

## Product

Maxwell Systems ProContractorMX

## Company

Magleby Construction  
Pleasant Grove, UT

## Industry

Magleby Construction is renowned for building exquisite estate homes and leading-edge commercial projects, as well as handling complex remodels. The company also has divisions focused on millwork, excavation, and home maintenance.

## Challenges

The contractor was using its accounting software in a limited capacity and managing much of their information outside the system in spreadsheets and other manual processes. Without all information maintained in one location, Magleby relied on duplicate data entry and lacked true job costing on projects — wasting time and losing money.

## Solution

Magleby Construction chose Maxwell Systems ProContractorMX as its all-in-one construction management software solution for seamless workflow across estimating, project management, and accounting. The contractor selected ProContractorMX because it is a complete solution to streamline the entire construction process, it has multi-company functionality, and its iPad feature can increase communications with the crew in the field.

## Results

By using the complete solution of ProContractorMX, Magleby makes sound business decisions based on accurate financial information. For example, the contractor can easily run a financial report on an individual company or the whole organization, can review financial statements with subaccounts rolled up or expanded (and so focus on details of costs and where to save), store and manage electronic documents seamlessly with binder feature, more efficiently and easily manage subcontractors, and properly handle change orders to avoid costly mistakes.



Maxwell Systems Case Study

# Magleby Construction

Magleby Construction prides itself in more than 35 years of building exquisite estate homes and leading-edge commercial projects, as well as handling complex remodels. The company also has divisions focused on millwork, excavation, and home maintenance, each operates as their own legal entity. Based in Pleasant Grove, Utah, this \$32 million construction company with more than 100 employees serves a geographic area along the Wasatch Front and Park City.

Since 2001, Magleby had relied on Maxwell Systems American Contractor to be its construction accounting and project management software solution to manage the operations of its nine companies. However, J. Bradley Simons, Magleby's CFO explained that the firm had been using American Contractor in a limited capacity and much of their information was outside of the system in spreadsheets and in other manual processes, creating many challenges.

"Without the information all in one place, we often got to the end of a project and would have to write-off thousands of dollars in items that were never billed to the customer," said Simons. "It was a constant problem."

Considering its processes and how to best manage operations moving forward, the company evaluated numerous software systems. In December 2011, Magleby selected Maxwell Systems ProContractorMX all-in-one construction management software solution to handle its estimating, project management, and accounting — its entire workflow from end-to-end. Simons explained that the primary reasons for choosing ProContractorMX were the fact that it is a complete solution that would streamline the entire construction process, it has multi-company functionality, and its iPad feature would increase communications with the crew in the field.

Magleby has implemented the accounting and project management components of the all-in-one solution along with its mobility app, and will move forward with the estimating functionality in the near future. "We didn't want to tackle everything at once, so we are using a phased approach," said Simons.

## One Solution for Four Companies

As a complete solution, ProContractorMX serves as a central repository for all of Magleby's business information. "By having everything in one system, contractors can make sound business decisions based on accurate financial information," explained Simons. "With ProContractorMX, we can easily run a financial report on an individual company or a combined financial on the whole organization. This capability does not exist in spreadsheets or when using separate systems."

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“We have all these different companies that operate as their own legal entities and we needed a way to have accounting functionalities that could cross company lines,” said Simons. “In all my research, I have found very few systems that have this ability.”

He added, “The multi-company functionality in ProContractorMX is working great. We have all of our employees in one company and we are able to assign them to the other entities. So, although we’re doing payroll out of one company, it is hitting all the job costs and all the individual company reports. That is incredibly important. ProContractorMX has helped us to put our company in order and to protect us legally. Having a system that supports that is very powerful.”

### ***It’s All in the Details***

In addition to the multi-company functionality, Simons also expressed the value of the subaccount functionality. Prior to implementing ProContractorMX, Magleby lumped their costs into a few major categories, such as utilities, fleet management, and office expenses. This created many challenges when understanding and managing their costs.

With the subaccount functionality in ProContractorMX, items can be posted to specific sub categories, such as legal, IT, or accounting under Professional Services, for example. “When reviewing financial statements, we can either look at them rolled up or expanded. So, we can roll it up really tight where it only shows revenue, costs of goods sold, indirect costs, operating expenses, and net profit or I can run details to the account level or the subaccount level. By having those subaccounts and really focusing on costs, we have saved hundreds of thousands of dollars.”

An excellent cost-savings example is how the firm has saved money with their insurance expenses. Previously, Magleby had all of their insurance bulked into one main category. “When we broke that out into workers compensation, cost of construction, and general liability, we could see that it seemed really high. So we changed agents and saved almost \$80,000 a year. ProContractorMX didn’t save the money directly, but it certainly helped us to identify the problems. You can’t find problems like this if everything is bulked into one account.”

