Dissatisfied with A Legacy ERP, Two Raubex Construction Firms Quickly Deploy Acumatica Construction

OVERVIEW

After trying to deploy a legacy ERP for more than three years in a project that was over budget, the South African construction conglomerate Raubex's Materials Handling and Mining division implemented Acumatica Advanced Construction in just five months. The companies gained an easy-to-use platform that improved data visibility, inventory management, and reporting.

KEY RESULTS

- Gained an ERP platform tailored to construction and growth
- Acquired a single source of truth for all operations, allowing full visibility and transparency
- Gained remote access from construction sites without the need for an intermediary
- Provided real-time access to data from anywhere, speeding decision making
- Eliminated unnecessary paper printing, greatly reducing paper and physical storage needs
- Automated processes, streamlining workflows while saving time
- Accelerated order creation, moving from hours to minutes, saving time
- Acquired fixed asset capabilities housed in the same platform, eliminating data exporting and importing
- United siloed applications, creating a single source of data, allowing staff to be more productive
- Improved inventory management

CHALLENGES

Two companies operating under the Materials Handling and Mining division of Raubex, South Africa's leading infrastructure development and construction materials supply group, tried to implement a legacy ERP for three years before giving up.

Raumix is a leading supplier of aggregates and sand in the construction industry and Tosas, a manufacturer and supplier of quality bituminous products for road paving. Both are run independently from Raubex, which is listed on the JSE and is comprised of some 30 different entities that offer road and civil engineering contracting, construction materials provisioning, and mining services.

Executives from the two companies ended the prior implementation citing costly consultants, poorly configured setups, and siloed modules.

"The prior implementations took two or three years longer, and six to 10 times the original cost that was budgeted for the implementation," says IR Van der Merwe, Divisional Finance Manager over both companies.

The legacy ERP needed heavy customization, which was expensive. In addition, seemingly minor adjustments required expensive consultants, which drove up costs and lengthened the implementation. Every time the ERP tried to update its system, it shut down operations of both companies, causing them to lose business, executives say.

"Getting data out of the system was slow, partly because the consultants set up the software for both companies in a single folder, which caused a lot of issues," says Nico Van Zyl, Chief Financial Officer of Raumix.

Adds Paul Jankowitz, Chief Financial Officer of Tosas, "It also had a lot of add-in modules that didn't work seamlessly. The ERP was built from a large variety of standalone systems that were bolted onto a certain basic structure, and to get all these subsystems and sub-modules to work together was a very big challenge."

The two companies used PWC as the implementation partner and an outside consultant familiar with the legacy ERP. The companies were told implementation was impossible without a special team of either auditors or system accountants. "That just explains how difficult the whole setup was, and even then they still got it wrong," says Van der Merwe.

Company
Raubex | https://raubex.com

Industry
Construction: multidimensional road and mining company in South Africa and Australia

Number of Employees
Approx. 7,000 full and part-time employees

Location
Headquartered in Bloemfontein, South Africa

Products
Acumatica Advanced Construction Edition with:

- Financials
- Fixed Assets
- Order Management
- Monitoring and Automation
- Field Service Management
- Inventory Control
- Project Accounting
- Order Management
- CRM
- Equipment Management
- Retainage
- Discrete Manufacturing
- MRP
- Global Financials

Customer Social Sharing Details

- www.facebook.com/raubexgroupltd
- www.instagram.com/raubex_group_ltd
- www.youtube.com/channel/UCqf3kONeLzhl60kyfMZ-9xg
- www.linkedin.com/company/raubex-group-ltd

Partner Details

Astraia
www.astraia.co.za

"Those consultants normally don't understand the business so they set it up according to their best practices." As a result, he says there was a large communication gap as to what the companies needed and how the software was set up.

Raumix and Tosas needed additional software applications for tracking and weighing materials they mined and sold and for procurement. In addition, the ERP didn't provide field services, remote access, or the ability to track equipment, executives say.

