Custom WIP to Expense Account Automation

> "I had a vision for the Expense Recognition tool. The collaborative effort with the 360 team resulted in a product which far exceeded my expectations. A very cumbersome and manual process was automated enabling the reallocation of resources to more value-added activities."

Robin Wilson – Director, Financial Systems and Reporting, Tower Engineering Professionals

CLIENT SUCCESS STORY

Background

Tower Engineering Professionals (TEP) is a full service, multi-discipline, turn-key engineering and construction organization specialized in building and servicing Telecommunications, Commercial, Residential and Renewable towers. For almost 20 years they have designed, engineered, constructed, and maintained over 50,000 towers across North America and hold engineering licenses in all 50 states within the US, most providences in Canada, Mexico, and Australia. TEP's annual production averages 20,000 jobs, and they employ over 300 people.

Business Challenge

TEP has been a NetSuite user for 4 years and has been using NetSuite's Project Management features to track their job related expenses. When expenses for their jobs were initially put against the project, they would go into a Work In Progress(WIP) Account. At the end of each project, or when it was considered complete, all the WIP expenses had to be moved over into the appropriate expense accounts so Tower Engineering Professionals could recognize revenue. This transition would occur at the end of every month and was handled manually by TEP's Finance team.
The team spent a significant amount of time at the end of the month moving WIP expenses into the correct expense accounts and then using custom reports in NetSuite to cross-check and validate this manual process. The work was tedious and detracted from the team's ability to address other business requirements.

Solution Implemented

360 Cloud Solutions and TEP jointly developed an automated process where upon project completion, all expenses were moved against a project into their appropriate final expense accounts via Journal Entries.

Functionality Includes:

- WIP accounts are mapped to an expense account, allowing for the use of multiple WIP accounts.
- A tab is provided on each project, displaying expenses not yet recognized, date the project last had WIP expenses recognized, and the last adjusting journal entry made.
- Management of late expenses (coming in after project completion).
- Ability to undo the recognition of expenses for a project, allowing for all expenses to be placed back in the WIP account they were originally in before recognition.

Benefits

The process saves man-days of effort for TEP's Finance team, especially at month end. The solution is flexible enough to handle posting expenses of different types, including employee expenses, bills, and journal entries, late incoming expenses, and expense recognition reversals. It also provides better visibility into WIP expenses on projects not yet recognized by making the process more granular so that rather than one massive journal entry at the end of the month for all projects, each project is linked to journal entries recognizing expenses specific to the project. It also provides additional data points to use for reporting, such as the ability to search for projects that are yet to have WIP expenses recognized, or the last date the expenses were recognized.

NetSuite Products

- Advanced Financials
- OneWorld
- Fixed Assets
- Project Management
- Job Costing