Customer Case Study: Interstate Contract Cleaning Services

Aether provides SAP Business One support help to Interstate Contract Cleaning Services, Inc., bringing the ability to simplify transactions and billing processes while maintaining excellence in personal customer service.

Profile
Starting with just a mop and a bucket, CEO Michael Loggins founded Interstate Contract Cleaning Services in 1996 by cleaning bank lobbies on his way to work. After expanding to basic and customized cleaning and janitorial services, the Charlotte-based company now provides supplies and quality cleaning services using state-of-the-art equipment to commercial, medical and industrial facilities. Over 500 individuals are employed by ICCS which includes 200 day porters and sub-contracted night cleaning teams. ICCS prides itself on long-term customer relationships. Customer service is a key focus which includes personal service from owners and managers and immediate responsiveness to any customer requests or problems.

The Challenge
Due to the rapid growth of the company, Interstate had outgrown QuickBooks accounting system and contract management process which together was used to generate thousands of customer invoices over their two day billing periods. ICCS subcontractors are paid by the square footage of the space they service and because many of their office clients experience frequent tenant turnover, invoice amounts fluctuate month to month. This made the billing process complicated and practically impossible to manage through QuickBooks.

To address the challenge, ICCS initially selected a SAP Business One partner to procure and deploy SAP Business One and a job cost add-on. With SAP Business One, companies can run financials, sales processes, customer interactions, and operations, all in a single-view application. Interstate’s problem was that the job cost add-on brought complexity to the solution to the point where ICCS was struggling to process their invoicing and were facing implementation failure. Because the initial implementation was over budget and well past the conversion deadline, CFO Dave Seymour was brought in to repair the project.

ICCS Brings in SAP Business One Partner, Aether Consulting
In order to meet the project goals of the implementation, Seymour called in Aether Consulting which was a consulting company long before becoming an SAP Business One Channel Partner. Jerry Eisinger, President of Aether Consulting explains, “Our consulting experience gives us a strategic advantage because we treat each SAP implementation as a consulting project. We understand that the goal of a new information system is to improve how the business operates and as consultants our focus is on exactly that. We go way beyond the typical technical approach of installing and configuring software. In the case of ICCS, there was nothing wrong with SAP Business One as their ERP system but it was implemented incorrectly for their business processes.”

ICCS needed to simplify the entire accounting and invoice process and because of their background and experience in business process consulting, Aether Consulting had the ability and insight necessary to re-engineer what had become an unnecessarily complicated process. Because

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Dave Seymour
CFO
Interstate Cleaning Contractor Services
ICCS is essentially an administrative operation, there were many components Aether needed to consider in order to develop an efficient and effective solution. In addition to managing the fluctuating square footage calculations based on changing tenants, ICCS also sells supplies for each job to the end customer and the charge for this can be included in the rate or can be billed separately. Aether was faced with the challenge of going to the root components of the system and re-engineering how the software was used for ICCS’s unique business challenges.

Aether went back to the basics and first studied the current business processes to better understand how ICCS’s business really worked - how contract services were performed, how customer invoicing was done, how vendors were paid, and all other aspects of the business. From that study a new business process was created that fully utilized the core functionality of SAP Business One:

- Recurring Sales Orders are now used to track and invoice customers for the proper square footage of all customers each month.
- Changes to square footage are tracked by creating Sales Orders to record the change in square footage or to record additional services performed.
- Changes to square footage are now automatically updated to reflect recurring sales orders so the proper square footage was charged the next month.

Managing the billing of the contractors that perform cleaning services through ICCS was the next challenge. These vendors are paid based on the square footage they actually clean or any special services they perform during the month. For this, Aether created an automated process using an SAP add-on, iBolt from Magic Software. Now when ICCS customers are billed for services performed, the iBolt procedure can process all the customer invoices and create a payable to the vendor who performed the services for the proper amount, based on the agreement established for each customer.

Addressing the proper tracking and billing of supplies was the final task. ICCS’s invoices from supplies vendors are brought into SAP either by data import or by entering a payable invoice. Again Aether utilized an iBolt procedure to process the vendor invoices and determine which items should be charged to the customer and which items were part of a pre-pay agreement. Sales orders are now created for all items needing to be billed to the appropriate customer. At the end of each month ICCS uses the document generation wizard in SAP to consolidate the sales orders for monthly recurring billing, changes to square footage, and charge back supplies into a customer invoice for billing.

Results
In addition to dramatically increasing the accuracy of customer invoices, ICCS can now customize billing to personalize terms and messaging specific to individual clients which supports their core mission of providing exceptional customer service. ICCS can now generate 1,000s of invoices in less than an hour where it previously took two days. The re-engineered system has been up and running for a year and a half now, and according to Seymour, “is 100 percent better and runs like a Cadillac. The system has been smooth and easy and we haven’t had any subcontractor complaints.”

Since the conversion went live, ICCS has increased their annual new client count and their revenues are up 60% to 70% due in part to the efficiency of the solution, without the need to hire any additional accounting or administrative staff to handle the increased volume. Additionally, consulting fees are only 10% of what they were with the previous vendor. ICCS now has the infrastructure to continue client and market expansion without being held back by an inefficient and unusable invoice and contract management solution.