



ENGINEERING

## CASE STUDY: BEST-IN-CLASS PROJECT ACCOUNTING



Matcon use Dataflow Project Accounting to ensure margins are maintained on fixed price contracts.

Matcon specialise in providing 'lean' production solutions to process industry customers who process powders or granules. Matcon's solutions are used in a wide range of industries, such as food processing, pharmaceuticals, plastics, chemicals and detergents.

They have high-profile customers from across the globe; including Heinz, Nestle, Pfizer and Unilever.

With more than 25 years' experience, Matcon are a truly international company, with offices in the USA, UK, Germany, Japan, Australia, Sweden, Netherlands, China, Spain and France.

### MANAGING GROWTH AND COMPLEXITY

Matcon have seen growth in business and profitability since they started trading in 1980. This success has come about through good technology, good business management and above all, satisfied customers.

In order to manage their planned business growth in an increasingly competitive global market, Matcon undertook a review of their business systems. The main objective was to streamline processes, in order to more effectively manage the life-cycle of contracts across the business and maintain tight gross margin controls.

For Matcon, the review was not simply a case of updating their old financial accounting system. They were seeking an integrated solution that would replicate the project-specific functionality contained within their in-house job costing system, designed to manage sizeable, one-off projects.

Following a wide-ranging evaluation of the financial and job-costing solutions in the market, they discovered that very few could offer the specific, project-focused functionality they required.

**"THERE'S ONLY ONE GOOD FINANCIAL ACCOUNTING SYSTEM IN THE MARKET FOR PROJECT-BASED BUSINESSES WHO WANT TO MONITOR AND CONTROL THE EXPECTED FINAL COSTS ON THEIR PROJECTS... THAT'S DATAFLOW"**

JOHN AIRD, CHAIRMAN, MATCON

John Aird, Chairman of Matcon explains "We knew that a generic accounting system would not meet our project-specific needs."

John continues "As we evaluated the options, we found that the few project account systems available were focused on service-based organisations; where time-recording and billing were a priority. What we needed was a solution that could clearly manage the type of complex contracts we undertake."

"Most project costs are already entered into the financial Ledgers, but you need to look at these transactions in a completely different way for Project Cost control, and you need to include costs to which you are committed, but which have not yet been entered into the financial ledgers."

"You do not want to have to enter transactions a second time in a separate cost ledger."

## PROJECT VISIBILITY ACROSS THE BUSINESS

The business process for Matcon involves capturing data from initial enquiry, quotation and order through to production, delivery and invoicing.

Each contract is different and there are multiple internal and external stakeholders involved at each stage of the project; all of whom need access to accurate and time-critical information.

As a part of the evaluation process, Matcon reviewed a range of systems including Access, Exchequer, Sage, SAP, Deltek and Epicor. They chose Dataflow.

Dataflow was ultimately successful for two reasons. Firstly, the breadth of functionality that would allow Matcon to manage their complex business processes. Secondly, the power of the Customizer module; which allows the solutions to be customised without having to alter the underlying source code.

With Dataflow in place, Matcon have a fully integrated solution that enables them to monitor projects in detail, from initial enquiry through to project completion, whilst maintaining control over gross margins.

The Web Reporting Tool gives them a streamlined management information process that allows both in-house and remote users to analyse and present reports in the relevant format.

John explains the perils of taking too much to profit, too soon; "taking profit too soon on a project and being hit by a cost over-run at the end is a disaster.

"Not only do you lose the profit you were expecting to make, you also end up writing back some of the profit you've already taken. Data flow helps us to avoid this".

**"IN OUR BUSINESS, THE AIM IS TO ACHIEVE OR EXCEED THE ESTIMATED GROSS MARGIN ON OUR PROJECTS. WE NEED TO BE ABLE TO SPOT ANY POSSIBLE COST OVER-RUN AS EARLY AS POSSIBLE, WHEN WE STILL HAVE TIME TO DO SOMETHING ABOUT IT."**

## BENEFITS

- Eliminates duplication of processing as data is entered once only
- Faster, better quality management information at summary and detail level
- All Project costs captured for accuracy of projections
- Flexible project structure to cope with simple or complex contract processes
- Cost and Gross Margin figures always in view
- Flexible Cost and Revenue Recognition
- Streamlined processing through integrated CRM, CAD, Bill of Materials and Timesheets

Dariush Mogtader, Managing Director of Dataflow UK, comments, "We are pleased to have the opportunity to provide Matcon with an end-to-end solution that controls their business processes, on time, on budget and at a lower cost than other suppliers who claim to offer a similar solution".

Dataflow's Management Systems are already helping many companies to realise their true growth potential through streamlining their business processes.

If you would like further information, please contact us on 0845 456 1020.

0845 456 1020

WWW.DATAFLOW.CO.UK

INFO@DATAFLOW.CO.UK