The savings continued to add up! Simons recalled how a storage container located behind their building was being rented for \$360 a month. When Simons saw that cost deep down in the system, he inquired about it, but no one knew what it was. They uncovered that it was a container rented to store a customer’s furniture while he moved — two and a half years before Simons noted the cost and started asking. The customer had forgotten about it and the firm wasted all that money paying the rent! “If we had ProContractorMX sooner to see the account and subaccount details, we would have seen that cost show up in a month or two and saved us thousands of dollars,” Simons explained. “If you can’t see your costs and details, it’s money leaking out of your business, unseen, every day.”

Simons shared numerous other examples including one when he was reviewing the firm’s broadband bills and realized there were 10 lines at \$50 a month not being used. “That’s another \$500 we were wasting every month because we were not able to see the details before,” said Simons. “With ProContractorMX, we can drill down to get a ton of detail, which allows us to really know where things are going and make modifications as we need to. Time and time again, we have saved money by looking at these details. Most companies try to attack big expenses and forget about or neglect all the little things because their system just won’t give them that level of detail.”

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## Simplifying Project Management

“The binder functionality of ProContractorMX might be the most powerful part of the entire system, because you don’t have to have a separate system to store and manage your documents,” stated Simons. “You can scan and save electronic documents to all the different binders in the system and they are all right at your fingertips when you need them. You no longer need to open your accounting system to find an invoice and then open your document management system to view a hard copy of the invoice that might have notations about who approved it or edits made to it. Eliminating that chore of going to two different systems, opening and closing separate programs and screens, has been very helpful.”

### *Capturing all the Changes*

Managing change orders can be a challenging task for a construction company, but ProContractorMX is able to efficiently handle the workflow from potential change orders to change order requests, helping Magleby avoid costly mistakes. “Managing change orders in ProContractorMX has helped us keep our customers informed about where they are financially on their projects. By having all the details in reports for the customer, they see pending change orders and approved change orders, and can see how the changes are affecting the bottom line of their project as it progresses, rather than being surprised down the road.”

### *More Easily Managing Subcontractors*

In the past, Magleby managed their subcontractors with a manual process. Now, every subcontract is created in ProContractorMX and they are able to more easily manage pricing, scope of work, terms and conditions, insurance, and more. They are now alerted if a subcontractor is not up-to-date on their insurance, for example, and can hold payments until they have the proper insurance. “We implemented a policy to send reminder letters notifying our subcontractors that their insurance is expiring in 30 days and requesting an updated copy. It has reduced our workload a ton because we don’t have to chase down the insurance. With ProContractorMX we are much more efficient and more easily manage our subcontractors.”

### *Connecting to the Field*

Magleby will also use Mobile Connect, a ProContractorMX feature that provides easy and convenient access to important project data on an iPad mobile device. “This was an important selling point for us,” said Simons. “The use of the iPads in the field will enable us to get information out to our guys instantaneously. With this real-time access to daily reports, change orders, and other project-related information, we will make fewer mistakes and be able to increase our productivity and profitability.”

## The Power of ProContractorMX

“We have already achieved a number of the efficiencies of the all-in-one system despite not implementing estimating yet,” Simons explained. “For example, we had a couple project managers leave and we were able to replace them with administrative staff, who can handle a lot of the busy work. We’re able to do this because we have everything in one system, not in spreadsheets, and our admin can easily create subcontract agreements and change orders from the office.”

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He continued, “We are doing about the same volume of work with less staff. Before we had two project managers at a cost of about \$180,000 a year and we are spending about \$50,000 total in labor. That is another \$130,000 a year in savings that we have achieved because we now have everything in one system.”

“I look at a lot of systems all the time as a consultant and teacher on the topic of IT in construction, and there is no other single source system that has the power and potential functionality of ProContractorMX,” he added.

### *Embracing Change*

As Magleby continues the rollout of ProContractorMX across the organization, Simons shared some advice: “Anytime you implement new software and processes, it can be tough. I encourage patience and implement a little at a time.” He also recommends selecting an employee(s) that you know will help champion the product and who will encourage the rest of the team to embrace it as well.

The Maxwell Systems support team has been by his side throughout the implementation. “One of the biggest strengths of Maxwell is that they will move mountains to help get something corrected or make improvements to the product,” Simons said. “They really want to provide the highest level of customer service and we have pushed the system to its outer limits with our company structure and they have been patient and worked with us. They recognize our level of commitment to ProContractorMX and tenfold have paid it back to us.”

He concluded: “Maxwell is very good at listening to their customers. They want their users to make enhancement suggestions and be involved in the product development since we are the ones that use it on a daily basis. They are not a bunch of programmers telling us how to run our business — they are listening to us tell them how to design it so we can use it in our business the way we want and need.”

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