



7 Secrets the Healthiest Project-driven Organizations Know* That You May Not

How to Access Reliable Information to Control Costs, Create Accountability, and Make Critical Decisions with Confidence

*and consistently implement

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Industry Focus: Architecture, Engineering, Research, Software/IT, Professional Services, MTO Manufacturing, Construction

Thank you

Thanks goes to **David Meerman Scott** whose book, [World Wide Rave](#), inspired me to write this ebook. You can learn more about David and the books he has written at www.webinknow.com.

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The ebook is available for free by visiting www.synergybusiness.com/7secrets

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PS - If you really like *7 Secrets the Healthiest Project-driven Organizations Know That You May Not*, send it to as many people as possible.

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Summary

Project-driven organizations need reliable information and tight control over their projects to mitigate risk and maximize profitability. Without it, job costing, project bidding, allocation of resources, materials management, accountability, cash flow, reporting, compliance controls, confident decision-making, and a company's ability to grow all suffer.

This ebook divulges seven secrets healthy organizations use to develop open access to accurate, real-time, and highly usable information that vastly improves the above-listed aspects of project-driven companies. It includes specific relevant examples related to each secret.

The seven secrets aren't long-hidden mystical wisdom. In some cases they are common knowledge. The healthiest project-driven companies take each of them seriously and act on them on a consistent basis. By applying the principals and following the examples found in this ebook, you can develop a plan to streamline your project operations and boost your employees' productivity, effectiveness, and morale.

Once you digest the seven secrets, consider the opportunities I offer at the end of the ebook to evaluate how to act on what you have learned.



Welcome to Your World

It's tough. But someone has to do it.

Some people have to live with the complexities of a project-driven organization without the tools they need. Or do they? Could this be you? Is your world fashioned by a combination of these irritating scenarios that make you want to pull your hair out?

- Project managers and accounting can't agree on true project costs, so your bidding suffers.
- Your margins are so tight that you're concerned for the risk involved in certain projects.
- You can't be sure the ones you do take are profitable.
- The information you get from accounting is unreliable because they pull from disparate systems that don't match and are difficult to reconcile and consolidate.
- Tracking progress of projects is hard due to unsophisticated software; it's difficult to determine when and where to allocate resources.
- It can take a month to get invoices out, so your cash flow suffers.
- Heaven forbid if you get audited or have ongoing compliance issues. Getting information for yourself is hard enough, let alone for someone looking over your shoulder.
- When you need a report, you don't know which department's numbers are most accurate. After you roll the dice (rock, paper, scissors works too), it takes forever trying to create the report you want.
- You're hamstrung on critical decisions. It takes so long to get reliable data (you're still not sure it's accurate), when you do, the window of opportunity has passed.

At the end of the day, one or more of these keeps you up at night. Wouldn't it be nice to have some peace of mind about your projects and business? The truth is, you don't have to do it this way. There's a way out. Make a commitment to implement the following seven "secrets."

The information you get from accounting is unreliable because they pull from disparate systems that don't match and are difficult to reconcile and consolidate.

SECRET #1:

Use tools designed for the job.



The trouble comes when decision makers choose tools that *might* do a task, but in the end, they don't measure up or they break—or the people using them break—because the tool isn't designed for the job.

My woodshop teacher always told us, “Use the right tool for the job. Not one that *might* do it, but one designed for the task.” After someone broke a screwdriver trying to hammer it like a chisel, we got it.

This is also true for your business tools. You must choose tools—machines, equipment, technology, and software—that fit your needs. For instance, architects and engineers choose a measuring device that fits their task—either one that measures floor plans (architect's scale) or one that measures longer distances (engineer's scale). They also choose a CAD program that handles the complexity of their projects and gives them the control they need. It seems simple enough.

The trouble comes when decision makers choose tools that *might* do a task, but in the end, they don't measure up or they break—or the people using them break—because the tool isn't designed for the job. Only after people and tasks suffer does the decision maker “get it.”