"After three years, we were still not a hundred percent happy with the whole setup," says Van der Merwe. "So that's why we looked for an alternative solution."

Executives looked at what other entities were using. Since each operates independently, they weren't required to use a common ERP, Van der Merwe explains.

Tosas needed a modern ERP that could handle a high number of transactions, credit limits, and connect with weighbridge software. This software manages truck scales and weighing data, helping materials handlers manage materials received, sent, and transferred internally.

In addition to those same requirements, Raumix needed an inventory or stock management system integrated with the financial system.

SOLUTION

Acumatica: Easy to Use and Affordable

Van der Merwe says the companies evaluated a South African construction ERP, SAP Business One, and Acumatica Cloud ERP.

The executives at both companies liked that Acumatica was easy to use, didn't charge licensing fees by the number of users, and included inventory management and credit checks as part of its platform. Acumatica also had an open API that allowed third-party developers to connect applications like Weighbridge Software seamlessly. They also liked it was developed as a modern system.

"From the system side, Acumatica is simple and intuitive to run, maintain, and manage," says Jankowitz. "You do not need a lot of people or consultants with years of experience joined to your hip just to get the most basic of things running. That is where the system design itself shines."

"There was very little that we needed to change in the (out-of-the box) system to give us the answers we needed," he adds. "Acumatica's most basic functionality provided 99% of the requirements that we had from the business. It was very, very simple to get what we wanted out of the system with as little customization as possible. In our old ERP, we were scared to death the moment there was talk of a patch, upgrade or a license upgrade."

That's because when patches and upgrades happened, Raumix and Tosas systems went down. The two firms lost business because of those technical issues, executives say.

Once the decision was made to switch to Acumatica Advanced Construction Edition, the companies carefully vetted implementation partners and chose Astraia based upon its previous Acumatica implementations. Astraia proposed a phased approach to deployment, one that could get each entity up and running quickly given their past struggles. It also helped that Astraia had previous experience with the legacy system.

"After three months of planning with Astraia, it only took us two months to implement Acumatica," says Van der Merwe. "That was quite impressive."

"If you plan properly, then implementation will be a breeze. We can definitely say from our side at Tosas, our implementation was very well done. We are very happy," says Jankowitz. "Our lives are so much easier. The amount of time that we actually have on our hands now to actually do value-add to the companies as financial people, it's so much more now than what it was."

Adds Van Zyl, "It was probably one of the easiest implementations that we've experienced."

![RAUBEX Raubex Group Limited]

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>
> – Paul Jankowitz,
> Group Chief Financial Officer,
> Tosas

BENEFITS

Executives at Raumix and Tosas now access data instantly whether they are at their desks, on their phones, or at construction job sites, which is access they didn't have previously. With a larger amount of critical data available, they are making better data-driven decisions and making them faster.

Employees are more productive and no longer waste time printing paper. They also have mobile access to the data, which has streamlined work at jobsites.

The companies know their true costs and have improved stock management. Employees manage their own day-to-day functions and run reports by themselves.

"The whole point of an ERP is to empower the people that make the decisions with information," says Van der Merwe. "We can see people on site are empowered to get the information out of Acumatica to facilitate business decisions. Before they were flying blind trying to make a decision without that information. We had all that info (at headquarters) but we could never use it properly to facilitate decision making."

"The more information you feed Acumatica, the more you're going to get benefits out of it," adds Anton Du Piesanie, Administrations Manager at Raumix, ticking off a number of benefits. "Stock management is more effective. Management is aware of stock levels and can plan accordingly. Administrative reports are easily accessible. Users can easily navigate the system for reports. These include but not limited to expense reports, asset costs allocations, stock transactions, and open order reports. I also like the ability to trace an expense from a request level all the way back to the bank and from the bank all the way back to the request."

Traceability was a big win for Herkie Sandenbergh, Managing Director, at Raumix. "Having access to all the information, I can drill down into any cost that I want to have a look at. I can look at approvals and who has done what."

