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Case Study

Eastwood Homes Switches From Sage Timberline to Microsoft Dynamics NAV

Gaining Flexibility, Power, and Performance

Eastwood Homes is one of the great success stories in North American home building. Founded in 1977 and still family owned, the Company started more than 850 homes in 2013, and expects over 1,000 starts in 2014.



Eastwood Homes operates in six divisions throughout North Carolina, South Carolina, and Virginia. These branches surround Charlotte, NC, where the company is based and where the business began nearly 37 years ago. With just 160 employees, managing \$175 million in revenue (and cutting 1,800 checks each month!), Eastwood runs operations with a heavy reliance on **BuilderMT's™ Workflow Management Suite™ (WMS)**.



Until recently, Eastwood had been a long-time user of Sage Timberline Accounting® (now called Sage 300 CRE Accounting®), which the Company had purchased in 1996. With BuilderMT WMS and Sage Timberline Accounting, Eastwood Homes has moved mountains to optimize their financial operations. But it has become clear that the current accounting system is not meeting today's accounting and reporting needs for Eastwood.

"We are able to run all accounting for all six divisions with a staff of four," said Kevin Hutchins, Eastwood Homes' CFO, "including my position, a controller, a database administration, and a person in accounts payable." In addition to that accounting staff, Eastwood also employs three purchasers and estimators.

Managing the data for 850 starts annually is no small data-processing task, and a few years ago, Eastwood Homes started to recognize that Sage Timberline Accounting was inadequate for the changing requirements of financial accounting, accounts payables, and reporting.

"For starters," Hutchins said, "Sage Timberline Accounting does not have the reporting that we need. Timberline uses a database from Pervasive Software, but our operations are in Microsoft SQL. To get the right reports, everything in Timberline has to be dumped out into a separate file and mined by a third party application, and that is very cumbersome and time consuming."

"Plus, because of technical limitations," Hutchins explains, "Timberline simply doesn't have the processing power that other accounting packages can offer. Our staff often waits five or six minutes for Timberline to run certain tasks. Even with our relatively small staff, that's still a great deal of down time that adds substantial costs over time. We realized we had to make a switch in our accounting package, especially now that we plan to increase to 1,000 starts next year, bringing us to \$200 million in revenue."

Looking for Alternatives to Sage

When Eastwood Homes started to look around for a replacement accounting system, one thing was certain: The Company wanted to keep BuilderMT WMS.

"We have BuilderMT really optimized, and our entire staff is trained around its workflows. Plus, our vendors like it, our subs like it, and it's easy to maneuver around BuilderMT's Portals, especially when linking job information to our 60 job site supers. So, we had to ensure that we kept BuilderMT."

Eastwood Homes thoroughly surveyed the alternatives, taking multiple meetings with teams representing Oracle's EnterpriseOne®, which used to be called JD Edwards®. Eastwood rejected that choice because of the prohibitive costs, especially given the customization required with that implementation.

"If we went with Oracle, we'd have to change our purchasing, estimating, sales system, and set up all our vendors again. This would require additional time and expense for us to retrain everyone. It just didn't make any sense."

Hutchins went on to say, "Also, keep in mind that we are a manage-by-exception company at Eastwood. When we are 2% below our target margins on a project, we need to investigate why. Was it accounting? Productivity? Purchasing? We need the exceptions to stick out, and any system that we choose had to link to BuilderMT to enable our approach. And finally, when applied to our multiple divisions, we also needed to consolidate our data per GAP requirements."



Selecting Microsoft Dynamics NAV

Eastwood found what it needed in Microsoft Dynamics NAV® accounting system, for these five reasons.

1. **Reporting and Business Intelligence**
2. **User experience**
3. **Accounting functionality**
4. **Integration with BuilderMT WMS**
5. **Integration with Microsoft Office applications**

Eastwood was impressed by how the Microsoft Dynamics NAV solution provides Dashboards, as well as NAV's ability to quickly see the timely and correct information to help manage by exception and aid in improved decision making. With the new NAV solution, everything is updated in real time, which was not possible with the old Sage solution.

Microsoft Dynamics NAV has an excellent user experience with navigation and system speed. The **Microsoft RoleTailored** experience provides only those reports and applications relevant to each user, and that reduces confusion and speeds up training. Additionally, because the Microsoft Dynamics NAV accounting application is completely built on Microsoft technology, it is expected to significantly reduce the five or six minute wait time experienced with Eastwood's current system when running certain tasks.

Because Microsoft Dynamics NAV is used by over 90,000 customers around the globe, Microsoft is required to deliver a very robust accounting system. This is important to Eastwood since they have several divisions subject to FASB (Financial Accounting Standards Board) requirements, which Microsoft Dynamics NAV will provide.

Additionally, Eastwood has been able to benefit from a recent pilot program that BuilderMT has set up with Western Computer. Today, the newest version of Microsoft Dynamics NAV is already integrated into BuilderMT, giving it a huge boost in Eastwood's consideration.

Finally Microsoft Dynamics NAV takes full advantage of the Microsoft productivity applications found in Microsoft Office, such as Word and Excel. Eastwood users can simply hit a button to send information from NAV to an Excel spreadsheet, saving time and reducing errors from having to reenter information.

The Implementation Project

Working with BuilderMT and Western Computer, Eastwood started the Microsoft Dynamics NAV implementation in fall 2013.

Eastwood is in the process of data migration to the new accounting system. "Translation of our data from Timberline to NAV has not been a challenge," Hutchins said. "Generally, Microsoft Dynamics NAV appears to be able to read all the Timberline data. We get it all into a spreadsheet and Western Computer works with us to get it into Microsoft Dynamics NAV. The majority of the work required in the data migration is creating the spreadsheet from the current system. Now, the next step in the project plan just requires training the users on the new system and customizing the reports and dashboards for Eastwood's unique requirements." The project is expected to be completed in early 2014.



About Eastwood Homes

Eastwood Homes is a privately held residential builder with headquarters in Charlotte, North Carolina. The company was founded by Joseph K. Stewart in 1977, and is now operated by Joe and his son and business partner, J. Clark Stewart. During this period of nearly 37 years, Eastwood Homes has successfully expanded operations through careful and calculated growth both within existing divisions and to new areas. The company now has operations in 6 divisions across the Southeast, with plans to enter new markets in the coming months. Eastwood operates in Charlotte, Raleigh, and the Triad area of North Carolina, Charleston and Greenville, South Carolina, and Richmond, Virginia. Eastwood Homes is consistently ranked among the top 50 homebuilders nationwide.

Despite the varying personalities of the regions in which Eastwood builds, all divisions have the same mission – to build homes of exceptional value and outstanding craftsmanship while delivering unparalleled customer service.

Learn more: www.EastwoodHomes.com

About Western Computer

Western Computer has been providing Microsoft accounting and business intelligence solutions to clients across North America for over two decades. The company has helped hundreds of midsize, and larger, businesses in implementing systems and reaching their ROI objectives. Western Computer, a Microsoft Gold ERP Partner, has a team of experienced consultants ready to assist clients in accessing the full potential of their Microsoft system.



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About BuilderMT

For the home building industry at large, BuilderMT provides highly-customizable workflow and building-process-management software that works in tandem with leading accounting systems and other wireless and jobsite productivity tools, such as CRM and warranty management. For 15 years, BuilderMT systems have been purchased by more than 900 home builders and cumulatively used as a desktop workflow tool by upwards of ten thousand home building professionals. BuilderMT is widely recognized as a leader in process-driven, best-building-practices for home builders, as well as customer service, warranty applications, online training and innovative wireless applications.



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