

VHB Speeds Project Re-Billing and Improves Customer Service



VHB provides integrated transportation, land development, and environmental services through 13 offices on the Eastern Seaboard.

Industry

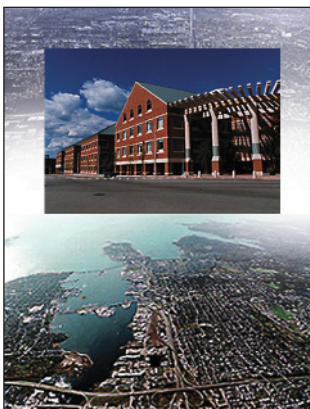
Engineering consulting

Deployment Summary

- Replace labor-intensive manual payment processing of 4,000-5,000 monthly invoices related to more than 2,000 separate projects
- Improve billing accuracy and reduce collection period by eliminating steps in approving and re-billing project expenses to clients
- Eliminate project delays and administrative costs by reducing questions about expenses and requests for invoice details

Benefits

- Collection period reduced with days sales outstanding (DSO) dropping by up to two weeks, creating an expected \$1M improvement in cash flow
- Reduced administrative costs in re-billing by more than 60%
- Partners, clients, and staff access reliable electronic project collections program, ensuring no surprises or errors
- Project managers in any location access backup material in real-time, eliminating project delays and dramatically reducing claims defense costs



“Interwoven WorkSite provides us with a two-week improvement over our previous, time-consuming re-billing system. We estimate the decrease in DSOs will improve cash flow by \$1 million.”

—john jackson, chief financial officer, VHB

Vanasse Hangen Brustlin, Inc. (VHB) is one of the nation’s top design and transportation firms, with 13 offices spanning the Eastern Seaboard. At any given time, the firm’s 700 employees are working on more than 2,000 projects for nearly as many clients, ranging in size from small private engagements to large regional projects, including Boston’s “Big Dig” Central Artery project.

To complete these varied and complex projects, VHB relies on outside contractors numbering from one to as many as 20 per job. Each month, the fees for these subcontractors, as well as any additional expenses incurred on the project — roughly 4,000-5,000 invoices — must go through VHB’s accounting office and then be re-billed to the respective clients. Keeping up with these expenses proved a labor-intensive and time-consuming task for VHB. More importantly, any delay in the re-billing process extends the collection period, which has a direct impact on the firm’s cash flow. As each invoice came in, it was stamped with a voucher number, photocopied, sent to the job’s project manager for verification and approval, and then returned to accounting to be added to the client’s tally.

The situation was further complicated by the fact that more than 40% of VHB’s clients require detailed backup or explanations for every invoice. In these cases, the billing representative fulfilling the request had to call the central office, where an accountant would go to the paper file, retrieve the

documents in question, photocopy them and route them back to the billing representative, who would then get back to the client — often as long as two weeks later. “There were a lot of touches, by a lot of people, increasing the time involved in re-billing and slowing down the collections process,” recalls Greg Bosworth, manager of IT operations for VHB. “We knew we had a problem.”

Electronic processing eliminates “paper pushing”

VHB evaluated a number of systems for improving its project collections processes. Interwoven WorkSite, formerly of iManage, was an obvious choice; not only did it provide the needed functionality, but the solution was already being implemented in other parts of the firm to streamline project management, manage proposal generation in marketing, and track resumes in human resources. The firm was able to quickly extend WorkSite to address its accounting needs as well. “The system was very easy to customize,” said Bosworth. “It took one person less than a week to create the rebilling application, which we then integrated with our existing accounting platform.”

Today, incoming invoices are vouchered as before, but then become e-enabled, streamlining the process to eliminate paper redundancies. The invoices are batch-scanned and a simple application written with the SDK enables accountants to view each

scanned invoice, validate the voucher number, and submit it into WorkSite. Once the invoice is in the system, employees across the company can gain access to them so expenses can be verified and approved quickly and easily online, eliminating the previously required paper-handling and routing. A second application written with the SDK enables users to retrieve billing backup by job number and billing period directly at the project office, so that billing representatives themselves can answer client inquiries in real-time. A connection between WorkSite and the firm's Oracle-based accounting system ensures that all project and invoice information is available instantaneously.

Ensuring VHB's commitment: Creating results for its clients

Now in the hands of billing representatives and accounting personnel, WorkSite has made a significant difference in the efficiency of VHB's billing processes. "Costs have decreased substantially because with our reliable system there are fewer unsupported bills, and data for clients is easier to locate when needed," stated Bosworth.

VHB's Chief Financial Officer, John Jackson, is already seeing significant results. "Backup is automatically generated with each invoice and sent electronically. This provides us with a two-week improvement over our previous, time-consuming system. We estimate the decrease in DSOs will improve cash flow by \$1 million." As for administrative costs, "There used to be three people at the end of each business cycle scrambling to do all the copying, filing and routing of these documents," says Jackson. "Now the accounting group is completely free of the time wasting administrative work involved with invoicing and re-billing."

Jackson added, "Our clients, including our internal project managers and our customers, are extremely happy with the timing and the accuracy of the data that is now supplied thanks to WorkSite."

Just a year after implementation, the WorkSite repository already holds more than 21,000 documents — all instantly available to project personnel throughout the company who need to respond to client requests and keep projects on schedule and budget. "The return on investment in WorkSite has already surpassed our expectations," stated Bosworth. "We wonder why we didn't do this before."

Technology

Solution Summary:

Interwoven WorkSite Server software for document management, collaboration and extranet access to support project management, marketing and human resources personnel. Expanded use of WorkSite also streamlines client billing processes

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