

Success Story

Staffing firm gains new profitability insights, eliminates 70 hours a month in manual work

Epitec

“Sage Intacct has given us new capabilities to take a deep dive into granular detail on each project, on each customer, to determine profitability and make smart business decisions.”

Melissa DuVall

Finance Team Lead, Epitec

Company overview

Epitec is a premier IT, engineering, and professional staffing company providing services throughout the U.S. The Michigan-based firm connects contract, contract-to-hire, and direct-hire talent with opportunities in all major industries.



Executive summary

Previous software:

- Microsoft Dynamics GP

Results with Sage Intacct

- Cut out 64 hours a month in manual payroll and billing work.
- Eliminated 5 hours a month in bank reconciliations.
- Gained new insights into profitability by projects and customers.
- Has agility and scale to pursue aggressive growth objectives.

Sage

Company
Epitec

Location
Michigan, US

Industry
Business Services

Sage Products
Sage Intacct

epitec
Placing People First



Epitec selects a finance platform ideal for professional services

Founded in 1978, Epitec has grown into one of the leading IT, engineering, and professional staffing companies in the U.S. The firm provides contract, contract-to-hire, and direct-hire placement services for diverse clients, including top Fortune 500 firms, in all major industries. As growth accelerated, the Michigan-based company adopted a cloud-first IT strategy that would replace legacy on-premise systems with modern best-of-breed cloud applications. That included an outdated Microsoft Dynamics GP accounting and finance system.

“Microsoft Dynamics GP didn’t allow us to really take a deep dive into our profitability and determine what we needed to do to get to the next level,” said Melissa DuVall, Epitec finance team lead. “It was just so outdated that as we approached \$100 million in annual revenue, we knew we needed to upgrade to a more modern system with better reporting,” Melissa said. In addition, the legacy system couldn’t generate AR aging reports, and didn’t integrate with Epitec’s proprietary billing and payroll system, called Epilink. That meant a great deal of error-prone manual data imports for the accounting team, and no ability to drill down into transactions.

Working with its longtime IT consulting partner Alta Vista Technology, Epitec considered a move to Microsoft Dynamics 365 before selecting Sage Intacct as the financial management platform for its next phase of growth. “Sage Intacct is really geared for professional services companies, and that was key for us,” Melissa said. And as a cloud-based solution, Sage Intacct would also allow mobile and remote work that wasn’t practical with the on-premise Microsoft Dynamics GP.



Epittec has eliminated five hours a month in bank reconciliations work through Sage Intacct automation.

Eliminating 64 hours a month in payroll and billing

Alta Vista, a Sage Intacct partner, implemented the platform in 2018 — giving Epittec the agility and scale it would need in 2019 when it acquired a complementary company, MSXI. That acquisition added 500 new employees, for a total workforce of about 1,600, and brought annual revenue to more than \$125 million. Epittec no longer has to manually transfer billing information from Epilink into Microsoft Dynamics GP — saving two full days a week, or 64 hours a month, despite transactions doubling in recent years. Payroll data from Epilink now moves seamlessly into Sage Intacct, which took over the billing function.

In addition, a customization by Alta Vista made it possible to split AP invoices in Sage Intacct to streamline both billing and accounts receivable cash application processes. “That’s super important because Epittec customers pay per employee, and now we can apply the payments seamlessly,” Melissa said. “When we’re processing payroll and billing on a weekly basis, that adds up to important time savings for the finance team. And accuracy in billing has improved because we’ve eliminated the manual import file between Epilink and Microsoft GP,” Melissa added.

Meanwhile, Epittec has eliminated five hours a month in bank reconciliations work through Sage Intacct automation, bringing total time savings to nearly 70 hours a month. It’s also streamlined journal entries, which have doubled with growth from about 5,000 to 10,000 a week. Efficiencies gained through Sage Intacct have enabled Epittec to maintain a five-day monthly close while adding an additional 8,000 transactions per month. Now, Melissa has new time to train new personnel on the easy-to-use Sage Intacct platform and collaborate with business leaders on new insights for growth.



Critical insights into profitability for growth

Using the Sage Intacct Projects module, Epitec is able to establish each of its roughly 1,600 employees as an individual project with a direct feed from Epilink. That's giving Epitec breakthrough capabilities to track profitability by individual customers and employees, which wasn't possible with the previous system. "We can really take a deep dive on each project, on each customer, and determine what's profitable and what isn't," Melissa said. "We were able to make a smart business decision recently and eliminate a piece of business that we could tell wouldn't be profitable by looking at granular detail per customer, per project, in Sage Intacct. In the coming months, we can definitely expect to see our margins improve," Melissa commented.

Epitec has additional insights with new AR aging reports devised by Alta Visa that let it easily identify late-paying customers, setting the stage to reduce days sales outstanding (DSO) in the near future and accelerate cash flow. Plus, Sage Intacct's multi-dimensional reporting provides new slice-and-dice visibility into its various service lines, such as staff placement vs. individuals directly hired by a customer. Those insights are crucial as Epitec explores additional acquisition opportunities and pursues its goal of doubling in size over the next five years.

Melissa is especially pleased with Sage Intacct's ease of use and functionality purpose-built for a professional services company. Finance team morale is high with the elimination of manual work — and new ability to work remotely two days a week through a cloud-based solution with anytime, anywhere access. "Remote work is a huge selling point when I'm hiring new people because most companies don't have that flexibility just yet," Melissa said. "I'm thrilled and the team is thrilled. Sage Intacct is such an updated and modern system compared to Microsoft Dynamics GP. It's simple and user friendly, whereas in our old system you had to click through three different screens just to figure out what was going on," Melissa concluded.

