

Spreadsheet Server Case Study: ARCO National Construction, Inc.

In its 2019 economic forecast, Dodge Data and Analytics projected that US construction starts for the year will total **\$808 billion**, remaining nearly level with \$807 billion in 2018 and continuing a **four-year trend of modest annual growth**. Even those categories with the most optimistic outlooks are expected to see a maximum increase of four percent.

Despite forecasting drops of three percent for multifamily housing and six percent for commercial construction, Dodge predicts single-family housing will hold steady and anticipates manufacturing plant construction, institutional building, and public works construction will experience increases of **two, three, and four percent respectively**.

This should be bracing news for St. Louis, Missouri-based **ARCO National Construction, Inc.** Ranked the 15th largest design/build general contracting firm in the country, ARCO rang up estimated annual revenues of **\$1.5 billion** in 2018, currently provides more than **550 jobs nationwide**, and enjoys an almost **70 percent repeat business rate**.

In an industry slogging through a cycle of slowdown and soft growth, ARCO needs fast, accurate data access to make the kind of informed, fact-based decisions that will enable the 27-year-old company to remain nimble, competitive, and successful.

The Selection Process

“Terrible,” was controller Brian Meyers’ succinct response when asked to describe ARCO’s original financial analytic and reporting process. “I told my boss that **if we ever have to go back, I’m not going.**”

Because the company’s financial statements were Excel based, they were forced to devise a somewhat clunky work-around to obtain information from their **Viewpoint** accounting software. “We created what we called our data input tab, which we set up with two columns,” Meyers recalled.

The accounting team then began by running general ledger (GL) trial balance reports for every account—including inactives—via Viewpoint and copied the results into the right-hand Excel column, where a formula checked whether the account numbers matched. But a problem arose. Adding a new GL code into the right-hand column also required **manually adding it** into both the left-hand column and the formula strings, in addition to determining where it might belong in other existing reports.

"It was a whole big thing," said Meyers. "Every journal, every job cost adjustment, anything at all that hit the GL, **it took 10 or 15 minutes to update the financial statements every single time.**"

Things got even more sluggish in their month-end process. As a rule, the accounting team closed accounts payable 15 days after end-of-month and tried to get financial statements done one month in arrears. "End of March, we're looking to get February statements done," Meyers said. **"Using the old system, it was a three- to five-day operation."**

And because reports were not emailed automatically, distributing them further increased lag time. "We'd compile the reports into PDFs and feed them into a main repository from which the administrative assistant would email them," said Meyers. "But it took her another half day to verify the addresses and send them out."

Meyers described the day one of ARCO's controllers returned from attending a conference enthusing about a new Viewpoint reporting application she had seen. Her fervor convinced the accounting team to view a demonstration, never suspecting it would blow them away with a totally unanticipated solution to their predicament. "Fifteen minutes into watching the insightsoftware **Spreadsheet Server** demo," Meyers recalled, "our CFO muted the phone, looked around the room, and said, **'Yeah, we're buying this.'**"

Implementing Spreadsheet Server

The accounting team discovered that Spreadsheet Server produces more accurate data than their previous report writing application. This has enabled them to **catch previously undetected discrepancies.**

For example, ARCO has 25 general contractors throughout the US with whom they frequently run internal joint ventures. "You set up the job in both

companies, with only one of them being where the costs hit, then you move costs over as they're realized. Nothing is supposed to hit the job on the second company," noted Meyers. Using Spreadsheet Server, however, they noticed that **the data from Viewpoint was not always what it was supposed to be**, because some costs were incorrectly hitting the other job.

"We couldn't have caught that before we started using Spreadsheet Server," Meyers admitted. "It alerts us to things we need to take a look at and helps us identify and fix issues much sooner than we could have under our old system."

In addition to drastically reducing the span required to generate financial statements to **only half a day**, Spreadsheet Server enables team members to easily report on user-defined fields that instantly provide information detailing company experience across a range of construction categories for use in preparing proposals. "We can show we've built X number of cold storage facilities, Y number of warehouses, and Z number of distribution centers," said Meyers, "and thanks to the queries we've developed, we can get that information in a hurry."

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It's not just the huge amount of time that is saved, though; it's also the **sheer amount of information** that is available at the click of a button, eliminating the need to pull down the project, put in a

spreadsheet, and manipulate it manually. “That original three- to five-day month-end close was routine when we had half the number of general contractors we do now,” Meyers said. “Yet **we’re doing more sets of statements now in less time than we did before.**”

Navigating Success

ARCO’s transition to Spreadsheet Server resulted in several additional unexpected benefits. “The **42 working days a year in freed time** each of us has picked up in which to do other things to move the business forward is a **massive productivity increase**,” said Meyers.

He is also impressed by the software’s scalability: “We were working with probably 10 to 12 general contractors when we started with Spreadsheet Server, and **now we have 25**. We were a \$770 million enterprise, and this year we’re projecting **\$2.5 billion**,

yet **Spreadsheet Server is still just as easy** and just as helpful—if not more so—than when we had fewer GCs and far less money.”

Despite the company’s exponential growth, Meyers and his accounting team have yet to throw anything at Spreadsheet Server too big for it to handle. “It’s just as useful on any scale,” said Meyers, pointing out that their general contractors—from ones doing \$3 million a year to those generating more than \$75 million—**all now use Spreadsheet Server** themselves, regardless of company size.

As for Meyers, every single report he used to put in the Excel data input tab is now in Spreadsheet Server, and he couldn’t be happier with the results. “There are very few things I’m evangelical about that I will share with everyone and anyone,” Meyers admitted.

“Spreadsheet Server happens to be one of them.” 