

## Specialty Subcontractor Alpha Insulation & Waterproofing Leverages Acumatica Construction Edition

### OVERVIEW

When it was acquired by a public company, Alpha Insulation & Waterproofing Inc.'s legacy software needed to be replaced, and its manual processes needed to be automated and streamlined. As a result, Alpha implemented Acumatica Construction Edition, gaining a SOX-compliant construction solution with real-time data access in the field and flexible self-service reporting. Further, Acumatica users can quickly generate WIP or Work-in-Progress reports.

### KEY RESULTS

- Implemented an integrated, cloud-based construction solution with real-time task views, AIA reporting and billing, compliance management, daily field reports, and certified payroll
- Established a SOX compliant system, making it faster and easier to comply with public company requirements
- Automated WIP calculations, reducing 1.5 days of manual calculations to 10 minutes
- Eliminated status calls and inquiries from the field with self-service from construction sites saving considerable time
- Deployed an easy-to-use business solution tailored to the specialty contractor industry, expediting user adoption
- Accessed a flexible and scalable business platform paving the way for future growth

### CHALLENGES

Founded in 1982, Alpha Insulation & Waterproofing Inc. has over three decades of experience in commercial insulation, waterproofing, fireproofing, and fire stopping. In 2017, the company was acquired by Installed Building Products, Inc., which helped IBP expand into the large commercial construction market as a complement to its residential base.

IBP veteran employee Scott Lyons, who helped take IBP public and led IBP's business development team through 40 acquisitions, including the Alpha Insulation & Waterproofing acquisition, was named Alpha's Chief Financial Officer and subsequently, VP of Process Improvement.

At the time of the IBP acquisition, Alpha Insulation & Waterproofing operated nine branches in Georgia, Florida, Texas, Tennessee, and North Carolina. The company ran on a project management and financial system for construction firms, but it wasn't a good fit, says Lyons.

### Unreliable Legacy System Crashed Often

The multi-tenant legacy system often crashed without notice, and users in the field found it unreliable, so they did not use it to the extent required. Instead, they relied on phone calls to the finance team to provide the required information.

More importantly, the legacy system was not SOX compliant. The Securities and Exchange Commission requires an annual audit of public companies and its divisions to prove accurate, data-secured financial reporting.

"We calculated everything manually," says Cassandra Moore, Alpha's Chief Financial Officer. "We literally downloaded data and had a shadow system to be efficient."

She spent half a day downloading and compiling data plus an entire day to create the required reports to calculate work-in-progress (WIP) or percentage of completion for construction each month. WIP reports provide a real-time snapshot of open construction job status and what is coming up. To create them, you need accurate, complete, and timely data.

When project managers in the field needed financial data on their construction projects, they called Moore's small team. "We spent a lot of time with the field explaining where their numbers came from," she says.



### Company

Alpha Insulation & Waterproofing Inc.  
[www.alphaiwp.com](http://www.alphaiwp.com)

### Industry

Construction: Commercial Insulation and Waterproofing installer

### Location


Headquarters: Columbus, OH with multiple locations serving markets in the Southeastern and South-Central U.S.


### Products

Acumatica Construction Edition with:

- Advanced Financial Management
- Expense Management
- Inventory Management
- Warehouse Management
- Payroll
- AP Document Recognition
- CRM with Outlook integration
- Velixo
- DocLink Document Management Solution

### Customer Social Sharing Details

 [www.facebook.com/alphaiwp](https://www.facebook.com/alphaiwp)

 [www.instagram.com/alphaiwp](https://www.instagram.com/alphaiwp)

 [www.linkedin.com/company/alpha-insulation-&-waterproofing](https://www.linkedin.com/company/alpha-insulation-&-waterproofing)

## Extensive Research into Operations, Workflow

Realizing the current system didn't work, Lyons and Moore spent considerable time assessing the company's needs and researching potential solutions. They discussed the entire revenue cycle including the bid-to-build process, billing procedures, and how to incorporate estimating software and other construction-specific products and applications with representatives from every department.

They mapped out and studied AP processes, including how they solicited bids for materials, how to obtain pricing for purchase orders, how to receive materials, and what impact these activities had on inventory. "We also asked all those questions for the field side of the business and then determined if items were a need or want," Lyons says. "We came up with a comprehensive list of requirements and then carefully evaluated each potential application to identify the best possible fit for our business."

Some software vendors told Alpha they could not meet its requirements, while others said the company was too large for their application. So, the team narrowed its list to five potential applications asking each vendor to provide a thorough demo. Applications were removed from consideration because they could not support the needs of subcontractors or were not SOX compliant.

