

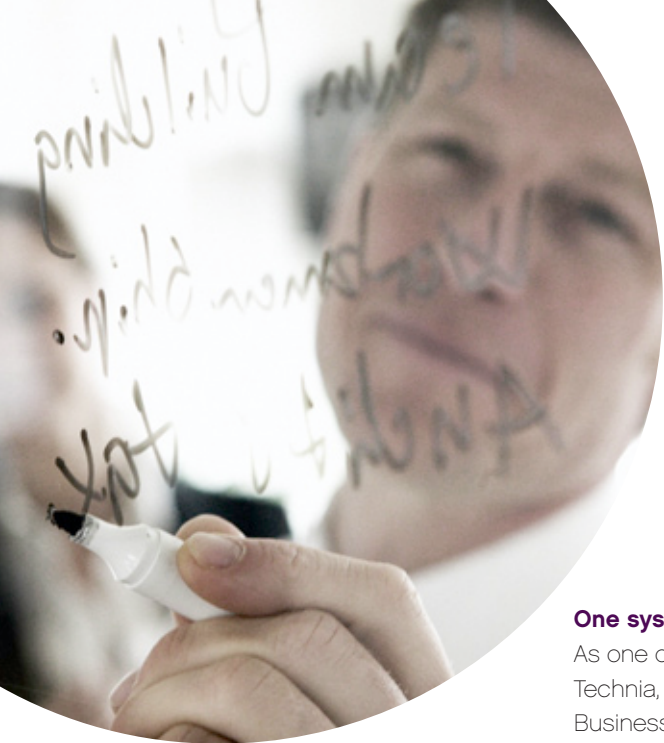


case study

technia

Technia improves business control and boosts profitability

With the Maconomy Consulting Solution, Technia achieves operational efficiency, improves project profitability and creates a firm foundation for better management decisions.



“We chose Maconomy as a partner because they have a clear focus on our industry with a proven solution that minimised our risk and gave us full return on our investment in 24 months”

Hans Wolfhagen, Director of Business Operations

Business drivers initiated change

When Technia decided to replace its business system, there were several drivers behind the move.

The company wanted to:

- Gain better control of projects with more frequent and accurate time reporting and early warnings when projects get off track
- Build a solid source of cost and planning information for future proposals by accumulating data on completed projects
- Reduce the administrative cost of operating multiple business units in three countries

One system for full business support

As one of his first tasks after joining Technia, Hans Wolfhagen, Director of Business Operations, was put in charge of finding and implementing the best solution. Initially, the search was focused on finding a more effective time and expense reporting system. However, Technia gradually realised that to fully achieve the business control they were seeking, the scope had to be expanded to cover project handling, inventory management, administration of hotline support and software maintenance, and full finance support as well as effective handling of work-in-progress and revenue recognition.

Technia in brief

Overview

Technia is the leading supplier in the Nordic area of Product Lifecycle Management (PLM) solutions for creating and managing product information throughout the entire product lifecycle, from product planning, development and design to production, sales and support.

Size and location

Technia, with more than 200 employees, has business in the whole Nordic area. The head office is located in Kista, Stockholm, and the other offices are located in Gothenburg, Malmö, Helsinki and Oslo.

Website

www.technia.se



A predictable outcome with fast payback

Several options were considered besides Maconomy, but common for them all was the need for extensive consulting services to tailor the basic solution to fit Technia's business needs for project management and inter-company transactions. This would have meant high consulting fees and a long implementation process with an unproven solution as the end result.

Technia decided upon the Maconomy Consulting Solution. "We chose Maconomy as a partner because they have a clear focus on our industry with a proven solution that minimised our risk and gave us full return on our investment in 24 months," says Wolfhagen.

Implementation on time and within budget

Technia went live with all users in February 2004 as planned. The implementation scope was clear from the beginning because Technia's management had thought a lot about what they wanted to achieve. Business unit managers, a project manager, and representatives from Norway and Sweden were on the implementation team to ensure that all business needs were covered. "We implemented the solution on time and budget with a very satisfactory result because of our clear goals, the use of dedicated resources, and the right solution," says Jenny Curtsdotter, the project manager at Technia who was responsible for the implementation.

