



Microsoft Dynamics Customer Solution Case Study

CALIBRE

An employee-owned management and technology services company

Defense Contractor Improves Reporting, Efficiency While Ensuring Contract Compliance

Overview

Country or Region: United States

Industry: Professional services—IT services

Customer Profile

CALIBRE is a technology and management services company with 550 employees and U.S.\$100 million in revenue, primarily from contracts with the U.S. Department of Defense (DoD).

Business Situation

The company used an accounting system designed to meet DoD requirements, but the system was difficult to modify and did not give the company the flexibility it needed to manage and grow its business.

Solution

CALIBRE implemented Microsoft Dynamics® SL to produce the reports it needs for its government customers and to give managers easy access to the information they need to manage the business.

Benefits

- Accurate and timely billing
- Easier compliance and auditing
- Improved cost savings
- Streamlined growth and business development

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William Maxwell, Vice President of Finance and Accounting and Controller, CALIBRE

CALIBRE is a government contractor with U.S.\$100 million in annual revenue, primarily from contracts with the U.S. Department of Defense (DoD). CALIBRE previously used Deltek GCS Premier to meet DoD contracting requirements, but the system limited the ability of company executives and managers to access critical operating data. To improve visibility into project and financial information, CALIBRE standardized its operations on Microsoft® technology and implemented Microsoft Dynamics® SL. The company tasked its consulting partner, RSM McGladrey, with creating the reports in Microsoft Dynamics SL it would need for project reporting and DoD compliance. Today, CALIBRE project managers obtain accurate and timely performance reporting on demand from a management report portal. CALIBRE also has a robust billing system and audit and compliance reports that it needs to succeed in its industry.



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Situation

Headquartered in Alexandria, Virginia, CALIBRE is an employee-owned management and technology services company with over 550 employees and U.S.\$100 million in revenue, primarily from contracting with the U.S. Department of Defense (DoD). Because contracting with the DoD requires compliance with specialized accounting rules and procedures, CALIBRE originally used Deltek GCS Premier, an accounting and financial management system designed to comply with requirements of the Defense Contract Audit Agency (DCAA).

But, the Deltek system was built on a proprietary database and provided only a limited number of preconfigured reports. “Deltek provided a report writer, but only limited information as to data structure. This made report writing a cumbersome process,” recalls William Barkovic, Vice President and CTO of CALIBRE.

CALIBRE executives wanted a financial management system that would support a large geographical footprint, provide more flexible reporting, and offer a greater ability to analyze data about company operations while ensuring compliance with DCAA regulations.

CALIBRE had already standardized much of its operations on Windows® operating systems and the Microsoft® Office system because these technologies made it easier to share information among people and connect business processes. But, the Deltek system didn’t easily integrate with these applications, so CALIBRE was forced to rely on redundant data entry into multiple systems, creating additional work and increasing the chance for error.

Solution

Working with its consulting partner, RSM McGladrey, CALIBRE chose to implement Microsoft Dynamics® SL as the foundation for

managing its government contracting business. “The open architecture and ease with which Microsoft Dynamics SL can connect to other Microsoft technologies made it a good choice for CALIBRE,” explains Tom Burtner, Director of IT Consulting for RSM McGladrey.

Specialized Reporting

RSM McGladrey implemented Microsoft Dynamics SL at CALIBRE and created several custom reports. The customized solution gives CALIBRE the information it needs to provide performance reporting to project and company management, as well as comply with DCAA audit requirements.

CALIBRE needs to provide detailed job summary reports for every contract and contract revenue summaries for business units. The company also needs to be able to provide the DCAA with an annual “incurred cost proposal” which provides a reconciliation of CALIBRE’s allocation of overhead and general and administrative expenses against all CALIBRE contracts. “The government requires very detailed, very granular reports,” says Burtner. “The reports we built in Microsoft Dynamics SL make it easier for CALIBRE to prepare the standard reports. In addition, the company now has the ability to easily create its own reports whenever they need to.”

Accurate Cost Allocations

The success or failure of a flexibly priced government contract depends on the contractor’s ability to document its allocation of overhead and general and administrative expenses and demonstrate those allocations to a DCAA auditor each year. With 115 project managers working on as many as 300 projects a year, the company depends on Microsoft Dynamics SL to accurately and reliably allocate its costs in accordance with DoD regulations.

