

Case Study

Bravo Underground, Inc
Henderson, Nevada

When OnPoint was contacted by the owners of Bravo Underground to help with a Cash Flow Report, the problem to solve and scope of work seemed self-explanatory.

We hear at OnPoint break out this case study annually as a reminder to ask questions even when we think we know the answers

THE PROBLEM

Although the pipeline remained active, job bids contained healthy overhead and profit, and everyone “was busy”, Bravo Underground was experiencing a negative trend in Cash Flow that had Owner’s attention.

Mike at OnPoint had been providing consulting services to Bravo for many years and felt he understood the business fairly well. Lesson learned here Mike – keep your eyes *wide open*!


Before we dove in to the ugly details of a cash flow report Mike wanted more information about “what has changed”, and Rochelle at Bravo and Mike decided to start the conversation at the beginning of the cash flow cycle. We went through contract awards, kick-off, and job initiation in the Timberline job cost system. We went through customer billing points and how those were tracked. During the conversation, Mike learned that on most projects customers are invoiced once per month. Accordingly, a job should not have un-invoiced costs greater than 30 days.

THE STORY IS IN THE DATA

While Rochelle and Mike were on the phone Mike jumped in to Bravo’s system and did a quick report, which revealed that many jobs had un-billed costs greater than 30 days. In fact, many jobs had not been billed in 45 days, plus.

The data told the story very clearly. While a Cash Flow Report might be useful, an immediate problem to solve was *billing frequency*.

THE ISSUE

What was needed hear was *clear, concise* information on the last time a project was invoiced, and costs since that invoice date. Timberline has a field on the job for last *cost update* . However, the last invoice *date* is on another part of the database that was not used at Bravo.

THE APPROACH

To provide clear, concise key billing point information data fields had to be created on the job, and then populated via a small program so that Bravo would know EXACTLY when to bill customers

ISSUES AND KEY SUCCESS FACTORS

Issues to be resolved included:

- Customer billing points were to be consistent and defined
- The Timberline system was to track the billing points
- Exceptions, and internal costs to the exceptions needed to be tracked so that same was easily visible to Bravo management
- An easy-to-use, simple program needed to populate the billing points in Timberline
- Reports needed to pick up billing point information so that Project Managers could use that information and effectively stay current with customer invoices

Key Success Factors Included:

- Expertise in understanding the processes and what made sense for the business
- Expertise in Timberline data and custom development
- Expertise in technology chosen to deliver the information: Crystal Reports, SQL, and MS Access.
- Ability to work with project managers and train in a deliverable that was easy to use

THE STATEMENT OF WORK

OnPoint's Statement of Work was as follows:

- Create fields in Timberline to track Bravos Customer's Billing Points

Billing Frequency	Open
Last AR Invoice	3-15-2015
Costs Since Last AR Inv	65,354.00

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- Create a small program that would take existing Timberline data, and populate billing point information
 - Timberline's accounts receivable data was mined to pull the last invoice date on the job and write the value back to the newly created field on the job
 - Then, Timberline's job cost information was mined to determine unbilled costs that had accumulated since the last AR invoice.
- A Crystal Report was designed with key information for each Project Managers list of jobs:
 - Job and descriptions
 - Last date invoiced
 - Number of day's since last invoice
 - Any job invoiced more than 30 days ago was highlighted
 - Costs to be invoiced
 - Amount of current invoice (blank to be filled in by PM)

This report not only alerted the PM's as to jobs to be invoiced, it made it EASY for PM's to invoice on a recurring basis, and it made it EASY to provide that information to accounting so that invoices would be prepared in a timely fashion then sent to customers.

THE END RESULT

Bravo adopted a routine process to print the billing worksheets discussed above and distribute to PM's on a weekly basis. PM's now invoice projects timely.

OnPoint never did develop a cash flow report. In fact, Mike received one of the nicest complements from Liz, one of the owners at Bravo: "If it weren't for the money we spent with you we wouldn't be here today."