



GERALD H. PHIPPS
GENERAL CONTRACTORS

A TOOL TO GET
BUILDINGS BUILT

CM*i*C

CLIENT SUCCESS STORY

A TOOL TO GET BUILDINGS BUILT



Headquarters:

Contact:

Founded:

Business:

Denver, Colorado, with a branch office Colorado Springs, Colorado
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1952

General Contractor/Construction Manager specializing in Healthcare, Advanced Technologies, Office Buildings, Higher Education, Research, K-12 Education, Retail, Religious Facilities and Recreation Facilities. Project contracts include Competitive Bid and Design Build for both public and private owners.

Range of Operations:

Colorado

Number of Employees:

350

Project Range:

From less than \$500,000 to over \$80 million

Recent Achievements:

- One of the Top 400 Contractors since 1985
- One of Colorado's largest contractors
- Revenues over \$200 million

After implementing CMiC, Colorado-based construction firm Gerald H. Phipps decides to try CMiC Collaboration Manager on its largest project yet and sees impressive results.

As anyone who has ever done it will tell you, implementing an enterprise resource planning software solution is never easy, especially when the previous software has been in place for a long time. That was the situation that Gerald H. Phipps, one of Colorado's leading general contractors, was in after choosing CMiC in 2000. Gerald H. Phipps went live with CMiC Enterprise and CMiC Project Management in 2001, but found the initial stages adapting to the new solution difficult.

"It takes a while to get CMiC ramped up," said Jeff Hofstetter, Information Systems Manager at Gerald H. Phipps. "It took about two years to get to the point where we were as efficient as we were with our old system."

Prior to CMiC, Gerald H. Phipps had relied on a set of disconnected systems to help manage the growing, \$200 million General Contractor/Construction Management business and found that the lack of integration was holding the company back from reaching its full potential.

"We really wanted a system that everyone in the company would be comfortable using, regardless of their role in the organization or the specific project they are working on," said Hofstetter.

A few years after Gerald H. Phipps had implemented CMiC, they decided to pioneer CMiC Collaboration on a major project – The new Children's Hospital in Aurora, Colorado. The Children's Hospital ranks as the fourth in the nation and number one in the West, and at \$400 million, it was the biggest project that Gerald H. Phipps had taken on to date. This project would become a test for CMiC, to see if the pains of implementation were worth it.

Simple and Easy to Use

In 2000, an executive at Gerald H. Phipps decided that it was time to look for new accounting software. Some of the applications that the company had been using had been in place for 25 years and the company found it wasn't meeting their needs. Using a program called Profitool Accounting/Job Costing for financial operations, and another program called Primavera Expedition for project management, plus various other applications for pre-construction, human resources and safety, meant that information was stored in different systems and difficult to access by key personnel in time to make crucial business decisions. Having disparate systems, provided by more than one vendor, causes a host of problems including multiple data entry points which lead to an increased rate in errors.



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Executives at Gerald H. Phipps first encountered CMiC at the Associated General Contractors conference in Chicago, a major industry event hosted by an association that represents 32,000 firms, including 7,000 of America's leading general contractors. CMiC joined the short list with four other software solutions providers, but ultimately, CMiC was chosen because of its fully-integrated product suites.

"We picked CMiC primarily for the integration," said Hofstetter. "At the end of the day, CMiC provided the unified reporting we required for all aspects of the business, while at the same time eliminating the different systems that often lead to duplicate data and processes, as well as the delays in getting people the right information they need when they need it to do their jobs."

By providing a full-range of applications uniquely suited for the construction industry, including financials, project management and human capital management, CMiC software solutions eliminates the need for multi-vendors. The advantage of this approach is that information can move through the system more quickly and since CMiC runs on a single database, multiple data entry is reduced.

"Before we had separate programs to get project management data and now we have an integrated program where all of the data is written directly into the accounting system, which means no more double data entry," said Hofstetter. "By being simple and easy to use, CMiC led to employee buy-in because they see the individual benefits and how it can help them to do their job."

