NUCLEUS RESEARCH

GUIDEBOOK
DELTEK

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THE BOTTOM LINE

Deltek's enterprise resource planning (ERP) applications are designed for project-oriented businesses such as consulting firms, government contractors, accounting firms, marketing agencies, architecture and engineering firms, manufacturers, and a variety of other professional services firms. In analyzing the experiences of Deltek customers, Nucleus found they were able to optimize operations and, as a result, reduce IT costs, increase staff productivity, and improve reporting.

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THE SITUATION

Deltek provides enterprise resource planning (ERP) solutions specifically designed for the needs of project-driven companies including professional services firms and government contractors. Deltek has products that cover the full project lifecycle from business development to project management. These products enable users to access data from a streamlined user interface (UI) in real time on any device. Deltek's UI consolidates several features and modules into one location. Deltek applications are available both on premise and in the cloud. Deltek product modules include:

- Financial management
- Time and labor collection and expense management
- Purchasing and procurement
- Resource and project management for automating scheduling, and the optimization of human and material resources
- Human resources and payroll for managing employee information, improving candidate tracking and onboarding, training and assessing performance
- Governance, risk, and compliance support
- Business development

Given Deltek's significant investments and experience in project-driven businesses, Nucleus has found customers can take advantage of the embedded best practices within the application as well as tight integration with project-specific capabilities such as time reporting and resource allocation to support their growth goals. These capabilities, coupled with Deltek's investment in bringing customers to the cloud,

are well-suited to project-based businesses that want to move to a more modern ERP application.

Nucleus analyzed the experiences of a broad group of Deltek customers in the United States and Europe to better understand the benefits Deltek delivers to customers and the type and scale of benefit Deltek users can expect to experience.

WHY DELTEK

Customers interviewed were mainly coming from BST, Quickbooks, and Billquick. Customers selected Deltek after outgrowing the aging solutions and as a result of wanting to replace them with a Deltek upgrade. Nucleus found that Deltek customers chose its solutions for three main reasons: breadth of project and financial management capabilities, usability, and price.

BREADTH OF FUNCTIONALITY

Given older on-premise reliance on bolt-on products to boost aging systems, the breadth of Deltek solutions' all-in-one cloud capabilities was a key selling point for many customers. Customers expressed satisfaction with increased visibility into real-time data and reporting via timesheets, for example. Customers said:

- *"We were close to switching from BST 8 to BST 10 but we ended up going with [Deltek] because of project management capabilities and putting more in hands of project managers."*
- *"We were on Quickbooks, [but] it just really wasn't cutting it for the increased production we were experiencing. [We] looked at several different options and Deltek came out the clear winner because it checked all of the right boxes."*

USABILITY

Customers said that Deltek solutions' intuitive user interfaces and real-time accessibility allowed users to deftly navigate the features needed while not interfering with the integrity of reporting. While some users were hesitant to adopt the technology, customers said employees found the learning process to be intuitive and wholly embraced. Having an all-in-one cloud system was a clear need for customers looking to preserve or even improve key processes while making these processes more streamlined for everyone involved. Customers said:

- *"[Deltek's] real-time system is always up to date, fully integrated and never has delays. Once you press a button, it happens."*

- *"It's simpler and quicker to review and approve people's time. There's better data integrity and an overall reduced number of questions. Various things are easier to do because it's easier to do them correctly."*

PRICING

Deltek customers said that as part of comparing Deltek to competing solutions, affordability was essential in the final decision-making process. Beyond moving to software as a service (SaaS) licenses from on-premise implementations (in some instances), Deltek's package solutions were competitively priced according to customers and even suggested lower technology costs after the initial investment in Deltek products. Customers said:

- *"We looked at several solutions but Deltek came out far ahead of the others, there was no comparison. Deltek could do a vast majority of the things we needed it to accomplish and wasn't going to cost an arm and a leg."*
- *"We got rid of a lot of systems and interfaces that cost time and money. We've seen real savings."*

KEY BENEFITS

Among the scale of benefits experienced by Deltek customers were reduced IT costs, increased staff productivity, improved reporting, increased end user productivity, improved project profitability, streamlined resource management, and increased HR staff productivity. 94 percent of customers analyzed by Nucleus said they achieved a positive ROI from their Deltek deployment.

REDUCED IT COSTS

Nucleus found that customers who chose Deltek solutions in order to modernize previous ERP operations saw IT costs reduced by a range of 20-24 percent. Most often, preceding solutions relied on simultaneously juggling several incongruous systems at the same time. Alternatively, the Deltek product consolidated features provided by the previous systems into one streamlined user experience. A key benefit from this modernization strategy cited by several customers is reduced reliance on IT involvement. Customers found:

- *"IT support was a huge part of our Deltek implementation. Especially because it's SaaS, the amount of IT needed is minimal; they have almost nothing to do with this software."*
- *'IT [personnel] can [now] deal with more important things."*

- *"One of the biggest changes [since implementation], is the hosted environment for the Deltek system, and because of that, being able to scale down IT costs and step up operating efficiency."*
- *"In our day-to-day, we need very little interaction with IT. Because of Deltek, we really only rely on IT when we need backup or are required to involve them."*

Nucleus found Deltek customers typically reduced costs by a range of 20 to 24 percent with some customers experiencing greater savings.

