

Exchequer supports Adston Ltd, Building Contractors in developing a profitable business

Achieving success in a competitive industry

County Cavan-based Adston Ltd has been in the building construction industry for the last twenty years and more. In 2004, it became part of the newly formed Keelagh Holdings Group and now provides building contracting services to development companies within the group, as well as to other external development companies. Keelagh Holdings has approximately seventy permanent employees, the majority of whom are based within Adston Ltd.

As a leading construction company in the area, Adston Ltd looks to its IT systems for support in running a complex operation in a highly competitive industry. A forward-thinking business, it seeks to automate tasks wherever possible to improve efficiency and secure its profitability.

Towards the end of 2005, the company began the search for a powerful finance solution which could also successfully support the requirements of the different development construction and joinery businesses in the group.

Up to that time, the group had relied on a Sage Line 50 accounting package, but its limitations were becoming increasingly evident: there was no support for job costing or handling sub-contractors, while extracting detailed, meaningful management information proved difficult and time-consuming.

Time for fresh thinking

Adston Ltd invited several potential solution providers to tender, presenting them with a detailed questionnaire encapsulating the firm's requirements. Although initially Adston looked primarily at stand-alone industry solutions, Exchequer emerged as the eventual choice.

Finance Director Olivia Smith recalls how this decision was reached, "The Exchequer sales team kept coming back with clear answers to the questions we raised and were genuinely concerned to get it right for us. They pulled out all the stops to prove that Exchequer could tick every box on our wish-list. We were impressed by their commitment."

Adston Ltd chose the Exchequer solution because, in addition to catering for core financial and stock requirements, it offered wide-ranging support for the firm's construction and manufacturing operations, with easily accessible job costing information and other specific construction functions.

In March 2006, the company purchased the Exchequer Construction Suite for eight users, with a 10-company licence. The solution was implemented over the summer months.

Ms Smith notes, "Implementation went well! There was certainly a lot of work and we felt we were learning all the time, but again the Exchequer team excelled. Our Exchequer Construction Projects Manager did a great job managing the implementation on our behalf to minimise disruption."



Ms. Olivia Smith, Finance Director, Adston Ltd, Mr. Ronan Mulvey, Site Manager and Mr. Pat Wall, Project Manager, Exchequer Software at one of Adstons latest developments Farnham Court, Co. Cavan

Keeping costs firmly on track

Coming up to date, Ms Smith singles out the Exchequer job costing capabilities as having made most impact on the business, "A real plus with Exchequer is the ease of access to job costings information and the clarity of that information." When a construction job is being priced, the budget is built up by stage of construction. The same materials and services can be used several times during a project and Adston requires a breakdown of the combined build costs at each stage of construction.

Ms Smith explains, "Previously these build costs were reported together by cost lines on the general ledger. It proved very difficult and time-consuming to compare on-going costs against the budgeted costs, due to the different manner in which ongoing costs and budgeted costs were reported. We can now break our build costs down by stage, see how much we're spending at every stage, and drill down to the detail which is essential for full management control."

She continues, "One of the major advantages of Exchequer job costing is that it allows the information to be laid out in a manner familiar to a contract management team. They can quickly spot the areas where the job is coming in on budget and where it is going adrift, and can then make the subsequent necessary decisions at that stage to ensure that the overall profit on the job is secured."

While providing detailed management information such as this is crucial to the profitable operation of the business, in contrast, Adston also finds the enhanced user security features in Exchequer very useful. Certain areas of the system are accessible to authorised users only; for example, only the accounts team have access to the general ledger.

Another group company, MFM Joinery Ltd, has also begun to benefit from tighter stock control to keep track of expensive materials such as bales of timber and avoid the trap of under or over-stocking. Exchequer Stock Control integrates with financial modules providing real-time stock value, cost of sales and gross profit margins within the general ledger, while batch traceability monitors the amount of timber left in each bale.

Additional, fully integrated customisation of the software has reduced duplication of effort to further increase efficiency. Once a sales quote created within the Exchequer Quote Builder is accepted, it is updated to Exchequer as a job and future work is then costed to it.

Another module which has proved valuable to the firm is Applications & Valuations. Previously, Adston's many subcontractors would submit their invoices and then their work would be certified. If there was any dispute, the original invoice had to be scrapped and a new one generated, leading to duplication of effort by both parties. Now, reports Ms Smith, "Subcontractor documentation flows much more smoothly. The subcontractor sends in their application form and, if all is satisfactory, the work is then certified and the subcontractor goes ahead with billing us. This gives us the best of both worlds: we avoid unexpected hits on our cash flow which can result due to late invoicing, and it's cut down the iterations and administrative 'to-ing and fro-ing' we experienced previously."

Making an impact on the bottom-line

The Keelagh Group management team continually looks for innovative ways to improve their business operations and are extending their use of Exchequer's capabilities over time.

Reviewing progress to date, Ms Smith says, "The beauty of Exchequer is that it gives us much tighter control of our business which in turn will contribute a positive effect to our bottom-line. It is working well in the main areas originally identified as needing particular support, and we have the opportunity to increase efficiency further in other aspects of the business. With the level of growth we have planned, this will be essential."

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