Improved project profitability

Technia is involved in a lot of short-term projects, which makes frequent time reporting essential for controlling costs. Via a web browser, hours are easily validated when submitted. "It is now more visible and visible at an early stage of a project when people are behind on submitting time sheets. This allows us to follow up on people and prevents project costs from getting out of control because

hours related to projects are reported too late in the game," says Wolfhagen.

For larger, long-term projects, project managers create budgets and can track hours spent online at least on a weekly basis. In this way, they can always see who is spending time and on what. "The profitability of projects has improved thanks to our ability to go in and renegotiate at an early stage when we detect that the original project assumptions are no longer valid," says Wolfhagen.

But accountability is not limited to project costs. Wolfhagen explains, "Our project managers can now effectively manage all their projects and our consultants can see their own billable utilisation based on which bonuses are paid out. Moreover, area managers can closely track the billable and non-billable utilisation of their staff and the performance of the industry for which they are responsible. This has improved accountability throughout the organisation."

More accurate project cost estimation

As Technia continues to accumulate data for completed projects, they are building a valuable benchmark for costing and planning new projects. "We already see greater accuracy in project costing and even though many of our projects are priced on a time and material basis, our customers expect the cost to end up close to the estimate we give them," says Wolfhagen.

Creating value for Technia

- Annual savings of SEK 100,000 from centralising accounting processes
- Annual savings of SEK 600,000 from improved time and expense reporting
- Improved cash flow
- Ability to invoice 100% of hours in current month
- More accurate revenue figures
- More reliable commitments in proposal responses and budget estimates
- Shorter month-end closing cycle
- More accountability for performance of projects, business units and individuals
- Better use of expertise and resources across business units

Maconomy Solution

Projects/Finance:

Maconomy Consulting Solution

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Hans Wolfhagen, Director of Business Operations

More cost-efficient multi-unit operations

Technia now operates with automatic intercompany pricing when using resources across its Scandinavian offices. "We have found a good balance where it is attractive to borrow and lend resources without creating an administrative monster," says Wolfhagen and continues, "We have also been able to centralise the handling of maintenance fees and the associated revenue recognition because it was inefficient to keep doing this locally in small operating units. This has reduced our costs significantly and improved the quality of these procedures."

Better reporting, better decision-making

With all the financial data and information on all aspects of our business in one solution, the month-end closing process has been reduced by two days with the potential for further reduction. Wolfhagen elaborates, "We aim to close the month in five days and plan to get there soon. This means that response time and the possibilities for drilling into details on staff utilisation, project performance, and the maintenance base offer a whole new way of supporting us in our decision making." He adds, "Without the Maconomy system, it would simply not be possible to monitor and follow up on results from our verticals and on the functions in the matrix organisation which we recently introduced."

Improved cash flow

Cash flow has also improved. Wolfhagen explains, "With increased focus on getting hours billed as soon as possible, we were pleased to see that in April, 100% of hours were invoiced in the current month. Not only does this improve our cash flow, it also makes our monthly revenue figures more accurate as they are based on actual billed hours."

ROI analysis

Technia conducted an ROI analysis in order to justify the decision to replace its old business systems:

- Annual savings of SEK 100,000 from unified accounting processes with easy financial consolidation
- Annual savings of SEK 500,000 from more efficient time and expense reporting across the organisation
- Reduction in annual costs of SEK 100,000 from eliminating time spent rekeying time sheets into finance system
- Improved cash flow gained from invoicing consulting hours in current month

On top of this come more accurate cost estimates in project proposals as well as more effective and sound administrative routines. "We knew we had to do something to improve our business control, but looking at the numbers made it even more evident that this was the right thing to do," concludes Wolfhagen.



organic business solutions

Maconomy is a global provider of industry-specific business solutions for Professional Services Organisations. We create a natural relationship between people and processes in professional services organisations and provide the basis for overview, follow-up and decision-making in a way which ensures human as well as financial gain.

Our clients include Semcon, ErgoGroup, Devoteam, Deltares, Millward Brown and agencies within all of the big four global networks Interpublic Group, Omnicom Group, Publicis Groupe and WPP.

Maconomy A/S was founded in 1989 and the corporate headquarters is located in Copenhagen, Denmark. We service and support more than 600 clients in 58 countries through our offices across Europe and in the U.S., and through an extensive partner network. Today more than 124,000 users worldwide use business solutions from Maconomy.

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