American Asphalt Paves Way to Rapid Growth Leveraging Acumatica Cloud ERP

American Asphalt Repair & Resurfacing Company, Inc. EMPLOYEE OWNED

OVERVIEW

American Asphalt is well known in the state of California for its ability to do more high-quality work faster than its competitors. After operating for 20 years on American Contractor, other siloed software, and storing information on paper, the company needed an integrated cloud-based solution. They implemented Acumatica Construction Edition, gaining real-time data access in the field, flexible reporting, and a financial platform that easily integrates with third party applications.

KEY RESULTS

- Acquired an integrated, cloud-based solution, gaining real-time mobile data access
- Obtained a single source of truth that's actionable, eliminating errors and confusion while boosting profits
- Gained field access to critical data, allowing project managers to make better and faster decisions
- Eliminated the need for 50 banker boxes of paper annually, saving time locating older projects
- Deployed an easy-to-use business solution tailored to the construction industry, speeding user adoption
- Accessed a flexible business solution that easily scales, paving the way for additional growth

CHALLENGES

American Asphalt operates border to border in California pouring concrete and asphalt for Residential Communities, Commercial Properties, Shopping Centers, and Public Works. The company uses state-of-the-art equipment and incorporates the latest in asphalt pavement, Caltrans slurry surfacing, sealcoating, striping and concrete technology.

Headquartered in Hayward, CA, American Asphalt employs 250 and generates nearly $100 million in annual revenue. Rather than working on a few large projects that take six months or more, American Asphalt completes about 1,400 jobs a year, with most taking 10 days or less to complete.

The construction firm is self-performing and has a high percentage of repeat customers including HOAs, commercial business parks, stadiums and large commercial companies and cities. It has two operating units, one covering Northern California and the other, Southern California.

"We are well-known for our quality and speed," says Shel Waggener, President. "We do more work at a higher quality, faster pace than our competitors. Our strategic advantage isn't doing accounting better but being able to support our field teams in delivering to our customers better."

Legacy Construction Software for 20 years

For more than 20 years, the company used American Contractor, a legacy construction ERP package that later was subsequently acquired multiple times, merged with other software, and was built on older technology.

"It was a client-server package built on FoxPro that wasn't able to easily integrate to any other solution. We couldn't easily get anything out of it, and the reporting wasn't flexible," says Waggener. "As we grew, it became more and more challenging to live in one software package."

American Asphalt stored critical information in paper-based project folders, operating like many other construction firms. This solution was less than ideal when 10 people working at many different locations all wanted to view the paper job file. In addition, project managers at construction sites did not have instant access to vital information.

Instead, they called the office, and asked someone to locate a file and verbally relay the necessary project data. Without immediate access to real-time financial details while on the job site, making decisions took much longer, a detriment in an industry where time is money and construction projects are short.

Needing a much more modern business solution, American Asphalt executives wanted to implement cloud-based software. They began a digital transformation journey with Salesforce's CRM, and then added resource planning software Assignar. They chose a payroll application they later learned couldn't handle certified payroll in California.

Executives wanted a robust centralized financial system built for the future, one that could grow with them as American Asphalt evolved. They wanted an open system—not a walled garden—that could easily connect to Salesforce, Assignar, and additional applications that could make them more efficient.

Company

American Asphalt Repair & Resurfacing Company, Inc.
www.americanasphalt.com

Industry

Construction: Paving Contractor

Location

Headquarters: Hayward, CA for Northern California and Fontana, CA for Southern California

Number of Employees

Approx. 250 full time employees

Products

Acumatica Construction Edition with:

- Advanced Financial Management
- Fixed Assets
- CRM
- Salesforce Sync
- Assignar
- Smartsheet

Customer Social Sharing Details

www.linkedin.com/company/american-asphalt-repair-&-resurfacing-co.-inc.

www.facebook.com/AmericanAsphalt

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Limited Feature Set, Siloed Applications Eliminated

American Asphalt executives evaluated CMAC, Viewpoint and other legacy applications like Sage, which they eliminated from contention because each offered single modules with limited feature sets that did not allow for ease of integration with other applications, Waggener says.

They wanted something that was easy-to-use and could handle blueprints, photos, video and other unstructured data typical to the construction industry, which would make processes more efficient. The new system also needed to have the flexibility to easily add new lines of business and accommodate future acquisitions.

“What if we added another trade, or another jurisdiction or another tax ID? We wanted to be in a position to take advantage of future innovations without having to overhaul and be in a different environment,” Waggener says.

SOLUTION

While no software fulfills 100 percent of a company’s needs, Acumatica Cloud ERP “had an open API and a construction module with project accounting, allowing us to begin the process of unbundling American Contractor,” he says.

Most importantly, Acumatica Construction Edition offered “a financial platform that provides information to the field.”

