

## Success Story

# Utility contractor boosts profit by millions

Sage Paperless Construction allows A.M. Ortega Construction to grow faster with less overhead

“Our job profits have increased \$4 million per year due the process changes made possible with Sage Paperless Construction.”

### Bruce Evenrud

CFO, A.M. Ortega Construction, Inc.



### Challenge

Critical tasks, including accounts payable and billing, were largely manual and highly paper intensive, robbing the contractor of efficiency and slowing the cash flow cycle.



### Solution

Sage Paperless Construction allows A.M. Ortega Construction to electronically capture and route job-related documents and automate routing and approvals.



### Results

Using Sage Paperless Construction, A.M. Ortega is lowering administrative overhead while accelerating its billing cycle. Automated workflows eliminate the need for manual touchpoints, speed processing, and enable the company to invoice jobs more quickly.

- Billing cycle reduced from 15+ days to just two.
- Monthly cash flow increased by \$4 million monthly.
- Mobile app delivers work order data in the field.
- Time and material job profits up \$4 million annually

# Sage

### Company

A.M. Ortega Construction, Inc.

### Location

Lakeside, CA

### Industry

Commercial Construction

### Sage Products

Sage Paperless Construction  
Sage 300 Construction and Real Estate

**A.M. Ortega**  
CONSTRUCTION, INC.

### About A.M. Ortega Construction Inc.

Founded in 1974, A.M. Ortega Construction, Inc. has served a long and distinguished list of clients throughout the Western United States for over 40 years.



A.M. Ortega Construction, Inc. is a premier underground utility construction, grading, and paving contractor headquartered in Lakeside, CA. With over 300 field employees and 50 accounting specialists, estimators, designers, project managers, administrative professionals, and senior management roles, the company successfully manages a large volume of both public and private projects, bringing them in on time and on budget.

Recently the company implemented Sage Paperless Construction to bring the same efficiencies to its office workflow that it does to its projects.

#### **True paperless payables**

Accounts payable had been an entirely manual process for the company, from routing paper invoices for approval through filing in a filing cabinet with a copy of the check attached.

“We process approximately 4,000 accounts payable invoices per month—so there was a tremendous volume of paper and a tremendous amount of time and energy to move, track, and store that paper,” says Bruce Evenrud, CFO at A.M. Ortega Construction.

The company moved to automate accounts payable invoice processing using Sage Paperless Construction, a document management and workflow automation solution that tightly integrates with the company’s Sage Construction and Real Estate solution, and the changes have been dramatic. From an entirely manual system, A.M. Ortega Construction now has an efficient, paperless process where payable invoices are electronically routed and printed checks are scanned and associated with the digital invoice.

“Our key AP employee was initially very skeptical about going paperless,” recalls Evenrud. “Sixty days later she said she couldn’t imagine doing the old way again. There’s no more routing paper invoices, making copies of checks, stapling them to invoices, and filing them. We’ve completely revamped the way we handle payables.”

#### **Increase monthly cash flow by \$4 million**

The company performs a large number of time and material jobs for its utility customers and issues an average of 4,000 invoices each month.



With Sage Paperless Construction, A.M. Ortega Construction is now capturing and approving job costs more quickly which leads to a faster billing cycle.

“Previously, we had five full-time employees doing billing, and the entire process was manual. Most of the invoices have multiple documents attached to support the invoice. The process was entirely manual including multiple trips to the copy machine,” explains Evenrud.

Now, all job expense invoices and associated documents are automatically routed to the billing person assigned to that job for approval, eliminating the possibility that a project expense goes unbilled and removing the need to make and route paper copies.

The automated routing also speeds the process, which in turn speeds the billing cycle. Before Sage Paperless Construction, the billing department personnel relied on the payables department to make copies of the expense invoices and then deliver the paper copies to them. As a result, it typically took anywhere from three to ten days for the expense invoice to land in the billing department, significantly slowing the billing process. Today, the process has been reduced to less than 48 hours from the time the expense invoice is received.

“Using Sage Paperless Construction, we’ve reduced our billing cycle from 15 to 20 days down to two days,” says Evenrud. “This single process change increased our cash flow by over four million dollars per month!”

#### **Job profits up \$4 million**

Before Sage Paperless Construction, there was no formal process for routing the company’s daily field billing reports for invoicing. After payroll was complete for the week, the 350-400 reports were given to the billing department unsorted and out of order. Sorting the reports and completing the billing then took 15 to 20 days.

“We now use Sage Paperless Construction document routing program for our daily reports,” says Evenrud. “We added a custom field on our job for the name of the billing person assigned to the job. We then created an automated document routing process that backfilled that field once the job number field was entered. The daily report is then automatically routed to the billing person to start the billing process.”

These seemingly simple changes have led to measurable results. “Our time and material jobs profits have increased about three to four million per year due the process changes made possible with Sage Paperless Construction,” says Evenrud. “And we’ve reclaimed significant square footage after we removed filing cabinets that were no longer needed.”

#### **Grow faster with less overhead**

Evenrud concludes, “My advice to other contractors is simple—if you are resistant to embracing this technology, you will lose ground to your competitors that are adopting the efficiencies that allow them to be more thorough and grow faster with less overhead.”



Sage

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