

Fatboy Construction, Inc. runs lean on Sage 100 Contractor

Cost savings lead to rapid return on investment



Customer

Fatboy Construction, Inc.

Industry

Residential construction

Location

Steilacoom, Washington

System

Sage 100 Contractor

Fatboy Construction, Inc., was established in 2001 as a residential building and remodeling contractor with a mission to provide customers with personalized, professional service. The company has weathered good markets and bad, due to owner Mike Boyle's commitment to quality craftsmanship and reputation for excellence. Growing up in the industry as the son of a Tacoma, Washington, building contractor, Boyle recognizes that his company's success depends on his ability to accurately estimate, bid, track, and bill for his jobs—for this reason he selected Sage 100 Contractor (formerly Sage Master Builder) as his construction management software.

Audit exposes deficiencies

Based on a recommendation from its accountant, Fatboy Construction had been using QuickBooks® for its accounting tasks. However, a rigorous audit by the state Department of Revenue led Boyle to realize that he needed a construction-specific solution.

Challenge

Fatboy Construction had been using QuickBooks for its accounting, but an audit revealed deficiencies that needed immediate attention. In addition, using a separate, nonintegrated estimating software package complicated invoicing and increased the opportunity for errors.

Solution

Careful research led the company to select Sage 100 Contractor with its integrated Estimating solution. Fatboy Construction's Sage business partner

"I felt like I was hung out to dry," recalls Boyle. "I could not get the reports the auditors asked for, and there were no audit trails to validate transactions."

Contributing to the problem was the use of a separate estimating software package. "It was nearly impossible to line up estimates with invoices," Boyle says. "I needed a comprehensive estimating, job costing, and accounting tool that I could use—without relying entirely on a bookkeeper."

Recommendation from the field

Boyle joined Remodeler's Advantage, an industry organization and attended the NAHB International Builders' Show and used these forums to research software options.

"I spoke with companies like mine and they overwhelmingly recommended Sage 100 Contractor," says Boyle. "I liked what I heard about the powerful reporting capabilities and the ability to analyze each job's profitability."

worked closely with the company to ensure a great fit and quick return on investment.

Results

A tight audit trail and comprehensive cost tracking leads to numbers the company can trust. Ease of use allows owner to remain hands-on, without relying entirely on a bookkeeper. Integrated estimating function facilitates invoicing and ensures change orders are properly billed. A complete return on investment is projected within six months.

"I know precisely how each job is doing compared to my estimate. As a result, I can invoice more quickly and improve my cash flow."

Mike Boyle
President, Fatboy Construction, Inc.

“The money I am saving will repay the investment quickly, and going forward Fatboy Construction will continue to benefit from tighter controls and a leaner operation.”

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He continues, “I also appreciated that it has an integrated estimating function. Sage 100 Contractor combines all the elements I need to run my business efficiently.”

For the software implementation, data conversion, and training assistance, Boyle turned to a local Sage business partner. He feels that their assistance was key to the overall success of the project. “They are a terrific resource to us—knowledgeable, patient, skilled, and committed to our success with the product,” says Boyle. “And they offer us valuable advice and insight into how we could get the most out of the software.”

Accurate cost tracking

With the old software, Boyle often worried that he would lose track of change orders and consequently not bill for them. With Sage 100 Contractor he no longer has that concern. “Change orders can make all the difference in a job’s profitability,” Boyle explains. “I was leaving money we legitimately earned on the table. It felt like the old software would allow me to do anything I wanted without question. Sage 100 Contractor makes it difficult to make the same mistakes I used to make. All costs are assigned to a job, and the excellent audit trail helps me sleep better.”

Detailed cost reports, including the Job Status Report, Current Cost Summary, and Labor Journal help Fatboy Construction accurately track its expenses, and ensure that costs are allocated to the correct projects.

“I trust my numbers now,” says Boyle. “I know precisely how each job is doing compared to my estimate. I know how much we have billed and how much remains to be billed. As a result, I can invoice more quickly and improve my cash flow.”

Insight into operations provides a competitive edge

Boyle appreciates the robust reporting engine in Sage 100 Contractor. More than 1,000 standard reports are included. The reports allow him to drill down into the transactions underlying the numbers.

“Beyond day-to-day operational data, with these reports I am able to identify trends in my business—that is something I never had before,” he says.

Boyle has seen colleagues and competitors go out of business during the past few years. “I think one big reason for their failures was their inability to accurately track their job costs,” he says. “They thought they were making money until it was too late to take action. I feel that our investment in Sage 100 Contractor gives me an edge. I have the information I need to profitably manage my jobs at my fingertips. I can make corrections and take steps to ensure each job stays on course.”

Rapid return on investment

Factoring in the time savings, improved accuracy, and faster billing capabilities, Boyle expects to receive a full return on investment on the software within six months. “Even with the downturn in construction, it was an easy decision for me,” he concludes. “The money I am saving will repay the investment quickly, and going forward Fatboy Construction will continue to benefit from tighter controls and a leaner operation.”

About Sage Construction and Real Estate Solutions

With more than 40 years of industry experience, Sage keeps projects moving with the most job-ready and people-connected solutions for construction and real estate. Its 40,000 customers use Sage to manage more than 400,000 jobs, 5.7 million subcontracts, and 622,000 rental units each year. To learn how Sage can help your organization, visit www.sagecre.com, call 1-800-628-6583 or contact a Sage Business Partner.

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