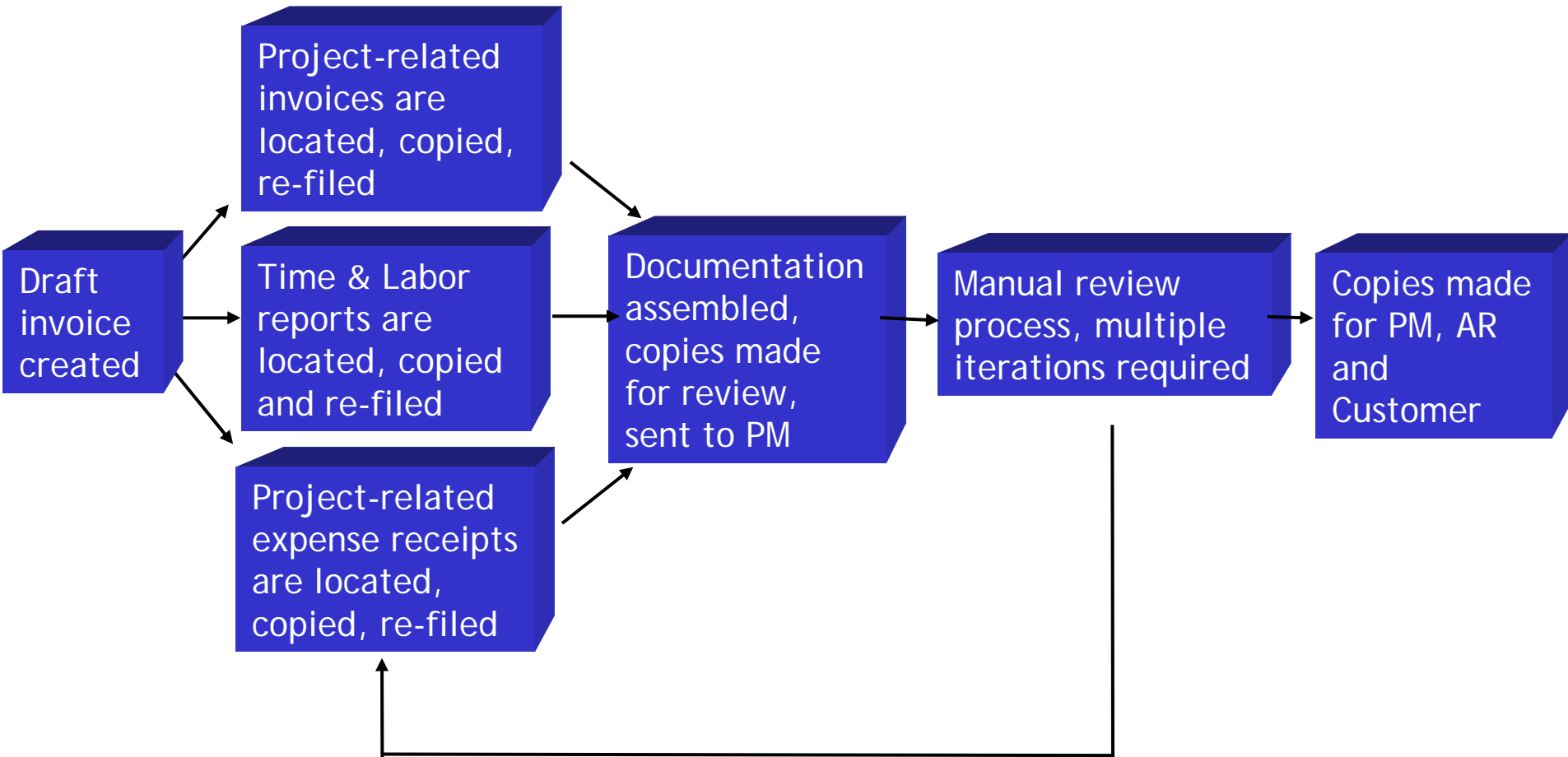
Former Processes: Invoices



Former Processes: Employee Expenses



Former Process: Billing



Our New System

- 170 MarkView Financial Suite from 170 Systems
 - A comprehensive set of applications that complement and leverage our Oracle system to streamline our critical Expenditure-to-cash processes
 - Accounts Payable
 - Expense Management
 - Project Re-Billing (client bill preparation)
- Deployed in 2005