A project-driven company's accounting tools is a good example. *Low-end* proprietary accounting software solutions aren't designed for the complexities of project-driven operations. They eventually break. Core modules of some *mid-market* accounting packages may handle large numbers of complex projects, but its non-core modules and lack of integration make it incapable of effectively handling practices such as revised budgets, project hierarchies, task structures, cross-organizational reporting, advanced payroll, remote access, and aiding project management. Ultimately, the people using them tend to break.

High-end Enterprise Resource Planning (ERP) packages often require expensive configuration and customization to meet the demands of project organizations. A *vertical* accounting package—one designed for a particular project-driven industry—is ideal, yet there still may be problems integrating that system with a company's existing, more-familiar software tools even with extensive training. In the end, it is not uncommon that something or someone breaks.

This is why the right accounting tool for the project “job” is usually a tool that easily integrates with the other software tools your people already use and with which they are already familiar.

SECRET #2:

Enable stakeholders to use the tool most appropriate to their experience



Recently my son and I built a deck on our house. Well, actually, my son did most of the work. He used to work for a contractor and I'm not exactly known as "Mr. Fix It." When we got to cutting boards, I pulled out my old hand-held circular saw.

"Oh, this is your saw?" he asked. "This will be difficult to use." I had a "sidewinder" saw, and he was used to a "worm" or "hypoid drive" that delivers more power and torque, resulting in a much faster and easier cut. He grumbled through the cutting portion of the job.

Both tools were designed for the job, but one tool fit the experience of the worker better than the other. Software tools are also like that. When an organization takes away the tool people are used to and says, "Here, learn this new tool," people often grumble.

The answer is to ensure that all your software tools—accounting, project management, financial reporting, spreadsheets, email, web portals, office productivity, CRM—can be tied together and utilized to perform key tasks. Then people use the tool they are most familiar with to enter or access data. For instance, executives, project managers, and office workers won't need to learn a new unfamiliar accounting program to find real-time data, enter it, report on it, or send out updates. Programs like Microsoft Outlook, Excel, Project, and Web Portals can all be used for tasks related to project management and accounting.

The outcome is improved efficiency, productivity, and employee morale.

“Executives, project managers, and office workers don't need to learn a new unfamiliar accounting program to find real-time data, enter it, report on it, or send out updates.”

SECRET #3:

Set up your tools and people to draw on the same set of data

Most of the project-focused organizations I talk to express the need to have confidence in their numbers. “I need reliable, real-time information to make critical decisions,” is a common concern I hear.

When such companies have disparate systems from different departments, they can't tell which numbers are the most reliable and up-to-date. They live with islands of isolated data that are almost impossible to manage. Since the interpretation of that data is very subjective, department heads might as well arm wrestle over which data is accurate.

Drawing on the same set of data that is accessible by all is essential to quickly getting real-time accurate information into the hands of executives, controllers, and project managers. How can your people be truly accountable for project estimating, budgeting, staffing, scheduling, management, and crucial decision making without timely and reliable data at their disposal (based on what is happening now, not what happened weeks ago)?

A central, secure database solves this problem. **For small-to-midsize companies, there are other options to accomplish this besides an expensive ERP system.**

Not only will this ensure the most dependable information is made available to all, it gives you the ability to tie together your accounting software and other software tools that are familiar to your people.

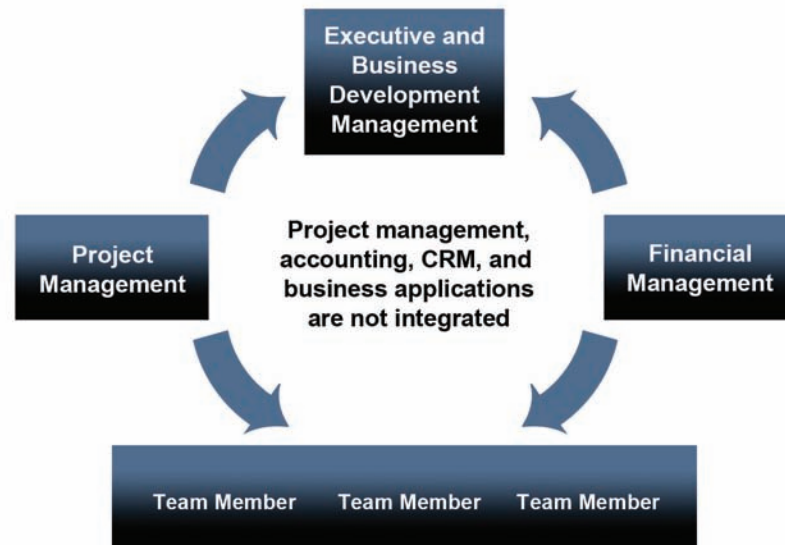
How can your people be truly accountable for project estimating, budgeting, staffing, scheduling, management, and decision making without timely and accurate data at their disposal?