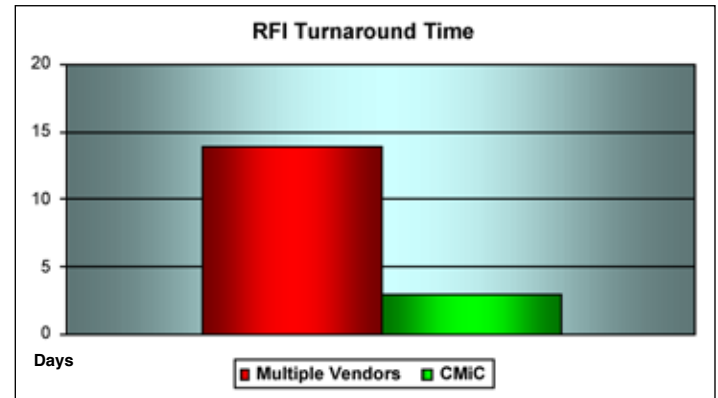
The True ROI: A Successful Project

Executives at Gerald H. Phipps made the decision to use CMiC Collaboration for the first time on their biggest project, the new Children's Hospital in Aurora, Colorado. Gerald H. Phipps had been using CMiC for a few years but had decided to utilize Collaboration Manager to help with this major project. A landmark in downtown Denver since 1908, The Children's Hospital had outgrown its location and needed more room to maintain the high-level of health care for which it has become well-known.

CMiC Collaboration Manager allows for real-time communication, meaning that key stakeholders can manage all communications with vendors, track and create unlimited document notes, receive proactive alerts based on actionable items and store information across projects. CMiC Collaboration has an unbreakable security matrix, so executives have tight control, ensuring that only the right people view the information they were meant to access. For Gerald H. Phipps, using CMiC Collaboration Manager on The Children's Hospital for the Request For Information (RFI) process proved to be incredibly beneficial.

"Using CMiC Collaboration on this project worked out well," said Hofstetter. "We were able to cut the RFI turn-around time, which typically takes at least 2 weeks down to 2 to 3 days. All the people involved on the team were excited about using Collaboration and

we are rolling it out on all other projects. Collaboration is going to add another layer of efficiency because we can get our business partners on the same system and instead of using paper, we can collaborate online."



Though considerable gains were made in RFI turn-around time, concrete ROI for other processes has yet to be quantified. "ROI is a difficult thing to really get a good handle on," said Hofstetter. "I can see the ROI because we have become much more efficient in the operations that we use to do with the old system. Once we got past a certain point with using CMiC, we started getting efficiencies that we couldn't with our old system. We are now in a stage where we are really getting good at using CMiC and we are seeing efficiencies all around."

The Next Step Forward: Imaging and Workflow

Gerald H. Phipps plans to start using CMiC Imaging and Workflow to help manage and control the massive amounts of paperwork that any construction firm has to contend with. "We are going to start small with Imaging," said Hofstetter. "We are starting with AP invoices and sub-pay apps and as we progress more, add more documents over the next 12 months." CMiC Imaging allows firms to design their own imaging file system to store, index and catalogue images and move that information across the enterprise much quicker.

"We anticipate that we can reduce the amount of struggles we have to get invoices approved from project managers because we don't have to send pieces of paper up to their desks for them to look at. They can access them on the road and on the site, and we can cut the approval time down," said Hofstetter.

As well, CMiC Workflow streamlines and automates business processes to eliminate unnecessary steps and reduce the risk of duplications and errors. "We are expecting to have tighter control over deadlines," said Hofstetter about CMiC Workflow.

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As Gerald H. Phipps expands into becoming more of a regional power in the state of Colorado, CMiC is able to keep pace with its growth. "Assuming we meet our goals and objectives, we predict we can double our size in the next five years and CMiC can help us handle the increased number of employees and projects."

After having used CMiC for a number of years, Gerald H. Phipps is beginning to see the true benefits of integration. "For us, it's another tool that we use to get buildings built," said Hofstetter. "It was a struggle getting started but now we are beginning to reap the rewards."

Sample Project

Project Name: The Children's Hospital

Location: Aurora, Colorado

Construction Cost: \$400,000,000

Construction Time: February 2007 through May 2009



Detail:

The Children's Hospital ranks fourth in the nation and the best in the West. From the beginning of the planning process, careful thought went into making certain the new facility is designed for the delivering the most effective health care to patients and families. Careful consideration was given to how all spaces will be experienced.

The CMiC Advantage:

Gerald H. Phipps pioneered CMiC Collaboration on this project and reduced RFI turn-around time from an average of 2 weeks to 2 to 3 days

The Advantages of CMiC

Previous System:

Profitool Accounting/Job Costing, Primavera Expedition for project management, various other applications for pre-construction, HR, safety and education

Problems:

Lack of integration, multiple data entry, outdated system, slow information management system

CMiC Solutions Implemented:

CMiC Project Management, CMiC Financials, CMiC Collaboration, CMiC Imaging and Workflow

CMiC Financials:

Greater financial control over projects and increased access from project supervisors to foremen to real-time financial information

CMiC Projects:

Able to efficiently manage 40 to 50 projects on one system

CMiC Cost and Budget Management:

Tighter control over project costs with its access to real-time accounting information

CMiC Collaboration:

RFI turnaround has been cut from 2 weeks to 2-3 days by doing the process on-line



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