

# Perficient and Primavera: Optimized Resource Utilization Drives Competitive Success

## Project Management Highlights:

- Optimized resource utilization
- Management of SOX compliance
- Easy integration of new resources gained through 6 major acquisitions
- Previously outsourced resource management functions brought in house
- Accurate resource needs and ROI forecasting possible
- More efficient client services translates to higher gross margins



Although information technology acts as a common foundation for most business operations, not all companies or organizations have the internal expertise on hand that they need to plan, execute and manage their IT strategies. That's the good news for IT consulting firms such as Perficient.

A leading provider of business-driven technology solutions, Austin, Texas-based Perficient serves clients across the U.S. and Canada. Using Internet-based technologies to help companies make their businesses more responsive to market opportunities and threats, strengthen relationships, improve productivity, and reduce IT costs, Perficient strives to improve clients' competitive advantage. The company relies on focused project teams to deliver high-value, measurable results, thereby enhancing return on investment for clients

by reducing the time and risk associated with designing and implementing technology solutions.

This business model is clearly working. Since Perficient was founded in 1997, the company has delivered solutions to more than 600 Global 2000 and other large enterprise clients. From startup to publicly traded company (NASDAQ: PRFT), Perficient has grown rapidly: for the year ending December 31, 2005, revenues soared to \$97 million, an increase of 65 percent over the previous year, and the company says it is on track in 2006 to earn more than \$150 million. Further, since 2002, more than 80 percent of the company's revenues have been derived from repeat business."



## An eye for detail

Jack McDonald, Perficient's chairman and CEO, says that the company's principles of delivering world-class solutions to clients, providing great careers for colleagues, and building meaningful value for shareholders have helped it succeed, even in challenging economic conditions. A closer look, however, reveals that Perficient is adept at handling the smaller details that breed business profitability and success.

Over the last several years, the company has experienced tremendous growth – some organic, but much of it through acquisition of other small consulting firms with in-demand expertise. “Our growth strategy is to acquire individually owned companies that lead in their ability to provide solutions to clients in their local areas,” says Jason Feucht, Perficient director of business operations. “We have an active pipeline of acquisitions. We've already acquired two new companies this year, and our plan is to grow the company to the \$500-million level and beyond.”

Perficient serves clients from a network of offices in 15 major markets across the United States and Canada. Subsidiary offices report to headquarters, creating a complex arrangement of parent-child information sharing and reporting solutions. Compounding the organizational intricacy is the need to monitor and manage nearly 950 active workers – employees and contractors – who collectively serve as the face of Perficient to hundreds of clients.

## New control over resources

Managing these resources quickly became impossible using the company's existing manual processes and spreadsheet tracking. “As a young company, we had a small number of experts who could track resources and assign people to various client engagements,” says Feucht. “Newly acquired companies also tended to use spreadsheets and manual processes. As the company grew, we knew we couldn't rely on people alone. We needed to standardize on processes and roles.”

The company engaged a hosted time and expense reporting application that also offered limited project management capabilities. But as additional acquisitions swelled the company's headcount and management complexity increased, Perficient president and chief operating officer Jeffrey Davis realized that a new approach was needed. “We wanted to bring our resource management application in-house, where we could have greater control over it,” he explains.

Moreover, as a publicly traded company, Perficient needed a resource management approach that would help address its Sarbanes-Oxley (SOX) reporting and internal controls requirements. Identifying resource management roles, creating standardized processes, and documenting time and expenses on a per-project basis would create the reporting rigor required by new compliance mandates.

Davis acted as executive sponsor for the search and formalized a list of requirements. At the top of the list: a resource management solution that would provide a stronger view of project details and the resources supporting those projects. The company also needed time and expense capture and tracking, along with all of the processes needed to comply with internal control requirements and any future SOX requirements.

“We wanted distributed invoicing capabilities and strong revenue and resource reporting,” says Feucht. “The solution had to be one that could be implemented quickly and could scale to the needs of a large organization. It also had to be affordable to implement. In sum, we wanted a resource management solution that would give us the ability to view and manage our resources and their application across the enterprise.”