Self-service Reporting

Jankowitz now delegates responsibility and accountability to others with Acumatica. "The old system bound me to my desk for probably eight years where not a single report could be generated unless I had my hands in it," he says. "That was my life for eight years. Getting to value-add functionalities and getting our staff to take ownership for their own work was a nightmare. It was impossible because the system required so much effort to just get reports out to the people who needed them. With Acumatica, I can now help somebody help themselves."

Data Instantly Available

Du Piesanie says his team is more productive because information is instantly available. For example, he says, when Raumix decided to consolidate suppliers for its oils in the old system meant researching every invoice to determine what they bought. The task would have taken two days.

"Acumatica is Excel on steroids," he says. "I just exported all our lubricants from the warehouse and, at a click of a button, had the information. I literally did that in two minutes."

"We're definitely seeing time savings," he adds. "Even just creating something as simple as an order. We are running in a fast-paced industry, and to create an order, we can't wait two hours a day" as the company did previously.

Going Paperless

Many construction firms using siloed systems are drowning in piles of paper. For initial contracts, material orders, project and material change orders, architectural drawings, subcontractor change orders, and invoices, managing paper is a major task, and finding the latest data is a constant challenge and storage nightmare.

"One of the most important things we are driving at is going paperless," says Tosas' Jankowitz. "Acumatica provides a very transparent way of operating. Everybody from my most junior person to managers can open any transaction and get right down to the source document, be it an email, a PDF, a letter or a photograph." That kind of transparency was very difficult before. Boxes of paper often had to be couriered or scanned, so someone else could download an email and print the information, which then had to be stored, he says.

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Many construction firms also struggle to get information, mostly on paper, to and from a job site in a timely manner. "Our old ERP had a big problem running off Android or an iPhone, Jankowitz says. "You could access it on a cell phone, but using and navigating it was a nightmare because it ran so slowly. It was terrible to work with."

He says that with Acumatica, managers with cell-phone signals can access data, make approvals, and see all of a project's supporting documentation and actions.

Fixed Asset module

"Another thing we found helpful and easy-to-use is the fixed asset module," Jankowitz says. "Very few ERPs have the ability to run a fixed asset module but Acumatica is able to do so. It's very simple and straightforward with minimal effort needed. It just works."

Van der Merwe says the companies previously managed fixed assets on Excel outside of the system because it was too complicated and expensive. "At one point I got a quote to incorporate fixed assets, and I think that quote alone was as much as our whole Acumatica implementation. Even if you wanted to add or sell an asset later, you would have to get a consultant to do that."

Seamless Connections with Outside Apps

Van der Merwe praised Acumatica's open API which allows third-party developers to create specialized applications that seamlessly connect to the platform. In addition to the additional reporting capabilities provided in Velixo, the application helped the operational teams access the data they needed more easily, he says. "Some operational employees that aren't used to working on an ERP system prefer Excel, so that add-on was also very beneficial for us."

Building for the Future

Raumix and Tosas executives look forward to adding functionality in Acumatica and growing with the platform well into the future. Raumix, for example, is implementing Acumatica's project accounting.

The executives like that Acumatica shares its future roadmap with customers, and incorporates customer suggestions in future releases, which in turn allows them to better plan for the future.

"Acumatica is built with a holistic view with modules designed to connect seamlessly," says Jankowitz. "There aren't legacy issues or connectivity issues between modules. You can tell bright minds were creating Acumatica resulting in an intuitive system I'm sure will be able to adapt with the times. This is just a nicer, cleaner, newer, and tidier design language and design."

Adds Van der Merwe, "You can see that Acumatica is very well thought out with a three to four-year roadmap. You can tell they listen to what customers say and that it is important for them to stay on the forefront of technology and to make the system as easy to use as possible. And for the user, that's music to their ears."

Van der Mere says that, seeing the success Raumix and Tosas have had with Acumatica, two other Raubex companies are switching to it, and a third and fourth are evaluating it.

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