

# Have You Outgrown QuickBooks?

It's time for your government contracting organization to move on from spreadsheet chaos and data silos to a single source of truth.



Unanet

For a project-based company, the combination of QuickBooks (or another general purpose accounting system) and spreadsheets is the most expensive ERP system imaginable. The cost isn't in the acquisition of the tools; spreadsheet software and QuickBooks are really quite inexpensive. The cost lies in all the things they don't do—and the manual effort required to compensate for the shortcomings.

## **SPREADSHEETS DON'T SERVE YOUR PROJECT MANAGERS VERY WELL**

The information your project managers get from the accounting department often comes weeks after the fact. Customer reporting has probably already occurred and the perennial questions are: "Where did that report come from?" and "Is it going to match the invoice (when that finally comes out)?" Neither answer is good. The information the PM reported to the customer probably came from spreadsheets based on the timesheets and expense reports that PM approved. The information still isn't real-time, but at least the information in it is available as soon as the timesheets and expense reports are submitted. But the cost! Oh, the cost!

First, managing your business with spreadsheet chaos is a huge consumer of time and resources. Project accounting is typically not a discipline in which PMs are trained or in which they are experienced. And the process is very error-prone. Forbes magazine said, in an article entitled *What Are The Shortcomings Of Spreadsheets?*, published April 2019, "An estimated 88% of spreadsheets include mistakes, and half of those used by big businesses have 'material defects.' "

Even if all the direct costs data is correct and all the indirect rates are accurate, a simple formula error can ripple through the spreadsheet and make reconciling it to the (eventual) invoice difficult or impossible.

And, when they don't agree, what then? Chances are the PM will have to issue corrected reports. The result can be irritated customers and, in extreme cases, poor CPARS ratings for the project.

Finally, project managers that spend their time keeping disparate systems, reconciling them to the invoices, and generating their own customer reports, aren't managing projects.

## **SPREADSHEETS DON'T SERVE YOUR FINANCE AND ACCOUNTING DEPARTMENT VERY WELL**

Even the most advanced versions of QuickBooks that purport to be for project-based companies don't produce project reports that can be "rolled up" to lines of business, departments or divisions, customers, or project types and show direct cost breakouts, applied indirect costs and profitability calculations. That's where the spreadsheets come in. Unfortunately, those roll-ups are semi-manual at best (more often completely manual), VERY time consuming, and just as error prone as any other spreadsheet-based process.

That's why you wait weeks for end-of-month financial information that, with the right tools, should be available in days. And the calculation of the KPIs you rely on to judge performance on so many levels necessarily follows the financial information.

Creation of invoices in an organization on QuickBooks is an almost completely manual process using—you guessed it—spreadsheets. It's time-consuming. It's error-prone. And, if you are sufficiently vocal about the delay in getting financial reports and KPIs at month end, it may be third priority when it probably should be first. And, of course, there's always that pesky rejected invoice problem. That just compounds the time crunch.

### SPREADSHEETS DON'T SERVE YOU VERY WELL

Steering a steady course for a small company is hard enough as it is. When you can't see the effect of a course correction for weeks or months after the changes are made, the difficulty grows dramatically.

If the indirect rates are running a little high and you cut some costs, can you see the exact effect? If you make staffing changes, is that effect immediately obvious? What about a win? Or a loss? How long before the effect of those kinds of events will be on your desk?

It's not the data, it's the time-consuming process of turning that data into information.

### SAY NO TO SPREADSHEET CHAOS

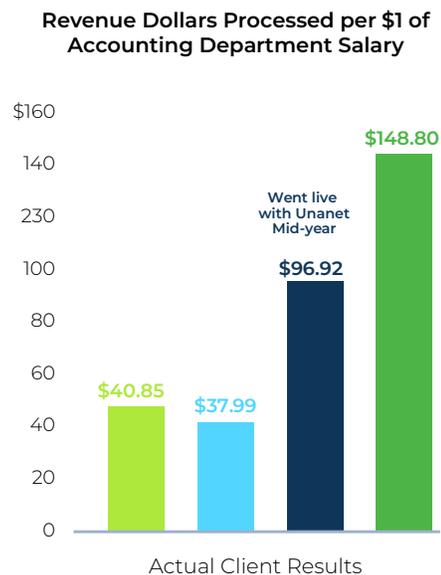
QuickBooks and spreadsheets simply don't make for a scalable system. There are no economies of scale to be realized in systems that require semi-manual information processes or repeated transcription of the same data.

