# Case Study: KBC

## Introduction

KBC is a leading International consulting and technology company specialising in the oil refining and petrochemical industries. With over 200 employees and seven offices throughout Europe, the United States and Asia, KBC is a truly international organisation.

Whilst a rudimentary email-based time recording solution had previously been implemented it was not integrated with other financial systems or able to provide the flexibility required by an ambitious international organisation. In particular, using the data captured to provide meaningful management information was proving difficult.

As a professional services organisation, KBC delivers projects ranging in length from weeks to several years and like many project based organisations their charging model is based on a mixture of fixed-price, milestone and time & materials.

## Business Challenge

KBC's primary goal was to control costs and manage the organisation more effectively. As competitive pressure drove prices down, costs remained fixed and pricing models evolved in response to changing customer demands, it became imperative that the correct systems were in place to ensure project profitability.

KBC also recognised that their management information systems needed to be enhanced in order to provide decision-making support to the management team and to give project managers the tools to take responsibility for the profitability of their projects.

KBC identified these priorities:

### Project Reporting

KBC's Job Status Reports are the key management information tool in the organisation. With some projects lasting many years and running into millions of dollars, strong project reporting is vital. Producing these reports was taking a large amount of time and effort leading to delayed data capture and a vicious cycle of poor information.

### Employee Expenses.

Allocating Employee Expenses to projects for client reimbursement was a time consuming manual process. In some cases, expenses were only allocated after the project had been closed, making it difficult and in some cases impossible to recover expenses from clients.

### Utilisation forecasting.

Forecasting consultant utilisation at the company and employee level was very difficult and extremely time consuming.

### Invoicing Cycle.

The manual invoicing process involved information being passed back and forth from Project Managers to Finance, often several times. The process often delayed the issuing of invoices and thus provided an opportunity for KBC to improve the cashflow of the business.

### Project cost visibility.

KBC's existing management systems made it difficult to analyse costs, especially indirect employee costs, associated with specific projects.

Seeing an opportunity to improve both the financial performance and management visibility of the company, the CFO and CEO tasked Financial Controller, Jonathan Hedges, with selecting a new time & expense recording, billing and management reporting solution.

### Selection

Jonathan and his team spent considerable time researching the market place in order to find a solution suitable for the needs of their business. It soon became apparent to them that, whilst there is a wide variety of time & expense recording solutions available, there were very few packages which could provide true "end-to-end" functionality, with powerful analysis and reporting capabilities and the ability to integrate into KBC's other business systems such as its SunSystems Financials package.

High-end ERP solutions promised the extensive functionality required, however this came at an unrealistic cost, both in terms of licence fees and the sheer length of time required to implement.

The two packages KBC finally short listed and explored in depth were time@work and SharpOwl.

"There were three main reasons we selected the time@work solution" commented Jonathan, "firstly, our end-users and project

managers preferred the more intuitive and easy to use interface of time@work and we had identified end-user acceptance as being key to project success. Secondly the variety of reporting options in time@work made me feel very confident that I would be able to deliver a high level of management information. Perhaps of most importance however we felt the time@work team were clearly committed to providing a solution to KBC's business needs rather than just a software package"

## Solution

KBC has implemented the time & expense recording, invoicing, budgeting, multi-currency and multi-company modules of time@work. Employees throughout the world access their timesheets through the web-based Professional Services Workbench, which also allows them to enter expense claims and access user-specific reports. Workers in areas with weak telecoms infrastructures use an offline timesheet which allows them to synchronise through email.

The Job Status Reports are now produced at month end and sent out to project managers for review and modelling, allowing them to see the potential effect of scheduling or staffing changes on the profitability of the project. Any changes are returned to the finance team and uploaded to the Budgeting module of time@work.

Invoicing has been streamlined too — at the end of every month draft invoices are produced by the finance team and emailed to the Project Managers. When they have been reviewed and any alterations made, the invoices are printed and mailed to the clients.

## Business Benefits

"time@work has brought significant benefit to KBC's operations in several areas" added Hedges "financially we've seen a very quick payback just in terms of reducing the outstanding balance of unbilled expenses. Before the implementation this stood at approximately £200k and we should be able to get this down to virtually zero with time@work. In addition to unlocking this cash, we believe we will be able to recover something in the region of £50k per annum of expenses that would have otherwise gone unbilled. From the business' point of view, the most visible result we've produced so far is the improvement in producing the Job Status Reports. By making this process much quicker and more accurate, we've managed to encourage the project managers to update them far more frequently. This system enables people to take a more active interest in the profitability of their projects, which is already beginning to bear fruit. Our COO's objective is to get visibility on a project by project basis to give greater responsibility and accountability to Project Managers, and time@work is certainly delivering in this"

Other areas in which time@work has delivered benefits include:

- A significant reduction in administrative overhead of processing sales invoices and reimburseables.
- The management of employee expense claims has been significantly reduced from 75% of one employee's time to under two hours per week.
- Transparency on project costs has helped both executive management and project staff understand cost and profitability drivers.
- Using data from the budgeting module, detailed utilisation forecast models have been produced, supporting keys sales, project and recruiting decisions.
- Revenue accrual is now far more systematic and transparent — giving both Jonathan and the auditors the assurance that the data is accurate, complete and in compliance with accounting standards.

"All of these aspects benefit the business now, however from the end-users point of view, the first major benefit they saw was that expenses submitted on a Friday are now paid by Wednesday afternoon — whilst this wasn't the major reason we embarked on this project, it has really helped drive user acceptance" concluded Jonathan.

## Future Plans

In the coming months, KBC will be extending its use of time@work through the implementation of additional modules and extended use of the existing solution.

- KBC will implement the Resource Planning module to enable them to allocate staff to projects based on their availability, skillsets and preferences.
- In addition to live projects, sales projects and client account sales targets will be added to the system, allowing better reporting of profitability at the client and country/region level.

Summing up his experiences of the project, Jonathan said: "No implementation of this type is going to be totally painless, touching as it does on many diff erent aspects of the business — however I was very impressed by the determination of the time@work consultants to solve any issues we came up against and deliver a working solution. If I were to repeat this process I would have no hesitation in selecting time@work again."