SECRET #3:

Set up your tools and people to draw on the same set of data

The Traditional Scenario

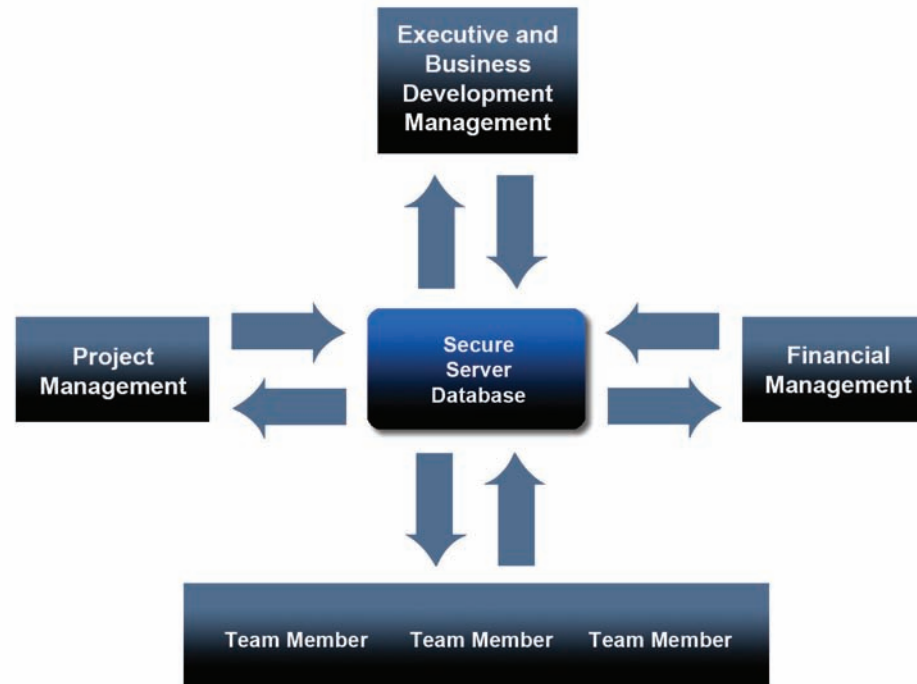


In many organizations, project managers and accounting departments are using business software that doesn't draw on the same data set (or if it does, some software tools lack functional depth), and data becomes isolated and unmanageable. Project and financial managers run in circles trying to procure and distribute information to and from all stakeholders.

SECRET #3:

Set up your tools and people to draw on the same set of data

A More Effective Scenario



Healthy, project-driven organizations set up all their tools and people to have equal access to one central database so no one has to run in circles. Access to real-time data can be anytime-anywhere and is a foundation for the integration of multiple technologies (including software your people already use) and collaboration among major stakeholders.

SECRET #4:

Ensure that all your tools are integrated



Once all your software tools and people draw on one set of secure data, they are now able to truly integrate and talk to each other. You can build one seamless solution.

I regularly hear stories from clients who struggle with non-integrated systems. “With the lack of integration, we had project data silos and management blind spots,” said an IT Director of an architectural firm. “Visibility of critical data by staff members—let alone holding them accountable to project staffing, scheduling, and budgeting—was virtually impossible.”

“Without fundamental integration of accounting, project management, and time and billing, we had poorly managed projects, a lack of control, and non-existent cash reconciliations,” said a Controller of a health science consulting and research firm. “We needed the automatic processes that integration brings to improve invoicing, cash management, the tracking of labor and expenses, and project profitability.”