“Acumatica had the best roadmap, the best understanding of the construction industry, and the best user experience on the web,” Waggener continues. “I felt confident Ajoy (Krishnamoorthy, EVP Product Management, Acumatica) and his development team were headed in the right direction with the overall product.”

He was impressed with Acumatica’s strategy to create a core financial platform while also creating standalone industry-specific editions like Acumatica Construction Edition, and invested heavily in R&D. He also liked that Acumatica’s development roadmap included construction payroll, but that American Asphalt wasn’t locked into that option if it preferred a different payroll provider.

American Asphalt implemented Acumatica with help from Acumatica Partner Alliance Solutions Group, aka ASG. The pandemic slowed the process somewhat but decisions, including not to import past data and instead use its legacy software as an archive, allowed them to focus on the new solution’s functions rather than cleaning up old data.

“There were no technical problems that weren’t solved quickly by our technology partner,” says Waggener. “You always need a good integration partner, and we had that with ASG.”

BENEFITS

Real-Time Access to Critical Data from Construction Sites

Acumatica Construction Edition gave American Asphalt project managers and others instant access to critical information while in the field, helping them boost profitability.

In construction, Waggener explains, decisions made in the field make or break a project. A firm can have good plans, suppliers lined up, and begin a project only to learn that site conditions are different. They may uncover soft ground, or an underground stream, or legacy telephone conduits, for example.

“So you have to do what we call ‘Stick and Move,’” he says. “It’s like being light on your feet. You have to know exactly what you have to do. You have to move quickly and adapt.”

His experienced and skilled field team excels at adapting but they needed a system and real-time data, which they now have with Acumatica Construction Edition.

“With Acumatica’s mobile application, now they can pull up all the information and make a real-time decision not just based on what makes sense for production but also what makes sense financially, based on availability for speed,” Waggener says. “We’ve empowered the superintendent and the foreman to make better decisions, and if you can’t do that, you’re going to lose money in construction.”

Integrated Software Reduces Errors

Acumatica’s ability to integrate with third party software such as Salesforce and Assignar reduces errors, confusion and saves American Asphalt a lot of time. It automates and streamlines many previously manual processes.

“Now, when a new job is confirmed in Assignar, it notifies Acumatica that it is now an active project. In Assignar, when milestones are hit in the production process, it sends a call to Acumatica and the financial team can see the information and invoice,” Waggener says. “We don’t have to wait for paper or emails to move around the office.”

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> —Shel Waggener, President, American Asphalt

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Slice and Dice Data for Reporting, Every Day Views

Acumatica doesn't just provide a single source of truth, but was flexibly designed to provide reporting functionality that draws data from third party applications and allows individuals to gather, filter, and manipulate data based on permissions.

"We want project managers to be able to see quantities and granular views of the data and if they are updating a project, they can do that," Waggener says. Accounting and estimators have access to the same data but can filter and apply it to views more appropriate to their roles, he says.

"Acumatica also provides customizations of the amount of information that you see," Waggener continues. "Any robust accounting package has hundreds of functions, but everyone isn't an accountant. In Acumatica, you can filter but also hide all the information that you don't use every day. You can favorite items and build a favorites view for every day and that's been very, very helpful."

Within Acumatica, employees can easily create customized reports and push them out to others without needing to call upon an IT department and wait days for the information. "They don't need additional training and there's no additional complexity," Waggener says. "They are able to see it simply by changing a view. Acumatica is more flexible with less work than any other package out there."

There's also no need to print and distribute reports. "I don't have to wait for printed reports anymore," Waggener says. "Everyone can get what they need, when they need it from their computer, their phone; anywhere."

Eliminated Manual Processes

Prior to implementing Acumatica, American Asphalt archived its paper project folders, which grew to over 50 banker boxes in an average year. That information is now easily retrievable. "We can search by client, date or project. I'm not sure what the time savings is when you have to look through bankers' boxes versus searching from your phone in real time but it's an enormous help," Waggener says.

And it's not just access to older information but immediate access to information that also changes in real time. "If a project manager needs an extra 200 tons of asphalt, he can make those changes in the system from the field, and everyone can see it," says Waggener. "And when a client makes a change, we all need to be on the same page, and everyone needs to know about that change instantly."

Strong Foundation for Growth

Acumatica Construction Edition not only gave American Asphalt a tool to make its field work more efficient, it also gave the construction firm a good foundation upon which to build its future.

"We can run multiple companies with one platform, have different tax IDs, and Acumatica gives us the flexibility to set up new tax IDs with a click of a button versus making a major investment in IT," Waggener says. Several customers have asked them to expand to other states where they have additional properties, and continued growth is part of the company's strategy, he says.

"We continue to grow between 7 and 10 percent a year, and we managed to do well during the pandemic, keeping all employees on board. Acumatica made it easier to do that," he says.

"Any company looking to grow into the future needs an IT strategy that advances its business", Waggener says. "If you need to integrate data and you want to move faster with your business, then Acumatica is the perfect solution."

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