

Synopsis

Client: Supplier of air conditioning, plumbing and electrical products, with over 500 active job sites per month, and 8,000 service calls per year.

Key Pains: Inadequate accounting controls, a lack of service call coordination, and difficult inventory management coupled with non-existent job costing capabilities.

Solution: Microsoft Dynamics SL

Key Benefits: Better overall management controls, lower administrative costs and more profitable bidding for improved cash flow.

The Client

In business since 1980, Kings Aire is a rapidly growing provider of air conditioning, plumbing, and electrical products and services throughout the El Paso area and neighboring New Mexico counties. The foundation of their success lies in meeting the highest performance standards in their business – through comprehensive employee training and rigorous customer care.

With over 190 employees serving a customer base comprised of nearly 7,000 residential and 3,000 commercial customers, their business is a complex web of logistics. To meet the needs of their customers, Kings Aire sources materials from over 200 suppliers, and are active on up to 50 individual job sites in any given month.

While new construction is a significant component of their business activity, ongoing service is also a mainstay of their business. Up to 8,000 individual service calls are logged each year.

The Challenge

Kings Aire reached a major turning point in its evolution when, in 1997, they secured a contract with the US military that saw their revenue jump by 500% over the course of a single year. The accounting package that had served them up to that point simply became inadequate in the face of their dramatically increased scale and complexity of operations.

As the number of personnel involved in day-to-day administration increased, tighter controls were needed in terms of accounting data input and adjustments. There was also a need to better coordinate and manage a ballooning number of service calls, and to ensure that the parts inventory needed to do these jobs was adequate without being excessive. Setting and triggering appropriate re-order points became a critical business driver not only in terms of maintaining service excellence, but also in terms of minimizing necessary working capital levels.

Accurate job costing information also became a business imperative as Kings Aire needed to be able to develop and deliver accurate quotes on potential new business, as well as to achieve acceptable levels of profitability on a dramatically increased number of projects.

And finally, the networking ability of the overall financial and business management solution needed to be greatly enhanced.

The Solution

After evaluating several alternatives, Kings Aire chose to install the Microsoft Dynamics SL solution. A major determinant was the fact that the service side of their business could be very effectively managed by functionality that was already resident in the software, rather than requiring various add-ons that would have needed some modification to work for their business. In addition, these service capabilities were integrated with excellent core accounting and financial management capabilities.

A second major reason for selecting the Microsoft Dynamics SL solution was the availability of ongoing local support. Clients First not only had a strong presence in the El Paso area, but an excellent reputation in all aspects of technology selection, installation, and ongoing service.

The Benefits

Having installed their new Microsoft Dynamics SL solution, Kings Aire has found that it drives several business benefits:

- ▶ Improved cash flow. Managing payables and receivables is now far easier, and the system allows for more rigorous management control than was afforded by their old software.
- ▶ Reduction in working capital. Because inventory management is now far more precise, and “just-in-time” practices are greatly facilitated by the new solution, less capital needs to be tied up to successfully deliver both new projects as well as to perform ongoing service calls.
- ▶ Faster and more profitable bidding. Because robust and accurate job costing information is now available, bids are now prepared in a fraction of the time it previously took, and if won, the jobs are profitable.
- ▶ Better overall management controls. The new solution affords senior management more detailed information about the business, and consequently a greater degree of control over its trajectory.
- ▶ Lower administration costs. Not only are errors greatly diminished because the new solution is more sophisticated, but fewer people are needed to administer the business than would otherwise be the case.
- ▶ A full history of financial transactions is now available. As an example, historical information on inventory items is easily accessible to review prior costs.

In Summary

Jose Villa, CFO at Kings Aire, sums it up this way:

“Financial management software may not be the first thing a business wants to spend money on, but we would not have survived without this solution. It has allowed us to efficiently manage explosive growth, and we could not be happier with Clients First as a supplier and business partner. They have been there every step of the way.”