Duplicate and excessive data entry is a common symptom of a non-integrated system. The solution to these problems is to get the different tools to automatically talk to each other the first time data is entered and enable a variety of tools to access the data.

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SECRET #4:

The new software integration has transformed our morale and confidence. We now produce status reports in days rather than weeks, invoices within a week rather than up to four weeks, and have cut the average payment of bills by three weeks.

**Kevin Sullivan,
Controller,
Vista Engineering Technologies**

Ensure that all your tools are integrated

Do you think the idea of a seamless solution is pie in the sky? Well, think again. Here are just a few ways it can happen. Imagine these scenarios applied to your business:

- **No more duplicate data entry or access.** The data you create in one application automatically passes to others. When project managers create a project in their tool of choice, that information immediately flows to the accounting software and vice versa. Accounting staff have the same flexibility. Projects can be initiated and updated in more than one program. In addition, customer information is integrated into project and financial tools and is one click away.
- **No more lack of confidence in information.** You ensure a uniform version of information across your company. One interactive information tool draws all operational and financial data (projects, business development, inventory, customers, accruals, revenues, budgets, and more) together from various other tools whose data is housed in one unified database. No more arm wrestling. You can make critical strategic decisions with confidence.
- **No more fretting about time and effort to produce and distribute in-depth reports.** You incorporate a technology that enhances a tool you already use (Microsoft Excel) to stay in sync with your accounting system. It allows quick and easy report creation, flexible formatting, and delivery to users anywhere throughout your organization for review, analysis, or decision support.
- **No more hassles collaborating and sharing documents.** You set up a collaborative tool that enables your users to coordinate calendars, organize documents, and receive important notifications with ability to set role-based document controls. Users can manage their documents within a program they already use (Microsoft Office).
- **No more wasted time with inventory control.** You use a bar-code-based tool to record inventory issues and counts, which reflects automatically in the balance sheet.

SECRET #5:



Create role-based visibility for all your stakeholders

“These requests are driving me crazy,” a controller at an engineering firm complained after talking to a project manager on the phone. “Why does everything have to be routed through me?”

Why, indeed?

Unfortunately, this scenario is all too common. Companies get completely bogged down with an endless stream of routine tasks and ongoing requests for information because only a handful of people have visibility and access to the data.

Do these issues and complaints sound familiar to you?

- Timecard entry, expense reports, and database queries take an inordinate amount of time and paperwork.
- The flow of routine requests from employees for business facts and custom reports burns out your accounting staff.
- Customers, suppliers, and other partners are pining for payment data, project status, and inventory levels.
- Teamwork is difficult to foster when it’s so cumbersome to share information.
- Project managers, field managers, and executives can’t easily find project and profitability data or analyze performance to make informed business decisions.

Something has to give.

Companies get completely bogged down with an endless stream of routine tasks and ongoing requests for information because only a handful of people have visibility and access to the data.

SECRET #5:

Using a web-based portal opens up the flow of useful business information to general employees, managers, executives, customers, suppliers, and other partners and frees up valuable resources in IT, accounting, and support departments.

Create role-based visibility for all your stakeholders

And something will give unless you implement the fifth secret. Here's how it works:

You must align the right information with the right individual. The way to do that is to add a web-based portal tool to your system that draws on your one database and integrates with the other tools you already use.

Using a web-based tool opens up the flow of meaningful business information—anytime, anywhere—to general employees, managers, executives, customers, suppliers, and other partners and will free up valuable resources in your IT, accounting, and support departments.

But it's not an uncontrolled flow. Choose a tool that enables you to assign role-based privileges to information, so data stays secure and each stakeholder has access only to the data appropriate to them. Here are the benefits and some of the strategic value you will receive:

- **You eliminate the hassle of common tasks and requests:** HR tasks, and more, can be done online; employees enter time cards with automatic routing for approval. You create an employee and manager self-service culture as stakeholders view, change, approve, and evaluate information. No more of those pesky requests for business facts, custom reports, etc.
- **Teamwork is fostered with information-sharing and collaboration tools:** Deploy one web portal site and enable employees to work together on documents and store, share, and edit common Microsoft Word and Excel files. Choose a tool that allows you to create and execute version control and workflow rules.
- **Project and Field Managers gain free access to project and profitability data:** Take your project and accounting data that is already integrated and link it to the web-based portal for real-time access to pertinent data.