Reporting – Access and Analysis

The ability to quickly access key operational and financial information—and analyze that information—is critical to the overall success of CALIBRE’s business. The well-documented open architecture of Microsoft Dynamics SL enabled CALIBRE to design custom reports required in our industry and deploy a variety of solutions to access the reports.

CALIBRE built a Management Report Portal for access to the performance reports that support government-contracting project management reporting. To give project managers and executives the flexible reporting and data analytics they need beyond the basic reports, the company added Business Information Optimization (BIO®) for Microsoft Dynamics SL. In addition, the accounting staff at CALIBRE uses Microsoft FRx® financial reporting and analysis software for creating and distributing reports on financial results.

“Project managers run reports and look at their project performance for the month. If the results are not what they expected, they need to drill down to the details of labor or other direct and indirect charges to find where the results differ from the projections,” explains Barkovic. “The combination of our Management Report Portal and BIO lets them have full control of that. There’s no problem reconciling that data anymore.”

Adds Barkovic, “All our reports are parameter driven. Our people can specify what projects they want to see and what accounting periods they want to review. And, they can get all the information they need, print it out, share it with others, or they can export it to Microsoft Office Excel® for further analysis.”

Budget Input and Reporting

Microsoft Dynamics SL supports automated importing of corporate budget information from CALIBRE’s Office Excel-based budget

model. This budget is then used to develop CALIBRE’s budgeted overhead and general and administrative rates, and then prepare the Provisional Rate Proposal, an annual report required by the DCAA. CALIBRE then uses Microsoft FRx to automatically distribute the budget reports each month customized to each department. “The Microsoft solution lets us integrate Office Excel-based budgets, Microsoft Dynamics SL actual costs, and Microsoft FRx produced budget reports with drill-down capabilities,” says William Maxwell, Vice President of Finance and Accounting and Controller for CALIBRE. “This has enabled departmental managers to take ownership of their budgets and understand and reduce costs. The budget feature in Microsoft Dynamics SL lets us improve efficiency and productivity by following CALIBRE’s ‘Enter once, use many times’ philosophy.”

Role-Tailored Information

Barkovic recognizes that company executives and managers have differing needs for information about company operations. “With Microsoft Dynamics SL, our controller can see the data from a general ledger perspective and answer questions like ‘What’s our overall revenue? Are we profitable?’” he says. “Our project managers can see the same data from a project view and answer questions like ‘Are we on schedule? Are we delivering against the plan?’”

Both top executives and frontline project managers can now get the information they need, whether from a previously configured report or an impromptu query. “From revenue reports to a project report, we’re definitely able to do everything more efficiently than we could with the Deltek system,” says Jack Mutarelli, Executive Vice President and CFO.

Standardized on Microsoft Technology

CALIBRE decided some time ago to standardize its operations on Microsoft technologies to gain efficiencies in

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information management and workflow.

“With the Microsoft platform, we knew that everything was going to follow the Microsoft Office system model of being totally integrated. We can enter data into the system one time, and everyone else in the system who needs that data can use it,” says Barkovic.

The open architecture of Microsoft Dynamics SL also enables CALIBRE to connect its project management and financial systems to third-party line-of-business systems. CALIBRE first linked its third-party human resources (HR) system to export data directly to Microsoft Dynamics SL. Now, the company uses Active Directory® and Microsoft Identity Integration Server 2003 to export employee data from the HR application to Active Directory and to other applications.

Growth and Business Development Support

Standardizing on Microsoft technology has also made it easier for CALIBRE to execute its growth plans. “We’ve acquired five different companies and three of the five are completely integrated in our accounting system,” says Barkovic. “For the other two, we use the multi-company features in Microsoft Dynamics SL to maintain them as separate entities because they have valuable brand equity.”

This multi-company feature is a significant improvement over CALIBRE’s previous Deltek system. “Our old system required a new negotiation with our software provider for each subsidiary, as they existed in separate systems,” Maxwell explains. “With Microsoft Dynamics SL, we can establish new companies instantly. And, intercompany transactions are made on all company books automatically. There is no requirement for parallel entries, intercompany billing and cash payments, or time-consuming reconciliation of intercompany accounts.”