170 MarkView for AP Snap Shot



Paper



Fax



Online

170 MarkView



Simple, streamlined, automated process for *ALL* Invoices

- Paper, fax, electronic invoices *all* processed the same way
- PO-based invoices that match proceed directly to payment
- No duplication of ERP data
- Integrated workflow and processes
- User input validated against ERP in real time (GL account codes)
- Leverages ERP user hierarchy and single sign-on

Accounts Payable, Expenses and Client Billing Processes

The “*After*” Picture

170 MarkView Simplified the AP Process



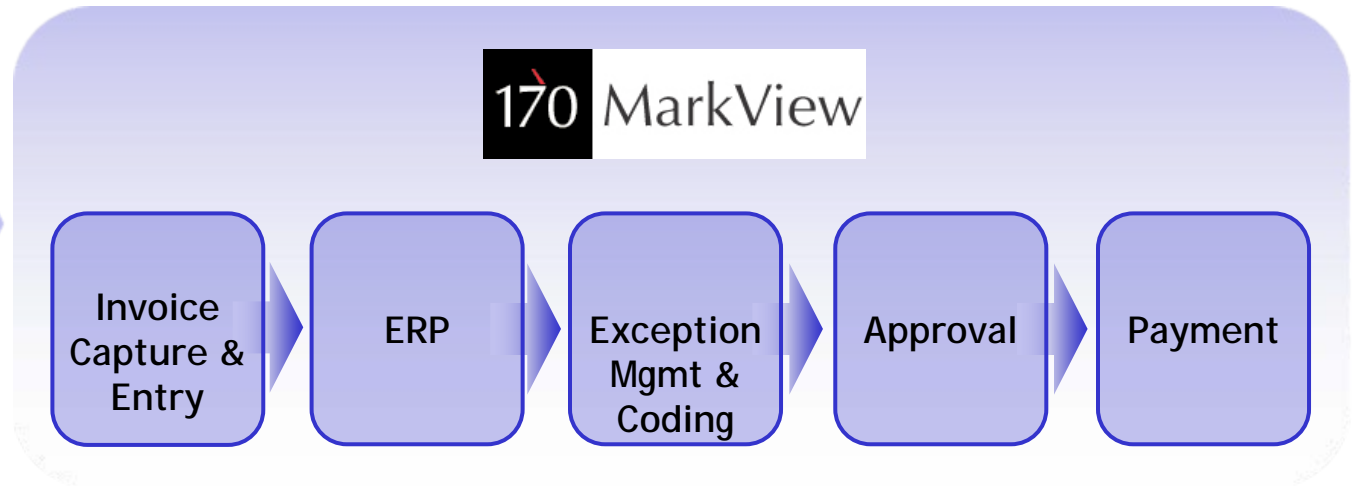
Paper



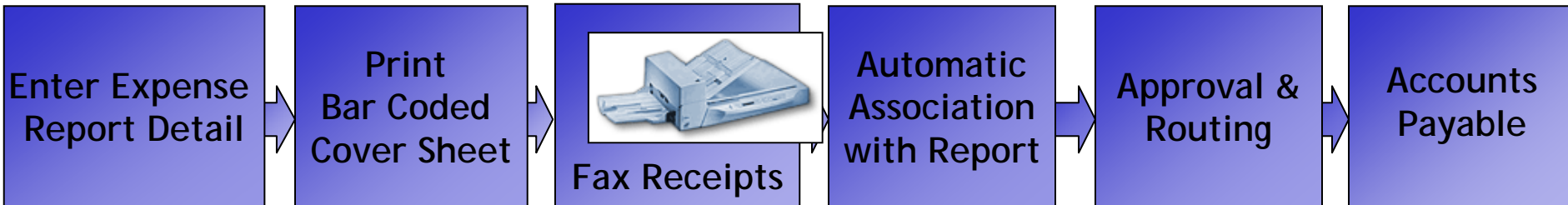
Fax



Online



Suffolk's New Expense Process



Another View: 170 MarkView Billing Backup Upfront & On-line

170 MarkView functionality/Integration noted in blue text

Time Reports

Oracle Time & Time

Employee Expenses

Internet Expenses

- Electronically submit receipts in conjunction with expense report

Vendor Invoices

Payables

- Key invoices via images
- Automatically attached to Oracle invoice record

Project Expenditures

Projects

- View project-related expense backup
- Automatically (re)-generate/print related billing backup