SECRET #5:

Create role-based visibility for all your stakeholders

- **Executives get free access to business metrics:** Create individual key performance indicators for each executive, depending on their area of responsibility that can be kept current. When conditions change, their view is refreshed and information remains accurate. Choose a tool that enables them to drill down and expose the underlying causes of problematic conditions.
- **You can share information with customers, suppliers, and other partners:** Even stakeholders outside your company can have secure, appropriate access to the business information they want to see, e.g., payment data, order status, and invoice information.

What are Key Performance Indicators (KPIs)?

KPIs are various measurements that indicate how your business is performing over time. They include total billings, project profitability, current ratio, quick ratio, debt-to-equity ratio, and other metrics.

A good visibility tool will allow you to create alerts, triggered by criteria that you set, so you can spot problematic trends before they are full-blown and then respond accordingly.

SECRET #6:

Insist on a highly flexible set of tools



You can have the most high-powered set of tools in the world, but inevitably they won't meet every business need you have—unless your toolbox (your software/IT system) is highly flexible. And even then, some robust ERP systems, although flexible, require expensive configuration and customization to fit specific business requirements.

One answer is to deploy a set of tools—a system—that is highly configurable *and* has the ability to integrate with third-party products *and* is supported by an implementing partner who (1) has deep system/product knowledge and expertise, (2) uses the same system within their own organization, and (3) also supports an extensive list of pre-integrated, third-party products. This will virtually eliminate any need for customization.*

A flexible system can:

- **Adapt to your business requirements** - Maximizes your ability to have a system that is closely aligned to your existing business processes.
- **Create custom reports** - Without customizing your system, it gives you ability to easily customize reporting to meet specific business needs. These could include customized work-in-progress reports, job-cost overviews, budget-variance reports, revenue reports, and many more.

“One morning, an insurance auditor was in the office, looking for some information that was not on a standard report. I was able to adjust an existing report to find the right information, publish the report, export the data to Office Excel, and send it as an e-mail to the auditor. The entire process took less than five minutes.”

John Wheeler
Controller
Alpha Development

SECRET #6:

Insist on a highly flexible set of tools

- **Integrate with other products** - Allows you to take advantage of third-party tools that integrate with your system, such as a project management dashboard, a document management module, an audit utility that assists with Sarbanes-Oxley compliance, a corporate tax module, a barcode-based inventory control tool, and more.

A flexible partner:

- **Puts industry-specific expertise at your finger tips** - They know your industry well, have deep domain expertise, and already support a long list of pre-integrated third-party software.

**Configurations* of a system do not require programming, the changes they make are predictable, and they are usually guaranteed to survive upgrades to software. *Customizations* do require programming and changes are not predictable; they typically need extensive testing and are not guaranteed to survive upgrades; they must be re-implemented.

SECRET #7:



Don't allow short-term costs to prevent long-term gains

The seventh secret is to focus on the long-term gains of acquiring integrated, flexible, and project-organization-specific software and technology tools, rather than to overly focus on short-term cost to the company.

Undoubtedly, the initial price of software is an important consideration, but more critical is the long-term gains derived, potential future savings and ROI, and whether it and the partner you choose can deliver strategic value to your organization. To save money on short-term cost to the detriment of reaching your goals is shortchanging your company and your employees.

“Undoubtedly, the initial price of software is an important consideration but more critical is the long-term gains derived, potential future savings and ROI, and whether it and the partner you choose can deliver strategic value to your organization.”

Second-time buyers say the product and the partner are more important than price

The Standish Group¹ did a study of companies with less than \$200 million in annual revenue to determine the success rate of IT projects. Standish found the majority of IT projects among this survey sample were not successful. Twenty two percent were canceled, and 50 percent were challenged. In addition, it also surveyed the top ten criteria for selecting software for these companies—twice. The findings are eye-opening.