## Choosing success

After a brief search – spiked by a report showing Primavera at the top of a Gartner “Magic Quadrant” – Perficient made its choice in September, 2004. Primavera provided the resource management functionality the company needed, at an affordable price point. Davis and his team liked Primavera's ability to scale as the company grew, and he believed it would be easy to roll out to the company's offices across the country.

Implementation was quick and easy, with a small team from Primavera working alongside the Perficient IT staff. Says Michael Reiss, chief technologist and director of IT: “Like any implementation, there were challenges along the way. But Primavera did a good job of working with us to address those issues early on.” The solution went live on January 1, 2005.

Perficient workers who had reported their time or expenses using the hosted solution quickly came to appreciate the new tool. Newly acquired companies who were still using spreadsheets were thrilled with standardized processes. And with COO Davis championing the project, the solution was quickly accepted.

## Platform for new efficiency

Today, all Perficient workers use Primavera to report their time and expenses. In addition, approximately 40 project managers use the solution to monitor the progress of project completion, manage resource utilization, track hours committed or deployed per project or per resource, perform budgeting functions, and identify available resources. The solution helps these managers ensure that resources are expended in a way that maximizes client satisfaction while remaining within contracted budgets, allowing Perficient to deliver positive ROI for each project. The company also uses Primavera to manage internal project portfolios and to generate external revenue and profitability assessments. Reports can be generated for general managers and other executives.

Perficient has always run a lean operation, but having the new resource management capabilities is helping the company operate more efficiently, even during rapid growth. Reiss, the IT director, is confident in the solution's ability to keep pace. "The system has scaled through everything we've done to date, and we see it continuing to keep pace for the foreseeable future," he says. "I have no concerns about doubling the size of the business and running out of capability on Primavera."

The solution has also enabled other key benefits. Distributed invoicing capabilities allow the company to generate invoices locally for newly acquired companies, while enhancing accuracy and reporting to headquarters. The solution's integration capabilities make it easier for Perficient to assimilate each newly acquired company into its system, usually within just one month. Being able to centralize and decentralize individual processes on demand has enhanced Perficient's control and flexibility in managing the internal control structure. For example, when a material weakness was discovered during Perficient's SOX audit, the company was able to use Primavera's flexibility to change processes and enforce the new policy.

"Primavera has given us a platform to build our resource management processes and reporting around," Feucht says.

"We know what our resource demands are, and we know what our availability is as each project and opportunity arises."

## Optimizing assets

This insight is helping Perficient to become a more competitive organization. The efficiency gains in resource management have contributed to higher resource utilization. Reporting capabilities provide excellent visibility into the metrics tracked by the company that measure business success, visibility that contributes to improvement.

"Primavera has helped us to drive a higher level of gross margin," says Davis. "We feed the information from the tracking back into our business development or sales compensation plans. This helps us further enhance corporate performance."

Reiss acknowledges that lessons have been learned from the new resource management system, but he thinks that Perficient is on the right track. For example, increased knowledge transfer from the Primavera staff helped Perficient use the solution more effectively. "By learning more about the system intricacies, we were able to leverage it more and make it easier to do our business," says Reiss.

"Primavera has worked with us to get the technical knowledge and understanding we need to be able to leverage the system effectively."

Perficient is satisfied with the enhancements in its resource management efficiency – although the company's harddriving work ethic virtually assures that it will continue finding new ways to use the technology. "The thing we're most pleased with is Primavera's willingness to work with us, where we want to use the solution in a different way or develop enhancements," says Davis. "Primavera has been very responsive to our requests, which definitely helps us succeed."

### WORLDWIDE HEADQUARTERS

Three Bala Plaza West  
Bala Cynwyd, PA 19004, USA  
P. +1.610.667.8600, 1.800.423.0245  
F. +1.610.667.7894  
info@primavera.com

### INTERNATIONAL HEADQUARTERS

Metro Building, Third Floor  
1 Butterwick  
London W6 8DL, United Kingdom  
+44.20.8563.5500  
Fax: +44.20.8563.5533  
intlinfo@primavera.com



[www.primavera.com](http://www.primavera.com)