

# CASE STUDY

## gINT On Demand Improves ENGEО's Profitability

Founded in 1971, ENGEО Incorporated provides a comprehensive range of geotechnical, environmental, hydrologic, and geologic engineering as well as construction-phase QA/QC services. The company utilizes strategic client-based, multi-disciplinary teams designed to respond to the needs of its public, institutional and private clients. ENGEО delivers end-to-end solutions for the myriad of issues faced by its clients, ranging from building site assessments to shipyard reuse conversions to interstate highway quality assurance testing. Their record of successes includes many of the most important and visible projects in Northern California.

ENGEО's business has been growing at an impressive rate for years. As a result of their increased business, ENGEО has opened several new offices throughout California and Nevada. In order to prudently fund their growth, the company began looking for ways to move what were traditionally capital outlays and overhead expenditures to reimbursable expenses. Software expenses became a prime target for this initiative.

### Project Cost Accounting Systems Dictate Profitability

ENGEО is the prototypical engineering consulting organization that provides fixed fee and time and material consulting services. Their internal financial reporting system is based on a project-cost accounting system that tracks all costs associated with individual projects. Reimbursables are typically calculated on a cost-plus basis every two weeks. These costs are then submitted to the individual projects for reimbursement.

This is a standard industry project-cost accounting system. However, management saw an opportunity to improve company profitability and formed an initiative to fine-tune the system.

"ENGEО's growth has meant more projects, more engineers, more offices and more analysis," explains Uri Eliahu, ENGEО's president. "Our efficiency initiative addresses this growth by reducing capital asset allocations, improving operational efficiency, and moving costs where possible from the proverbial 'overhead' account to project accounts."

### On-Demand Software Helps Drive Operational Efficiency

Streamlining the cost accounting system and deploying new software tools were seen as key components in driving operational efficiency. Simply put, ENGEО had a great need for all types of design software. Software purchases—which require not only valuable non-billable time to evaluate but also management and employee buy-in—were costing the organization in overall efficiency. Time-to-decision became an important consideration in company decision-making. It was found that if a decision required an outlay from a capital account then the time-to-decision went way up, thus negatively affecting operational efficiency.

The search for a solution that could address both profitability and growth led to ENGEО's implementation of gINT On Demand, the online on-demand version of gINT Professional.

### On-Demand Geotechnical Solution Minimizes Costs, Maximizes Flexibility

gINT Software has long enabled engineers to be more effective by placing a comprehensive set of tools for geotechnical and geoenvironmental data management and reporting at their fingertips. gINT Professional enables users to easily create fully customizable database structures and an unlimited number of user-defined reports using powerful output and import/export capabilities, robust data interrogation tools, and sophisticated drawing tools that can be used within reports, symbols and general applications.

gINT Professional's intuitive user interface, shareable templates and back-end databases were key considerations for ENGEO. The on-demand version of gINT Professional provided ENGEO with a highly flexible licensing option that allowed them to design their purchasing and usage decisions, enabling ENGEO to quickly improve profitability. "Software use does not operate in a vacuum," states Eliahu. "It operates in dynamic organizations whose entire operation needs to be as efficient as possible in order to maintain competitiveness."

gINT On Demand is hosted by Cetrus, Inc., a San Ramon, Calif. technology company that enables software vendors to provide metered, on-demand usage licensing of their products. Users are charged only for the time they actually use the software. The Cetrus™ license module, which has been incorporated into the gINT on-demand offering, tracks the user's hourly usage and updates the usage database. Users can access, download and print usage reports to obtain detailed usage and project billing information.

As a web-delivered pay-as-you-go service, gINT On Demand enabled ENGEO to replace large up-front fees and costs with periodic payments at a fraction of the price, enabling expenditures to be shifted from fixed costs to variable costs and increasing the flexibility of cost structures.

ENGEO's use of gINT's on-demand solution has increased profitability and reduced operational costs while improving employee productivity. Every engineer has access to the latest version of gINT and other professional tools they need at their desktop.

## Process Efficiencies Deliver Increased Time Savings

One of the key benefits to deploying gINT On Demand has been the increased time savings that resulted for the engineers due to process efficiencies.

Prior to using the on-demand version of gINT, all of ENGEO's borehole log reports were either manually prepared or prepared using a machine-restricted license that was operated by a few junior engineers whose role could be better defined as software operators. There were tremendous inefficiencies in chasing down available licenses, managing engineers' schedules to get time-critical projects and bids out on time, and communicating back and forth between the "requestor" and the operator.

"Switching to gINT On Demand has greatly improved our engineers' productivity," confirms Eliahu. "Today ENGEO has one of the industry's highest productivity indexes. On-demand licensing has contributed to the management and improvement of this very important index."

## On-Demand Licensing Benefits for ENGEO

- ENGEO improved profitability by avoiding a capital outlay for the typical up-front license fees required to purchase multiple location network licenses.
- The length of the purchase decision process was significantly shortened. The typical approval process for capital outlays was completely circumvented due to the flexibility of the on-demand usage model.
- ENGEO's on-demand software costs have been reduced or eliminated now that they are generally submitted to the customer for reimbursement through the project cost accounting system. Typical design-software usage costs for each project are insignificant in comparison to the value of the project and the contract amount.
- Use of the software throughout ENGEO has expanded virally. Initially only a small pool of engineers used gINT. But once the program was readily available on-demand, other engineers who needed gINT quickly learned it, copying the readily available gINT program to their desktops. Now over 30 different employees have used the software. In the previous model, users would have had to rely on a few dedicated software "operators," who quickly tire of the highly repetitive nature of being a company's software "expert." In addition, there is less wasted time in the communication between the engineers and the software operators.

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## Summary

With their focus on profitability and growth, ENGEO found it an easy decision to adopt gINT On Demand. gINT Professional met ENGEO's strict requirement for using only highly regarded software products, and the metered on-demand delivery lined up with ENGEO's fiscal policies. With gINT On Demand, ENGEO was able to achieve both goals.

## About ENGEO Incorporated

Recently voted one of the top 25 best places to work in the nation, ENGEO is an employee-owned firm of geotechnical and civil engineers, geologists, hydrologists and environmental professionals as well as a large construction services QA/QC team. Founded in 1971, ENGEO has offices located in San Ramon, San Francisco, Rocklin, Reno, Ripon, San Jose, Oakland, and Valencia. Specialties include geotechnical engineering, hydrogeology, earthquake and landslide analysis, civil and environmental engineering; hydrology and hydrogeology; geology; and environmental sciences. ENGEO serves clients in developing residential and mixed-use communities, urban infill, Brownfields and transit oriented developments, transportation, infrastructure, water resources, geologic hazards, flood control and critical facilities for both the private and public sectors.

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- Users have true mobility as they are no longer tied to their desks to run their design software. Through mobile phones, Internet access everywhere, mobile email, and mobile file systems, users can access applications from any Internet connection.
- Any employee at ENGEO is able to use the gINT software at any computer of their choosing, whether at home, on the road or at the office.
- Employee productivity has improved, since they no longer have to leave their desks or send emails or make phone calls to find available shared licenses. IT managers no longer have to track employees' hardware dongles or manage network licenses.