"Being SOX compliant was very important to us," Lyons says. "If you don't have those required reports, it's much more difficult to get through an audit."

Alpha also needed to streamline product receipts and job costs that flow through to inventory and specific jobs. "Our prior software didn't do a good job of that," Lyons says.

## SOLUTION

### Construction Platform with AIA Invoicing, Daily Field Reports

Alpha chose Acumatica Construction Edition after the Cloud ERP team "showed us the software could do what we needed," Lyons says. "Its distribution and inventory management functionality, which talks to job costing, was fantastic."

Acumatica modernizes construction workflows with real-time task views, AIA reporting and billing, compliance management, daily field reports, and certified payroll. The modern construction solution fit Alpha's top five requirements, which included ease-of-use and intuitive user interface, flexible inventory management with updated job costs, self-service reporting, and a reliable cloud-based platform.

"We hired a consultant to sit through the entire process and function as a sounding board. He drove home that Acumatica Construction is built on a superior, modern platform that's reliable versus the one we had previously, which would send emails that the system was down with no ETA whatsoever on when it would be back up."

Acumatica Construction Edition also offered many of the standard reports Alpha deemed essential. Further, report configuration options provided flexibility to tailor reports based on different parameters alleviating the need for outside developers to customize the product. "We spent a lot of time upfront looking at how the platform was developed," Moore says.

Adds Lyons, "Acumatica had the most robust product roadmap, the most thorough understanding of the construction industry, and the best overall user experience."

Alpha's finance team deployed Acumatica Construction Edition to multiple locations during the pandemic. "It was very successful due to the grit of our team," Moore says. "We challenged them in a big way, and they showed up."



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– Scott Lyons,  
VP of Process Improvement,  
Alpha Insulation & Waterproofing Inc.

## BENEFITS

### Data Visibility, Automated WIP Reports

Alpha Insulation & Waterproofing now has complete visibility into all aspects of its growing business with confidence that the data is accurate and up to date. “We have the ability to pull anything we want,” says Moore.

“The data is complete, accurate, and timely,” adds Lyons. “It really allows us to pull the covers back quickly, especially on jobs, and that’s been eye-opening to people in the field in helping them manage their jobs.”

The day and a half previously spent on WIP calculations has been shortened to just a couple of minutes. “It was very, very manual before,” says Moore. “Now we refresh a report with a couple of clicks and view it in a fully-connected third-party reporting app.”

“On the financial reporting side, we can dig into a branch very quickly. The ability to access the underlying detail has tremendously improved,” says Lyons, adding that everyone with the proper clearance level now has access to critical data they need to do their jobs. Providing access to those outside the financial team allows Moore and Lyons to delegate tasks enabling them to focus on other strategic activities.

For example, Lyons has developed several custom reports that project managers can examine during the close-out process. This process empowers users to run financial statements to see percentage of sales, six-month trends, and other important metrics to verify vital financial results. “Say equipment rental goes from a steady \$5k and then one month it went to zero,” he says. “We can look at the prior months and quickly resolve any issues.”

### Minimized IT Risk Profile

Acumatica has also reduced the risk of having few employees to manage specialized business activities. “We now have experts in the platform in every department where before we only had one person who understood how the entire system works,” Moore says. “That’s a big unintended benefit.”

Lyons says that Alpha’s project managers act and react more quickly in the field with Acumatica. “They now have the ability to look at a job and see what’s going on in accounting; they can see where their current margin stands, if they’ve gone over budget, and run a WIP calculation at any time—not just at the end of the month.”

Moore says Acumatica Construction Edition’s automated processes save her time. “It has allowed me to do things that weren’t getting done before,” she says. “I can focus on more value-added activities as opposed to just treading water.”

### Modern Construction Platform for Growth

Acumatica provides Alpha a scalable solution to support continued organic and acquisition growth into new markets through a cohesive solution with flexibility to add new business units quickly; all they need to do is create new locations in Acumatica and train new employees on how to navigate the user-friendly platform. With Acumatica’s unlimited user pricing, adding employees is not a massive expense like it would be if they chose a system with per-seat license fees.

Moore says that scalability was paramount, and Acumatica exceeds that requirement.

“The fact that Acumatica can update job costing with weighted cost average is phenomenal,” Lyons says. “The fact that it came from a distribution company background and had that in its toolbox so that it communicates with inventory and feeds into job costing, and that it can sum up jobs to a WIP schedule regularly, which, for me, means it’s one of the best platforms out there.”

“In my opinion, there isn’t a better product out there for a specialty subcontractor,” he adds.



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