Growing companies relying on such a system often find that their back office costs, reflected in their G&A rate, is growing at the same rate as the company or the project volume. In some cases, it

grows even faster. Not only are there no economies of scale to be realized, the work to analyze resource utilization across projects or roll up project reports grows with the number of interconnections between projects. With four projects, there are six potential interrelationships. With 10, the number grows to 50. With 50 projects, it's in the thousands.

Growth in that kind of system simply becomes unsustainable. You need a system that CAN achieve economies of scale.

If your company isn't growing as you think it should be, could your ERP be holding you back? The system you use can make a difference. Take a look at the graph below, and the graph on the next page from our most recent annual GAUGE survey and report. Companies using a purpose-built ERP reported higher growth rates both in the current year and projected into the future.



*“With Unanet we were able to process 3x the revenue without hiring anyone else in the finance back office.”*

## Growth and your ERP

Companies that manage projects need a project-based ERP to scale.

- 53% Project-Based ERP Systems
- 18% Entry-Level ERP Systems
- 29% Generic ERP Systems

For more information on the GAUGE report and to download a copy, [click here](#).

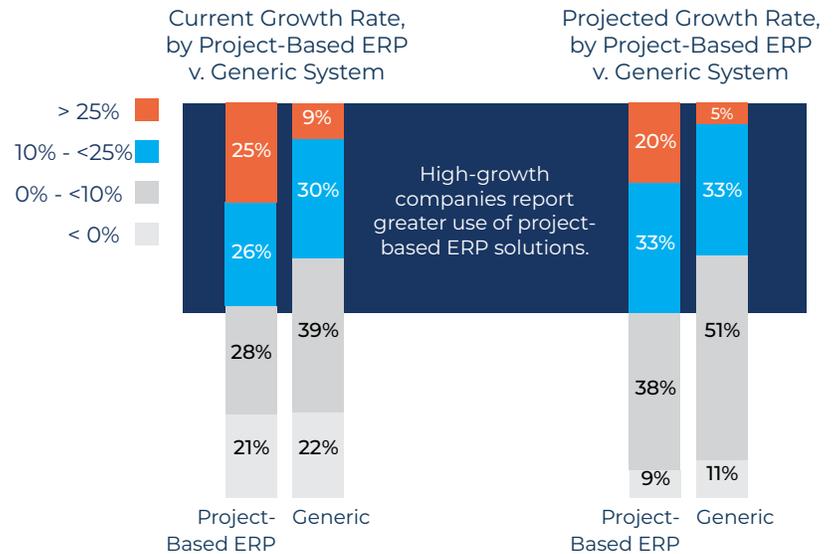


Figure 2 – Companies that run Unanet grow faster

## UNANET'S PURPOSE-BUILT ERP IS THE ANSWER

Unanet is a completely integrated system from labor costs to non-labor costs (both direct and indirect), from planning and budgeting to actual costs reports, and from invoicing to financials. In Unanet, an hour of labor, an employee salary rate, or an indirect cost rate, or a vendor transaction exists exactly one time in just one place. It's not in a PM's system AND in the General Ledger, AND in an invoice spreadsheet, AND in corporate-prepared project reports AND in a company, division, department, or customer rollup. It's entered once, calculated or posted once, and used over and over for every purpose for which it's useful.

In Unanet, reports with as much or as little detail as desired are generated on demand, in real time, from data that is already in the system from the timesheet system, the expense reports system, the accounts payable system, the rate calculation system, and the highly flexible invoicing system.

Profitability and a myriad of other KPIs are also available on demand in dashboards that are available to every PM, every department manager, in fact, every employee – at your option and with access permissions under your control.

In Unanet, KPIs, project reporting, and other analytics are an outgrowth of day-to-day processing of transactions, not a separate project and not requiring transcription of data into spreadsheets. Need a staff utilization report? It's at your fingertips right now. Or Sunday afternoon. Need that report by Division? It's just a few clicks away in the same dashboard. Need to see project profitability by customer or for a particular customer? It's on-demand. Simply change the rollup and include more or fewer projects in the portfolio. It's just a few clicks away and doesn't require finance to compile it for you.