For their first software selection project, companies named the price of the software and its implementation as their number one criterion. But for the second survey, price had dropped to the number five position. The top three criteria were now (1) the support of the implementing partner, (2) the partner's performance record (previously number ten), and (3) the ability of the software product to fit the business. Apparently the lesson these companies learned was that product fit and partner expertise would serve their long-term goals better and were more important criteria than price.

¹ An information technology leader, [The Standish Group](#) provides investment planning research services to improve the value of IT investments.

SECRET #7:

Don't allow short-term costs to prevent long-term gains

When establishing a budget for a software and IT project, project-driven companies need to be aware that their goal should not be merely to acquire a new accounting, project management, or CRM system, but to create strategic business value for the entire organization.

Long-term gains include strategic business value

In addition to gaining new features and benefits of software, such as ease of use, efficiency, integration, and improved functionality, companies should seek software and IT solutions that deliver long-term strategic values² like the following:

Strategic Benefits

- Competitive advantage
- Meeting customer demands
- Speed to market
- Leadership
- Company growth

Cultural Benefits

- Improved employee morale
- Increased empowerment
- More teamwork & collaboration
- Flexibility
- Innovation
- Accountability

Financial Benefits

- Good return on investment
- Reduced costs
- Increased revenue
- Increased productivity
- Improved cash flow

² Strategic values and benefits are concepts developed by Rick Page in his book [Hope is Not a Strategy](#).

Your World Transformed

How can your people be truly accountable for project estimating, budgeting, staffing, scheduling, management, and decision making without timely and accurate data at their disposal?

Knowing these seven secrets is only the first step. The healthiest project-focused firms—architects, engineers, researchers, pharmaceutical labs, software/IT companies, professional services firms, make-to-order manufacturers, and contractors—not only know these secrets but regularly implement them within their organization.

They consistently purchase and use tools that have these characteristics. They:

- Are designed for their types of projects.
- Are the most appropriate for each stakeholder.
- Draw on the same secure database.
- Tightly integrate with each other.
- Have a role-based-privileges system of use.
- Are highly flexible and configurable, with the least amount of customization necessary.

The healthiest firms also set this priority when purchasing their tools:

They do not allow their concern for a low-cost solution to prevent them from realizing long-term strategic business value.

The truth is you don't have to live with the complexities of a project-driven organization without the tools you need. Change starts with developing a new mindset about how to procure and use the tools in your organization and then having the will to take action.

The question is, can you afford not to act?

Take the Next Step

When you are ready to take the next step, consider some of the resources and opportunities available on my company's website www.synergybusiness.com.

Download and obtain more free stuff:

- Access [Project Accounting Resources](#) to find case studies, testimonials, videos, demos, and more, about available tools and how others implemented the Seven Secrets.
- Request a free **Project Accounting Check Up*** by emailing 7secrets@synergybusiness.com.

*A Project Accounting Check Up is a phone call with a Solution Specialist to diagnose your project operations health and how to improve it. Companies must qualify for the free check up.

Tell Your World

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About the Author



Michael Camp has been a writer and marketing professional for more than 14 years, including working with software and technology companies for the last six. He has written articles for trade publications and *Accounting Technology* and is also a blogger on [Project Accounting Best Practices](#).

As Director of Marketing at [Synergy Business Solutions](#) since 2006, Michael frequently talks to and interviews CFOs, Controllers, IT Directors, and Project Managers of project-driven companies on the problems they face in financial and project management. Michael is responsible for communicating specific software solutions to project-driven organizations. He has also held a marketing management position at Insynq, Inc. He received his MS in business from Eastern University and BS degree from University of Massachusetts.

Prior to his experience in technology companies, Michael served as a development specialist for aid agencies in Africa and the U.S. for 12 years. His expertise was in community development and microfinance, and his work included two years as a Senior Writer for World Vision. His favorite charity is [Opportunity International](#), which provides microloans to the poor all over the world.

Have comments or questions?

Have a different perspective?

Want to connect?

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About his company

[Synergy Business Solutions](#) empowers companies that obtain their revenue primarily through project-based work. They provide project management and financial accounting software and services that include a needs analysis, project planning, prototyping, software installation, configuration, customization, integration, data conversion, reporting, training, and ongoing support.