Success Story

A.M. Ortega Construction boosts profits by millions with Sage Paperless Construction

This premier underground utility construction company implemented Sage Paperless Construction to bring the same efficiencies to its office workflow that it does to its projects.

Challenge
A.M. Ortega had been using an entirely manual process for accounts payable, from routing paper invoices for approval to filling a filing cabinet with a copy of the check attached. Processing thousands of invoices per month was a heavy haul, and they needed a way to automate their accounts payable invoice processing.

Solution
They added Sage Paperless Construction, a document management and workflow automation solution, that tightly integrates with the company's Sage financial management solution. It helps you gain control over electronic content with an easy way to store, retrieve, and route documents throughout your organization.

Result
A.M. Ortega now has an efficient, paperless process where payable invoices are electronically routed, and printed checks are scanned and associated with the digital invoice.

- Reduced time it takes invoices to get from the payables department to the billing department from three to ten days to less than 48 hours.
- Reduced their billing cycle from 15 to 20 days down to two days
- Added bonus of auto-routing the daily field reports to the appropriate billing person, helping shorten the billing cycle.

Sage

Company
A.M. Ortega Construction

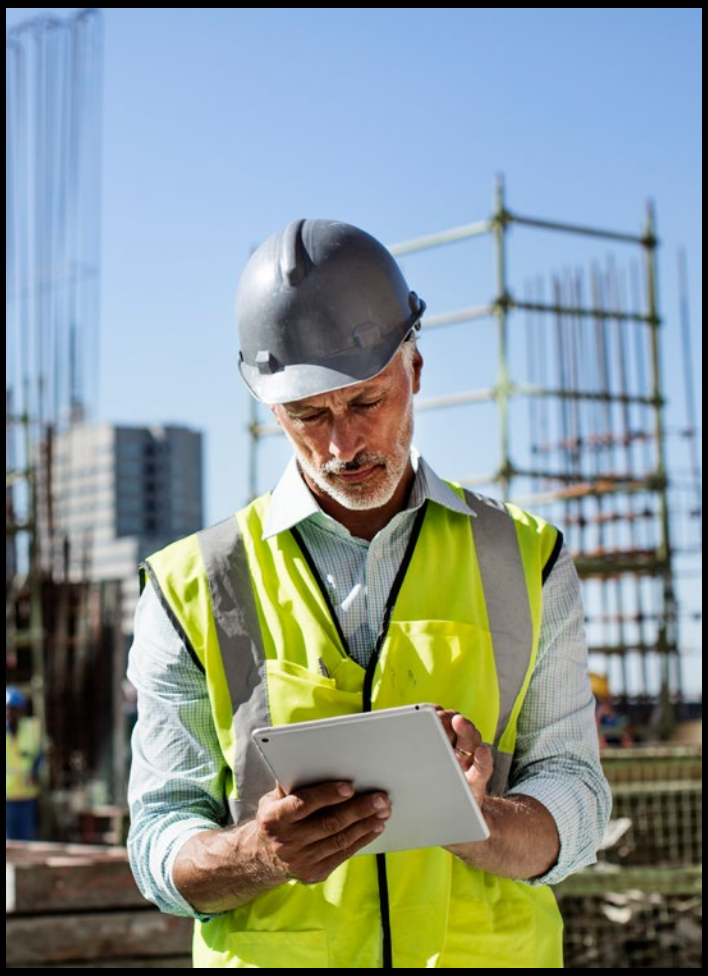
Location
California, USA

Industry
Commercial Construction

Sage Products
Sage Paperless Construction

A.M. Ortega CONSTRUCTION, INC.

About Company
A.M. Ortega Construction Inc. is a premier underground utility construction, grading, and paving contractor headquartered in Southern California.



True paperless payables

Accounts payable had been an entirely manual process for the A.M. Ortega Construction, from routing paper invoices for approval through filing in a filing cabinet with a copy of the check attached. “We process approximately 4,000 accounts payable invoices per month—so there was a tremendous volume of paper and a tremendous amount of time and energy to move, track, and store that paper,” says Bruce Evenrud, CFO at A.M. Ortega Construction.

The company moved to automate accounts payable invoice processing using Sage Paperless Construction, a document management and workflow automation solution that tightly integrates with the company’s Sage Construction and Real Estate solution, and the changes have been dramatic. From an entirely manual system, A.M. Ortega now has an efficient, paperless process where payable invoices are electronically routed, and printed checks are scanned and associated with the digital invoice.

“Our key AP employee was initially very skeptical about going paperless,” recalls Evenrud. “Sixty days later she said she couldn’t imagine doing the old way again. There are no more routing paper invoices, making copies of checks, stapling them to invoices, and filing them. We’ve completely revamped the way we handle payables.”

Increase monthly cash flow by $4 million

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Job profits up $4-5 million

Before Sage Paperless Construction, there was no formal process for routing the company's daily field billing reports for invoicing. After payroll was complete for the week, the 350-400 reports were given to the billing department unsorted and out of order. Sorting the reports and completing the billing then took 15 to 20 days.

"We now use Sage Paperless Construction document routing program for our daily reports," says Evenrud. "We added a custom field on our job for the name of the billing person assigned to the job. ,We then created an automated document routing process that backfilled that field once the job number field was entered. The daily report is then automatically routed to the billing person to start the billing process."

These seemingly simple changes have led to measurable results. "Our Time and Material jobs profits have increased about three to four million per year due the process changes made possible with Sage Paperless Construction," says Evenrud, And we've reclaimed significant square footage after we removed filing cabinets that were no longer needed."

Grow faster with less overhead

Evenrud concludes, "My advice to other contractors is simple—if you are resistant to embrace this technology, you will lose ground to your competitors that are embracing the efficiencies that allow them to be more thorough and grow faster with less overhead."

"Using Sage Paperless Construction, we've reduced our billing cycle from 15 to 20 days down to two days. This single process change increased our cash flow by over $4 million per month."

— Bruce Evenrud, CFO A.M. Ortega Construction Inc.

Sage Accordant

Accordant

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