

Primavera and J.D. Edwards: perfect together

Rapid growth and increasing competition led ValleyCrest Companies to integrate its project management and accounting software to maintain tight control of projects nationwide – and boost profits.

By Janet Kreiling

Among the landscape practices that Calabasas, California-based ValleyCrest Companies has pioneered is the moving of big trees. Big trees don't generally transplant well; developers shy away from those over four inches in diameter. But not ValleyCrest. One of the company's most ambitious transplants was a tree with a diameter of 12 *feet*. The huge *Ficus australis*, which was moved partway across Orange County in a 26-foot-wide box, was 80 feet tall, 38 feet in circumference, and its canopy 70 feet wide. The tree and requisite soil weighed in at 250 tons.

But, since profitability doesn't rest on even a landscape company's laurels (or ficus), ValleyCrest is innovating its business management with another big first. Its Landscape Development group has integrated Primavera project controls software with J.D. Edwards accounting software so thoroughly that the day after trees are moved (whether one or a hundred), boulders placed, concrete poured, sod laid, or labor expended, both project manager and accountant know exact quantities and

costs. Both also know how the actual figures compare with the estimates, and whether profit targets are being met at any point in the project. ValleyCrest does 80 to 90 percent of its own work, subcontracting out the rest, so tracking costs closely and continually, especially for labor, is critical.

Begun more than fifty years ago with a few hundred dollars and a pick-up truck, ValleyCrest now generates revenues in excess of \$600 million a year, according to Wendy Kaszycki, director of project management for the company's Landscape Development division. Kaszycki was hired to bring in project management tools to help ValleyCrest handle its growth. Her division regularly handles landscape design, development, and maintenance projects with budgets up to \$100 million for stadiums, hotels, casinos, theme parks, municipal and corporate buildings. The next time you visit the Asia or Africa sections of Disney's Animal Kingdom in Florida, the Bellagio Hotel in Las Vegas, or the Lucayan Resort in the Bahamas, look around. Those





► Disney's Animal Kingdom, Fla.

Photo Courtesy of ValleyCrest Companies.

waterfalls, pools, gardens, lawns, and terraces are ValleyCrest's work. The company typically has some 500 projects underway, under the oversight of 80 or so project managers.

CRUCIAL FORECASTING

"The whole point of project management is being able to forecast accurately how you're going to end up," Kaszycki says. "With the integration of Primavera and J.D. Edwards (JDE), we can now compare actuals and estimates when we're just ten or twenty percent complete. If we see we're trending to be over budget, we

still have eighty or ninety percent of the project in which to bring the two back in line."

The company's other goals for the integration included eliminating duplicate data entry; establishing common, best practices; and providing tools for consistent, company-wide project analysis.

THE INTEGRATION

First, Kaszycki introduced Primavera. "We wanted to get the document control engrained in our culture first," she says. Primavera won out over the other PM programs she surveyed, in

part because of its flexibility and custom reporting. "We customized it so that every project manager enters data the same way, and the project record can be used by anyone at ValleyCrest who needs it."

Once Primavera was well in place and work processes fully defined, the integration with JDE began, with the help of consultants from AniWorld, Inc., located in Pasadena.

Today, more than 25 categories of items are exchanged between the two programs: At project initiation, JDE downloads set-up information on cost codes, the original and extra work con-

tracts, the budget, and contracts into Primavera. As the work progresses, Primavera uploads information on change orders, internal budget revisions, and subcontracts to JDE. JDE sends necessary data to the Primavera solution, such as purchase orders and changes to these commitments. After initial set-up, the two programs exchange new data with each other overnight.

JDE also, as appropriate, down-

use it for forecasting as well. To me, the cost worksheet is the whole meat of the Primavera project controls solution. If everybody does his or her work properly, the information just flows into the worksheet and the PM can see the projected contract value against the projected cost.”

Moreover, says Justin Cohen, president of AniWorld, the integration “allows financial and project man-

the unit price and quantity; J.D. Edwards may have only the lump sum. Post-integration, ValleyCrest’s Primavera software can work with the lump sum figure as well. In addition, security concerns had to be addressed to ensure that users had the correct level of access.

“The success of the integration has been proven,” Cohen points out. “Because of the size of the two

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– Wendy Kaszycki, director of project management

loads client billings and actual costs to Primavera, which can then produce current reports on costs, such as payroll, subcontractor and vendor invoices, and materials delivered. JDE compares these figures with the contracts and budgets to forecast the cost at completion. It also calculates the cost to completion and downloads this information into Primavera.

“The key benefit from integrating Primavera and JDE is that together they produce a full cost analysis,” Kaszycki says. “We automatically do data extractions and loading of all financial information, a bonus for branch managers who used to have to enter data on spreadsheets themselves. The bonus for project managers is that the software allows them to forecast the cost at completion, based on actual costs and commitments as well as pending estimates, so we can see exactly where we are and do it very early into a project.”

FULL COST ANALYSIS

“Most people,” says Kaszycki, “use the software for document control. We

agement people, who speak different languages, to each get all the information they need in a way that’s comfortable for them.”

MATCHING THE DATA

The integration was fairly straightforward. Nonetheless, given the scope of the two programs, the devil was in the details. “We had to understand how we used both programs, to ensure that they extracted the right data from each other,” Kaszycki says. Crucial, of course, was testing and retesting, she emphasizes, as well as beginning the installation with a pilot.

To do the actual integration, AniWorld “developed data analysis tools for each program, ensured the data was clean, and verified its integrity,” says Cohen. Stepping down to a more detailed level, his team also ensured that data on, say, vendors and cost codes appeared the same in both programs and that data fields were congruent. Reconciliation was required on a number of items – for example, the treatment of unit prices on purchase orders. Primavera stores only

programs, it was not trivial, but it’s been done, and other companies can also do it. They don’t have to scrap the project management or accounting software they like just to have systems that work together.”

BENEFITS BEYOND COST CONTROL

The integrated software, piloted in January, 2002, is now installed in all 17 of ValleyCrest’s branch offices and two satellite offices. Project managers can track projected and actual costs from the outset of a project and do it easily.

But the benefits extend further. The integrated programs also allow ValleyCrest personnel to respond more quickly to queries from customers and better communicate with them, Kaszycki says. “That increases our credibility and allows us to be more proactive regarding issues and solutions. And, of course, our results are more consistent and we manage resources more efficiently.” The programs also help people to be more disciplined, especially in tracking costs

of labor and extras.

When asked about bottom line rewards, Kaszycki says, “First, it’s too soon to have hard numbers, but I believe the integration is improving our profitability. And second, when my boss asked me how I was going to support the company’s growth, I pointed out that the integrated software makes each project manager more productive, so the staff that we have in place can handle at least some of the increased workload.

“The two programs are working together really well,” she says. “Now I hear people say they just can’t imagine managing a job without them.” •

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▶ **Bellagio Hotel, Las Vegas.**

Photo Courtesy of ValleyCrest Companies.