

Integrating Accounting to Project Management

How Two Leading Best-of-Breed Solutions Form an Alliance

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Sometimes it's the most obvious and necessary solution that is the most complicated to create.

"It's the dream of every construction company to have a completely integrated process from accounting to project management," explains Clark Tucker, vice president of technology for The Haskell Co., Jacksonville, Fla., a leading design-build organization and long-time customer of both J.D. Edwards, Denver, Colo., and Meridian Project Systems (MPS), Sacramento, Calif.

"We don't use all of what we could use in Prolog Project Management. We do change-order management and contract management in our J.D. Edwards accounting software because it's silly to do double entry. But the project managers want to put

all of the information into Prolog," says Tucker.

So while it seems to make perfect sense for the user to have its accounting system talk to its project-management system, that dream has remained out of reach. That is, until this year.

Beginning this month, The Haskell Co. will be a member of a beta program that will test the new AMX Prolog Adapter. The AMX Prolog Adapter is a functional interface system that will integrate Meridian Project System's Prolog Manager Software with J.D. Edwards' OneWorld system, a leading enterprise resource planning (ERP) solution in the architecture, engineering, construction (AEC) industry.

The two companies, along with AMX international, McLean, Va., have formed a strategic relationship to develop the accounting integration element.

"Customers have been requesting this for a long time," says Troy Tyler, MPS' product marketing manager for AEC applications. "Both [MPS and J.D. Edwards] see value in this arrangement. J.D. Edwards' customers have been asking for this for years as well."

So why has it taken so long for these two best-of-breed products in the AEC industry to integrate? "It's not necessarily that easy. There is strong functionality and robust programming in both programs, so it takes time to interface them," says Rick Stamps, solutions manager for strategic alliance integration for AMX, a consulting firm dedicated to the implementation and support of J.D. Edwards software solutions. "You don't just hook them together. You need a lot of experience integrating. And you need time and resources, the belief that it will be successful, and that clients will want it."

Another difficulty in creating the adapter was the robust nature of both software programs and the complexity of the AEC industry and its special needs. In order to make the adapter a success, Meridian allowed AMX to use its Accounting Integration Software Development Kit (AISDK) for the adapter. "With the AISDK, we have the tools to make it an easier process. Prolog has business rules that must be maintained," explains Tyler. "With AISDK, the business rules that are necessary for everything to happen are maintained. For

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Problem: The inability to completely integrate the construction process from accounting to project management. The current options are to perform dual entry or not utilize project management software to its full capacity.

Solution: interface the back-office accounting system with the project-management system to communicate in realtime.

Payoff: Increased efficiency and reduction in dual-entry errors or missing information.

Technology: The AMX Prolog Adapter was created by AMX International in joint partnership with J.D. Edwards and Meridian Project Systems. The AMX Prolog Adapter works with J.D. Edwards OneWorld XE enterprise resource planning (ERP) software and with Meridian's Prolog Project Manager 6.0 software to allow for realtime communication.

example, when a user opens and creates a contract, just the action of saving the contract triggers several business rules—updates to the budget and dozens of other things. If someone were to integrate and not enforce these rules, our system would be

invalidated. So AISDK makes sure that these rules are still enforced.”

The customer was key in the creation of the AMX Prolog Adapter. “The beta team was initiated in early 1999. Haskell, for example, recognized the value and cost of the redundant tasks and errors caused by dual entry,” says Jim Upton, J.D. Edwards’ industry manager for engineering and construction. “The goal was to create an interface that would allow the two modules to talk in realtime; to connect the back office (J.D. Edwards) to Prolog to automatically update budgets, costs, and administration. And a beta team is the best way to facilitate a new program, so J.D. Edwards committed funding, people, and resources,” Upton says.

Therefore, throughout the project, the members of the beta program offered input as to what they needed. One of the most obvious benefits and needs for the adapter was the elimination of duplicate entry within J.D. Edwards and Prolog.

“Dual entry was one of the biggest concerns,” says Tyler. “Right now, you have two options: You can either enter the information into both systems or enter information into only the accounting system then the address book is and limited information into Prolog. The first option allows room for error, and with the second, you’re not getting the full benefit of Prolog. Costs have to be entered into the accounting system, but those transactions are important in Prolog as well.”

Perhaps an even greater managing risk will be that the project sites and the central office will be able to instantly share and receive the most current information,

standardizing the communication process and increasing efficiency and functionality.

For example, explains Stamps, “change requests can have huge implications such as delaying the project, which could put the company in a delay penalty phase. (With the adapter), the information (change request) will be passed immediately from the jobsite to the accounting office where it will have an immediate implication on the bottomline. Project managers will know immediately the impact of the change, and they may decide the change will be too great to make or that the contract will need to be adjusted. There’s a need to collaborate to make the change work for everyone, and now we can see that. Everyone can collaborate and decide how to fix a problem.”

The adapter necessarily allows for bidirectional information, which means it talks both ways. Both the Prolog and J.D. Edwards servers have an adapter, and the information that is entered into one software system interfaces with the adapter then passes between the two servers. This is particularly important if a company has multiple jobsites, in which each site has a terminal connected to the Prolog server.

For example, if a manager is looking for an authorized vendor, the request is entered and then the address book is downloaded from the J. D. Edwards server to the Prolog server to each jobsite. Job costing can also be passed back and forth, allowing management to have access to the job cost on a more regular basis.

“Managers will make better decisions and do a better job managing risk

when the financial status is known,” says Tyler. “If the project managers have a pulse on the financial status, risk is reduced. Construction is such a project-focused

already a dozen accounting programs in place. We felt it was better to use our time to focus on our core expertise than enter into new competition,” explains Tyler.

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industry that this relationship is critical for construction. If decisions are made faster, projects can be finished earlier, which saves salaries and time. It’s the little things that end up making a profitable project and a profitable company.”

Tucker agrees that the integration will make his company more efficient and reduce the cost of delivery of a project by 30%. And increasing efficiency by 30% means adding 1% to the bottomline of each project.

“We may be a \$700 million company, but in the construction industry, most of the dollars are pass-through dollars, and profit margins are on the order of 4-7%. If you could have another point come back, it adds to the bottomline.” One percent may not sound like a lot, but multiply that by 50 projects or more per year, and it makes a difference.

So why didn’t Meridian simply create its own accounting software that communicates with Prolog, or why wouldn’t J.D. Edwards adapt OneWorld XE to include project management? Because it simply doesn’t make sense.

“What Prolog does best is help manage projects. Accounting is not our core business, and there are

While the beta team will begin testing in October, the alliance team is confident that the adapter will be ready for the public in the first quarter of 2001. Clients of J.D. Edwards or clients of Prolog will now have the option of fully integrating their business. The alliance will work in that if a J.D. Edwards client is looking for a project-management system, Prolog would be the logical choice because of integration. Or if a Prolog client is looking for an accounting program, then J.D. Edwards would be contacted. And, of course, AMX can help with either aspect. “We are select partners,” says Stamps, “and we know each other well.”

The adapter works with Prolog 6 and higher and with OneWorld XE. J.D. Edwards’ customers that are currently working with World will need a OneWorld deployed server to utilize the adapter. Meridian is also working to integrate ProjectTalk.com and a similar integration with Timberline Gold Software.