The company uses Microsoft Dynamics CRM to build and monitor its sales pipelines, which are built on a methodology that projects five years into the future. “We want to track the opportunities we see in the future and monitor them as they get closer to a decision. We need a tool like Microsoft Dynamics CRM to manage that,” says Barkovic. “Previously, we used individual spreadsheets with no common way to track all those opportunities.”

Next Steps

CALIBRE currently uses Microsoft Office Project 2007 Professional and Microsoft Office Project Server 2007, and the company is planning to get additional value from these application and Microsoft Dynamics SL by connecting them directly. For example, CALIBRE currently prepares contract proposals in Microsoft Office Project, and when a proposal is accepted, information about the project is recreated in Microsoft Dynamics SL.

Says Barkovic, “We’re planning to integrate Microsoft Office Project Server with Microsoft Dynamics SL so that when proposals are accepted, and a project is established in Microsoft Dynamics SL, the work breakdown structure, project budget, and staffing requirements, including contract workforce, if required, are imported directly from Microsoft Office Project 2007. This will let employees charge time to the project as soon as the project is established.” The integration will enable project managers to evaluate actual cost and schedule data from Microsoft Dynamics SL and analyze profitability directly within Microsoft Office Project 2007.

Benefits

CALIBRE now has an accounting and financial management system that provides on-demand performance and management reporting to its local and remote management while ensuring that the company can comply with the complex

reporting and auditing requirements of its government customers. According to Maxwell, “The on-demand reporting facilitated by Microsoft Dynamics SL has improved the fidelity of the company’s performance and management reporting and billing because the project detail has been reviewed at every stage of the process.” In addition, executives and managers now have easy access to the information they need to operate and grow the business profitably.

Accurate and Timely Billing

Billing fidelity is critical to the success of government contracting because the bills are reviewed by customers, government contract officers, and auditors. Inaccurate or non-conforming bills can cause several months of delay in processing, as each party must agree to a remedy.

Accurate and timely billing helps business development because requests for proposals always ask for “Citations of Past Performance” and contract officers will review CALIBRE’s billing history before awarding new contracts.

Quality billing also helps the company manage its cash flow, as conforming bills are paid promptly. With Microsoft Dynamics, every project manager and business unit manager can review past due bills and assist in collections.

Easier Compliance and Auditing

With Microsoft Dynamics SL, CALIBRE has found it easier to comply with the complex requirements of the DCAA. The company can provide its government customers with the information they need in regular reports, and even the annual audits are more manageable.

“If the auditors ask questions that go beyond the reports they ask for at the beginning of an audit, our ability to quickly run off reports that

answer specific questions is a lot better than it ever was with the Deltek system,” says Maxwell. “Our audits are actually taking less time.”

Improved Cost Savings

Company executives and managers can create their own reports and get exactly the information they need, without the delay and expense of going outside the company to pay for custom programming. “We knew that Microsoft Dynamics SL would integrate well with our other Microsoft solutions. Now, we can use a variety of tools to get the data we want to do impromptu query reports. That saves us money and time, which is very important to us,” says Barkovic.

Streamlined Growth and Business Development

Executives at CALIBRE share responsibilities for new business development, and Microsoft Dynamics CRM makes it easy for company leaders to share information about future opportunities and to track those opportunities in a consistent methodology. “We track opportunities we see three to five years in the future, and then, over time, we narrow them down to make a decision about what we should pursue next year. Microsoft Dynamics CRM gives us the ability to manage that process properly,” says Barkovic.

Maxwell knows that Microsoft Dynamics SL has made it easier to manage CALIBRE’s growth and extensive operations. “We’ve had a compound annual growth rate of more than 18 percent for the last several years,” he says. “We have nearly doubled both our headcount and our overall revenue since we switched to Microsoft Dynamics SL. We’ve been able to do all that while adding only one person to the accounting department. That’s how powerful and efficient our system is.”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about CALIBRE products and services, call (703) 797-8500 or visit the Web site at: www.CALIBREsys.com

For more information about RSM McGladrey products and services, call (800) 274-3978 or visit the Web site at: www.rsmmcgladrey.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Software and Services

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 - Microsoft Dynamics CRM
- Microsoft FRx
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 - Microsoft Office Excel
 - Microsoft Office Project 2007 Professional
 - Microsoft Office Project Server 2007

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 - Microsoft Identity Integration Server 2003
- Technologies
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