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Thor Construction thrives with Sage 300 Construction and Real Estate

Efficiencies contribute directly to the bottom line

Customer
Thor Construction, Inc.

Industry
Construction

Location
Minneapolis, Minnesota

System
Sage 300 Construction and Real Estate

Thor Construction, Inc. is the largest African-American-owned construction company in the upper Midwest, specializing in general contracting, site development, construction management, design, build, and self-performed cast-in-place concrete, carpentry, and specialized demolition.

The company switched from using Sage 50—U.S. Edition as its financial software, to Sage 300 Construction and Real Estate (formerly Sage Timberline Office) during a wave of rapid growth. "We realized that we were on the verge of major expansion," says Bob Scott, controller. "So we upgraded within the Sage family of products to a product designed to handle specific construction-industry tasks."

Business is booming
When Thor began growing at about 50 percent a year, it became essential to track all job data electronically, break down job costs by more detailed cost codes, and manage union data.

Sage 300 is now used to run all business at Thor, including the general ledger, receivables, payables, payroll, job costing, project management, and equipment accounts.

"Sage 300 Construction and Real Estate centralizes all of our data into one seamless system, eliminating duplicate efforts. It cuts checks, produces our unemployment reports, and generates entries for payroll reports required for public projects. We previously had one person doing payroll full time, and with Sage 300 those duties are reduced to one day a week, an 80 percent improvement," notes Scott.

Modules maximize efficiency
One of the most heavily used modules at Thor is Accounts Payable. The Sage 300 Construction and Real Estate module reports whenever a discount is lost through a late payment and permits management by exception so the company can earn more discounts for timely payments.

"Just like a good inventory control system for a retailer, this is an excellent project cost control system for retail construction."

Bob Scott
Controller, Thor Construction, Inc.

Challenge
Existing Sage 50 software served Thor well until the company experienced explosive growth, and Thor found that it needed dedicated construction-specific accounting functions.

Solution
Sage 300 Construction and Real Estate offered a complete, integrated suite of financial and project management modules.

Results
Sage 300 Construction and Real Estate has easily supported growth from $4 million to more than $20 million, reduced payroll from a five-day to a one-day task, and cut total paperwork in half.

> "By creating efficiencies throughout the company, Sage 300 Construction and Real Estate contributes to our bottom line. I'm extremely happy with the software and would not even consider leaving it."

Bob Scott
Controller, Thor Construction, Inc.

"We also rely heavily on the commitment feature in Sage 300," Scott says. "Most accounting packages provide accounts payable capabilities, but few let us manage commitments to ensure that we don't overpay our contractors. Fully integrated reports in Sage 300 Construction and Real Estate show us original contract amounts, change orders, and totals already paid—all broken out by individual contractor. This has proved to be extremely important for maintaining ongoing control, and turning around projects before they become too expensive."

Thor started self-performing concrete work in 2000 and discovered it needed more detailed job hour tracking. "Sage 300 Construction and Real Estate lets us break down jobs by hours for concrete versus hours for other construction work," Scott notes. "The potential for disaster is always huge with self-performing work. Sage 300 helps us minimize risk and be successful in this new area."

Powerful project management

Project Management keeps all project data in a single location. "It's great to have contract details stored in the system, so we don't have to go back to paper contracts," says Scott.

"When Sage first offered Project Management, we adopted it right away. Now we use the module to set up contracts, enter estimates, record change orders originating from either owners or subcontractors, forecast work in progress, and calculate estimated-to-actual hours and completion rates. It's easy to produce reports whenever they're needed by project managers. Also, by sending reports through email, we cut our total paperwork in half," explains Scott.

"Accurate forecasting with Sage 300 has really improved our cash flow," Scott continues. "I can compare work done against the budget and allocate variances. Project managers can prepare projections in an afternoon instead of two or three days. By creating efficiencies throughout the company, Sage 300 Construction and Real Estate contributes to our bottom line. I'm extremely happy with the software and would not even consider leaving it."

About Sage Construction and Real Estate Solutions

With more than 40 years of industry experience, Sage keeps projects moving with the most job-ready and people-connected solutions for construction and real estate. Its 40,000 customers use Sage to manage more than 400,000 jobs, 5.7 million subcontracts, and 622,000 rental units each year. To learn how Sage can help your organization, visit **www.sagecre.com**, call 1-800-628-6583 or contact a Sage Business Partner.

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