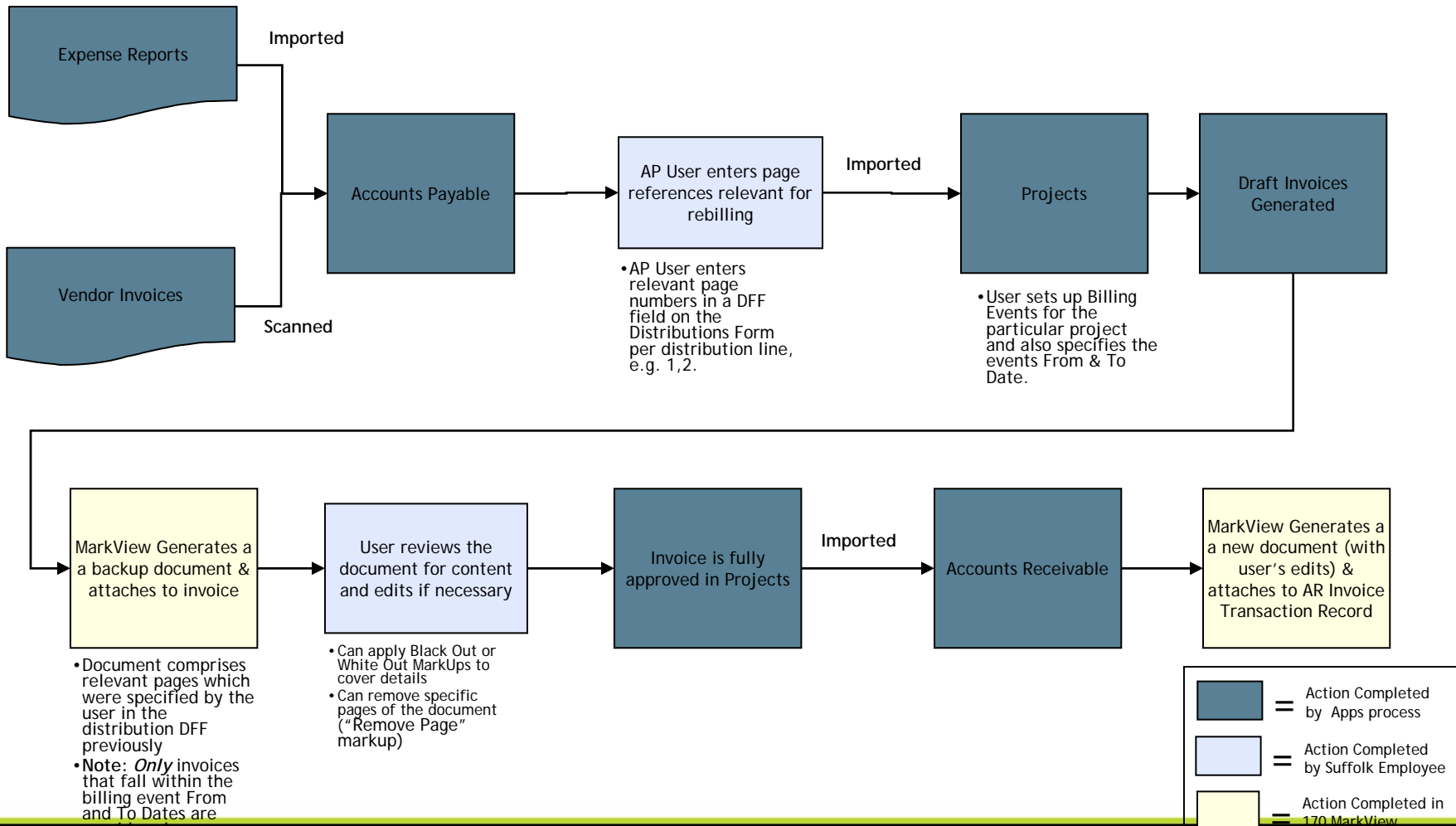
Customer Invoices

AR

- Online access to invoices and all supporting billing backup

Customers

A Detailed Overview (eye chart)



Project Reflections & Lessons Learned

- Plan to spend the time reviewing business processes – they will change
- Choose a “test” group to roll out the 170 solution prior to the entire organization
- Communication with your vendors is imperative (ie: project number on invoices)
- Think through your scanning options – Centralized vs. Decentralized
- Dual Monitors – You will need them!!
- Determine a 170 System Administrator for your organization

The Bottom Line

- Significant time savings by project teams
 - Electronic approval reduces travel time, mailing, filing, etc.
- More controls
 - More control over our costs because we know where are invoices are
 - Quicker turnaround and better review of expense reports
- Significant cost reduction
 - Storage Costs, Filing Cabinet Costs, office space
 - Documents are destroyed after 90 days
- We are more organized



Thank You

Questions?