Sage 100 ERP | Customer Success

Sage 100 ERP Is the Perfect Profile for Digital Signal Corporation

Digital Signal Corporation is a worldwide leader in the research and development of three-dimensional facial recognition systems, a sophisticated and top-secret technology currently being developed for the Department of Defense and other federal agencies. Just six years old, Digital Signal Corporation has grown rapidly, and the growth trend is expected to continue as commercial uses for its technology are uncovered. To safeguard its data and ensure its accounting systems meet governmental requirements, Digital Signal Corporation places its trust in Sage 100 ERP.*

"Sage 100 ERP is powerful and flexible. It is fabulous business management software," says Patricia Stephan, controller at Digital Signal Corporation. "It has completely transformed the way we operate."

Zero in on a Solution

The company started out using QuickBooks, but as it grew, Stephan says the entry-level software simply did not have the depth and breadth Digital Signal Corporation required. "We passed the DCAA (Defense Contract Audit Agency) audit by the skin of our teeth," she recalls. "And that was only because I was able to produce paper records to supplement what we couldn't get from QuickBooks."

Digital Signal Corporation needed a robust job costing solution capable of tracking the labor and material expenses involved in its development projects. In addition, stalwart financial reporting capabilities were required to enable the company to produce the complex and varied financial statements required by management and the federal government.

Stephan had used Sage 100 ERP extensively in other positions and recommended the company consider it. In addition, the company reviewed Deltek GCS Premier®, software designed specifically for government contractors. "Sage 100 ERP has it all, right out of the box," says Stephan. "We were worried Deltek might require too much customization. The business partner representing Sage 100 ERP had experience setting up the Job Cost module for government contractors. When they showed us precisely how it could work for us, we were sold."

Pinpoint Project Costs

Labor hours, burden, and overhead for every project are tracked within the Job Cost module. "We're at the leading edge of this industry," explains Stephan, "so all the data we can gather about the costs associated with our research and development projects is extremely valuable. Using Job Cost we can compare our budgets to actual costs in each category. Seeing where we exceeded budget or where we've saved helps us more accurately quote the next project."

*Sage 100 ERP was named Sage ERP MAS 90 when Digital Signal Corporation initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer
Digital Signal Corporation

Industry
Technology

Location
Alexandria, Virginia

Number of Locations
One

Number of Employees
22

System
Sage 100 Standard ERP

Challenge
Digital Signal Corporation's entry-level accounting software lacked job costing functionality and the robust accounting and financial reporting features required by this government contractor.

Solution
The Sage 100 ERP suite of modules delivers broad functionality, powerful features, and a strong accounting foundation to Digital Signal Corporation.

Results
Comprehensive job costing data allows the company to better estimate future jobs. Time spent invoicing is reduced from one full day to just 30 minutes. Accurate invoicing and a strong audit trail make the company eligible to receive electronic payments from the government, improving cash flow.

Digital Signal Corporation uses Sage TimeSheet, an integrated time and expense tracking solution that is both powerful and easy to use. Employees enter their time directly into Sage TimeSheet. After the time entries are reviewed and approved, those entries flow into the Payroll and Job Cost modules and in the case of expense entries, into the Accounts Payable module—eliminating the need for duplicate data entry by payroll and administrative staff. "Using Sage TimeSheet and the Job Cost module together, we get an accurate breakdown of labor costs by project and by task," explains Stephan. "Not only does that give us better and more reliable job costing data, it saves a significant amount of administrative time otherwise spent handling and entering paper time sheets."

Save Time and Improve Cash Flow

It used to take Stephan one full day to produce a single invoice as she assembled paper time sheets for the month and entered material and labor costs into spreadsheets to calculate the final billing amount. "Invoicing now takes me about a half an hour," says Stephan. "Not only is it faster, but it's much more accurate."

In fact, Digital Signal Corporation's accurate invoicing and availability of a complete electronic financial audit trail have earned it the right to receive funds electronically from its government customers. "It's a great boost to our cash flow," notes Stephan, "and it wasn't possible before Sage 100 ERP."

Target Purchasing Efficiencies

Sage 100 ERP is also streamlining the purchasing tasks at Digital Signal Corporation. Parts and materials ordered specifically for a project are coded with the job number and expensed immediately upon receipt. As additional items are taken from inventory in support of a project, those items can be issued from the Inventory Management module to the Job Cost module. Staff use the Item Memo feature to store notes and details about items, including how the item was used and its overall performance. "We've simply got better, more useful, and more readily available data," says Stephan.

> "Using Job Cost we can compare our budgets to actual costs in each category. Seeing where we exceeded budget or where we've saved helps us more accurately quote the next project."
>
> Patricia Stephan, controller
> Digital Signal Corporation

The company is also able to monitor its vendors' performance using the software. By comparing product lead times to actual receipt dates, Digital Signal Corporation can identify those vendors who deliver on their promises, helping to ensure its own projects remain on schedule.

Plan for Growth

Digital Signal Corporation is currently implementing Sage CRM, which will be used to store customer contact information and the details of its contract with those customers. Sage CRM integrates with Sage 100 ERP, allowing customer details to flow from one system to the other, ensuring both are always up to date. "As the company moves from research to full production, we expect Sage CRM to be of great value as a single location for tracking the details of our customer relationships. We've assembled an integrated solution that meets all of our business needs," Stephan concludes.

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,600 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: http://www.facebook.com/SageNorthAmerica and Twitter at: http://twitter.com/#!/sagenamerica.

Sage
6561 Irvine Center Drive
Irvine, CA 92618
866-530-7243
www.Sage100ERP.com

sage