INCREASED STAFF PRODUCTIVITY

Nucleus found Deltek solutions enabled companies to increase staff productivity by eight to ten percent because of factors such as accelerated internal turnaround time for time sheets and billing, for example. The common Deltek theme of real-time access to information resonated with customers, many of whom were able to reduce tasks that would normally take days and instead are now able to accomplish the same result in minutes. Getting documents approved, for example, was accelerated by the ability to get the right timesheets in front of relevant personnel automatically in real-time rather than having to chase individuals for the result. Customers noted:

- *"With Deltek, we are absolutely more productive. Before, employees would spend time on lots of workaround tasks. Now, we're seeing time savings of an hour or so per employee per week. We're expecting even more of a productivity boost as more users begin to use Deltek."*
- *"Now you're having data at your fingertips on a constant basis. Project managers have information in front of them and [are] able to react quicker because they have the data they need to manage any projects readily available."*
- *"The majority of our staff is mobile. [Deltek's] mobile component and tablet time expense apps—they're all reasons why our field personnel are more productive."*

Nucleus found Deltek solutions enabled companies to increase staff productivity by 8 to 10 percent.

IMPROVED REPORTING

Nucleus found that improved overall quality of user reporting was invaluable with regards to providing users with real-time data in one source. Quality of reporting on any device as a result of clearer insights and streamlined time-keeping was

acknowledged by most customers. Users were also able to accelerate time to invoicing, for example by getting all of the relevant paperwork in front of the right people as soon as it was available. Customers noted:

- *"The biggest impact [we have] seen is having the ability to capture all of our efforts through Deltek's time keeping as well as the way that projects are logged."*
- *"The real-time reporting system is always up to date, fully integrated, and never has delays. You just press a button and it happens. Other systems take days and you spend so much time waiting."*
- *"In addition to the standardized Deltek reports, we're really embracing the custom internal reports tailored to specific countries or business units. We see that as a key asset."*
- *"The whole company's accounting picture is in one system now [that] includes international. Makes it easier to analyze and report in various metrics."*

IMPROVED PROJECT PROFITABILITY

Several Deltek customers said the products supported their business growth as they were able to increase their customer base while maintaining the level of quality of previously established business operations. Although profits varied by the type and maturity of a company, Nucleus found Deltek customers had an increase in profitability of at least 2 percent and sometimes as great as 20 percent. Faster turnaround times are a key factor cited by Deltek customers. One example is a small engineering firm that saw improvements in accelerating billing time and expanding responsibilities per employee from using Deltek. Customers said:

- *"[Deltek] has sped up time to invoicing dramatically."*
- *"There's no way we would be where we are without Deltek. Growth would've been markedly slower."*

Nucleus found an increase in profitability of at least 2 percent and sometimes as great as 20 percent.

STREAMLINED RESOURCE MANAGEMENT

Deltek customers said they were able to reassign IT personnel to more pertinent tasks after deploying Deltek solutions because the need for IT involvement was notably reduced once systems went live. In addition to this, many customers said deployments resulted in less personnel being needed to manage certain tasks such as billing. Project managers were able to have a clearer picture of ways to optimize their resources to drive growth and profitability. Customers said:

- *"By using the electronic invoicing component – we've streamlined previously significant paper trails floating around the office."*
- *"As more tools come out, we don't need as many people. New workflows with new vendors are easier."*

INCREASED HR STAFF PRODUCTIVITY

Nucleus found that HR staff productivity for Deltek customers increased by an average of 4 percent since deployment, with some customers experiencing greater savings. Many customers said new employees experienced accelerated onboarding times. Specifically, new employees were able to begin working faster as a result of streamlined training and using Deltek applications for the overall onboarding process. By gaining more visibility into applicants and their progress, HR employees were able to complete more tasks with less personnel. Customers said:

- *"We're now seeing an [job] applicant volume that we didn't know about previously. Now we know who's coming onboard."*
- *"New hires are faster. Hiring managers, connections, employees are able to grow their careers better than before."*

Nucleus found that HR staff productivity for Deltek customers increased by an average of 4 percent, with some customers experiencing greater savings.

BEST PRACTICES

Industries served by Deltek are increasingly relying on the anywhere anytime functionality central to cloud solutions and as such, will benefit from Deltek's products. When considering timesheet approval, for example, speediness is a key part of an optimal operation. Coupled with the fact that Nucleus has found that cloud applications deliver 1.7 times more ROI than on-premise ones (Nucleus Research, *m108 – Cloud delivers 1.7 times more ROI*, September 2012), Deltek customers, from small firms to large multi-location businesses, can leverage Deltek solutions to likely realize a significant ROI.

Managers looking to grow and recruit younger staff felt that adopting modern technology was key in attracting desired applicants as the technology suggests organizations value the technology they provide their employees with. Organizations looking to expand business opportunities with younger personnel can leverage Deltek's all-in-one UI as a key recruitment tool. The intuitive UI is also

essential for driving increased user adoption rates as users are able to come up to speed with the applications while receiving more capabilities from one source.

Deltek software brings more structure to processes such as timesheet applications. While embracing Deltek might initially be a culture change for managers as well as involve a lengthy and complicated implementation process, having a streamlined structured system in place is essential for succeeding in the fast-moving modern marketplace.

CONCLUSION

As companies consider their ERP strategies, they are conscious of both the initial time to value and an application's ability to support changes as their business needs change. In analyzing Deltek's customers' experiences, Nucleus found that they were able to take advantage of Deltek's focus on the project-based model and Deltek's investments in capabilities specific for their businesses to achieve rapid time to value. Additionally, the flexibility and accessibility of cloud-based ERP enabled them to have a less disruptive deployment and upgrade path. They also gained the benefit of decades of experience with Deltek's professional services staff in guiding their implementations. As a result, more than 9 out of 10 Deltek customers achieved a positive return on their investment.