Don't take our word for it. Here's a success story in our customer's own words.

## UNANET SUCCESS STORY

### iNovex Achieves Compliance and Scalability with Unanet Financials

#### About iNovex

- Veteran Owned Small Business led by a group of entrepreneurs with advanced Information Technology consulting, engineering, development, and integration expertise in the public and private sectors
- Nearly two decades supporting the Federal Government, Intelligence Community and Commercial Organizations with recognized Maryland technology firms.

**iNovex**

*“With Unanet, our month-end close is phenomenally smooth.”*

*— Sam Jahanbeen, Former CFO, iNovex Information Systems, Inc.*

#### Challenges

iNovex's growth in the last four years had made it necessary to have a system with scalability, and working in the government contracting space required them to be DCAA compliant. Use of legacy systems was causing duplication of efforts and they were spending unnecessary amounts of time on adjustments.

- User-adoption of systems was poor due to complexity, user experience and multiple interfaces
- As government contractors, DCAA compliance was a must and that, too, required extensive manual effort with their current tools
- Implementing controls to ensure compliance, segregation of duties, and an accessible audit trail also required extensive manual effort
- Managing multiple highly-complex Excel spreadsheets was required to address functionality gaps in their accounting system
- Project Managers struggled to make data-driven decisions
- Their system of QuickBooks and spreadsheets couldn't scale and offer the performance and stability they needed

#### The Unanet Solution

iNovex implemented Unanet Project Portfolio Financials with support from Unanet's Professional Services team. Unanet's integrated solution provided visibility and access to project managers and allowed the finance department to focus on transforming the business and not just transactions.

- Saved 5 days in the close each month due to time saved on payroll, invoicing, and adjustments
- Experienced time savings in processing payroll – it used to take 90 minutes, now it takes only 30 minutes due to single system capabilities
- Eliminated the use of complex Excel billing spreadsheets
- Is focused on more advanced reporting and empowering the PMs with reporting
- Is utilizing a role-based approach to place internal controls for compliance
- Associates documents with transactions within Unanet for a smooth audit and less manual effort
- Relies on the integration and visibility of the system, so there is an added diligence and no need to adjust and reconcile in multiple systems
- Eliminated a separate application for calculation of indirect rates
- Successfully completed their DCAA Accounting System Review (SF1408)

## UNANET VS QUICKBOOKS WITH SPREADSHEETS COMPARISON TABLE

Review the chart below to see the key features and insight that your organization is missing out on with QuickBooks and spreadsheets.

✗ Not supported   
 ● Weak functionality   
 ✓ Built in

*\* QuickBooks reflects QBO offering.*

|   |  |  |
|---|---|---|
| Basic Accounting (GL, AP, AR)                           | ✓   | ✓   |
| Project-Based Accounting                                | ●   | ✓   |
| Revenue Recognition                                     | ●   | ✓   |
| Built-In Indirect Rate Calculations                     | ✗   | ✓   |
| Project Budgeting & Planning                            | ●   | ✓   |
| Resource Management                                     | ✗   | ✓   |
| Flexible Project Billing for Every Project Type         | ✗   | ✓   |
| Contract Management                                     | ✗   | ✓   |
| Analytic Dashboards for All Users                       | ✗   | ✓   |
| Roll Up Project Reports by Customer, PM, Division, etc. | ✗   | ✓   |
| Real-Time Project Reporting                             | ✗   | ✓   |
| Time Entry and Management                               | ●   | ✓   |
| Expense Reporting and Management                        | ●   | ✓   |
| Integrations and Automations Platform                   | ✓   | ✓   |
| Mobile  | ✓   | ✓   |
| Secure Cloud  | ●   | ✓   |

It's time to move on. Visit [unanet.com](https://unanet.com) to learn how Unanet delivers a single source of truth, promotes management best practices, and eliminates the time lags that plague companies with silos of data.



Unanet is a leading provider of project-based ERP and CRM solutions purpose-built for Government Contractors, AEC, and Professional Services. More than 3,100 project-driven organizations depend on Unanet to turn their information into actionable insights, drive better decision-making, and accelerate business growth. All backed by a people-centered team invested in the success of your projects, people, and financials..



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