

Customer Case Study

Integrity Application Incorporated (IAI)

Deltek GCS Premier® 5.0 Helps Government Contractor Achieve Record Revenue Growth and Profitability

“With GCS Premier 5.0, we invoice 40% more in dollar volume in 60% less time. Not having to add additional professional staff means that we increase our company profit every month.”

» Dr. Michael Santens,
IAI CFO

Integrity Applications Incorporated



The Challenge

IAI is an emerging, small to medium size government contractor that has experienced impressive growth over the last several years. However, when the firm started out ten years ago, they were a small company that used a generic accounting package to run their operations. As their business grew and they started winning new contracts, it became clear that they needed a system that was built specifically for government contractors. “When a Defense Intelligence customer asked IAI to perform some cost reimbursable contract work, we quickly recognized the requirement to have an adequate cost accounting system which could accurately and adequately segregate cost elements while remaining FAR, CAS and GAAP compliant,” said Dr. Michael Santens, IAI CFO.

After evaluating multiple software vendors, IAI chose Deltek’s GCS Premier (GCSP) solution because it was a perfect fit for their growing business. “The Defense Intelligence sector is extremely particular about what it will and will not accept so there is a need to go with a name brand and recognizable product,” Lee Smith, IAI Controller stated. Specifically, IAI purchased

GCS Premier version 4.0 along with the Time & Expense solution. GCS helped IAI to win their first cost reimbursable project which helped jumpstart their growth.

As IAI continued their impressive growth and started competing with giant defense contractors, they recognized the need to have an even more nimble and innovative organization. “IAI needed to utilize what resources we had to create innovative solutions to increase cash flow, lower overhead costs and increase our competitive position,” explained Santens. The business imperative to be competitive with their giant competitors led IAI to agree to be an early adopter of GCS Premier 5.0.

The Solution

IAI eagerly agreed to become an early adopter of GCS Premier 5.0 because it provided them with the infrastructure they needed to power the next phase of their growth. “Deltek has been important for IAI to effectively maintain a decentralized business operation while remaining responsive to all of the individual components of the corporate entity,” Santens commented.

One feature that attracted IAI to the new solution from Deltek was GCSP 5.0’s Premier

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» Lee Smith,
IAI Controller

Billing capabilities. With GCSP 5.0 and Premier Billing, IAI can push a button and an invoice is generated in Microsoft Excel quickly, accurately and consistently to initiate the invoice review process. Prior to GCSP 5.0, IAI experienced multiple iterations going back and forth to ensure that their rates were correctly rolled-up to mask their indirect rates because IAI acted predominately as a sub-contractor. Now, IAI is acting as the prime on more contracts.

The Benefit

GCS Premier 5.0 has been a game-changing solution for IAI, and its impacts have been positively felt across the organization. GCSP 5.0 has increased IAI's ability to respond more effectively to potential audits, bill the government faster, close each month much quicker than ever before, and win new contracts because it allows them to target bigger and more complex government projects. Most importantly, the overall business benefits of GCSP 5.0 have led to sustainable profitability improvements for IAI as a whole.

To start with, GCS Premier 5.0 lets IAI respond better to external entities such as the DCAA, DCMA, and their external audit firm. With GCSP's reports, IAI can more easily compile all of the reports that are required by the outside entities. GCSP is also seamlessly integrated with Excel, which helps IAI more effectively leverage their Earned Value Management (EVM) processes. IAI resources use GCSP output to pre-populate EVM graphs in half the time than it used to take, freeing up resources to do more extensive analytical work to help the business.

On the billing side, IAI has increased the number of invoices that are going out the door with no additional resources needed for the job. The efficiency driven through Premier Billing means that most of IAI's business can be invoiced in three or less working days, when before it took almost ten days. In addition, IAI has seen significant time savings developing their most complex invoices. “To specifically highlight this astonishing fact, some of our most complex invoices have gone from 90 minutes to compute to only 90 seconds, all with better accuracy and quality,” said Smith. Overall, due to their growth and the efficiency gains with GCSP, IAI invoices 40% more in dollar volume in 60% less time than before, increasing cash flow and freeing up resources for more value-added tasks. “As a result, while revenue is increasing, our indirect costs are remaining constant – yielding increased profits for IAI,” Santens stated.

GCSP has also greatly reduced the time it takes for the monthly financial closing process. In the past, it took IAI three to four weeks to close each month, and now it takes less than ten days to close the books all while the complexity and sophistication of the closing process has increased due to IAI's continued growth.

All in all, moving to GCS Premier 5.0 has been one of the best strategic decisions that IAI has made in the ten-year history of the company. “We conservatively estimate that GCSP is directly responsible for increasing our cost reimbursable workload by a significant percentage,” Santens stated. “This has led to a 33% increase in total company revenue. Given the efficiency gains and revenue increases driven by GCS Premier 5.0, GCSP has added millions of dollars to our bottom line in the last year alone.”

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About Integrity Application Incorporated

Overview: Integrity Applications Incorporated (IAI) is an engineering services and software development company with a nationwide presence primarily supporting the intelligence community, and other civil, defense and intelligence customers with a focus on Government space and intelligence surveillance reconnaissance systems activities.

Headquarters: Chantilly, VA

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The Deltek Advantage

The implementation of Deltek GCS Premier 5.0 enabled IAI to:

- Increase revenue by 33%
- Increase profitability by millions of dollars
- Invoice 40% more in dollar volume in 60% less time
- Reduce the monthly financial closing process from three weeks to six days
- Cut billing time for complex invoices from 90 minutes to 90 seconds

Deltek (Nasdaq: PROJ) is the leading global provider of enterprise software and information solutions for professional services firms, government contractors, and government agencies. For decades, we have delivered actionable insight that empowers our customers to unlock their business potential. Over 14,000 organizations and 1.8 million users in approximately 80 countries around the world rely on Deltek to research and identify opportunities, win new business, optimize resources, streamline operations, and deliver more profitable projects. Deltek – Know more. Do more.®

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