Customer Case Study

Ryan Companies US, Inc.

Ryan Companies US, Inc. Anticipates Saving $3.2M in Costs by Using Proliance® Software to Establish Greater Efficiencies and Project Controls

Ryan Companies US, Inc. is a leading national commercial real estate firm offering integrated design-build and development services, as well as asset, property and facilities management. The company's diverse experience includes build-to-suit office space, industrial warehouse and alternative energy facilities, hospitality investments and master-planning mixed-use developments. Since Ryan was founded in 1938, the company has used a single-source approach that offers flexibility in defining the scope of a project and strength in providing effective, timely solutions. This has resulted in a 95 percent customer satisfaction rate with its integrated project delivery process.

Headquartered in Minneapolis, Ryan also has offices in Chicago, Phoenix, San Diego, Tampa, Cedar Rapids, Des Moines and the Quad Cities. In addition to having an award-winning design team, Ryan is ranked #54 on ENR's 2008 Top 400 Contractors list and #18 on the 2008 Top 100 Design-Build Firms list. The company reports a current real estate management portfolio of more than 10M square feet of office, industrial and retail space, and over $1B in annual revenues.

At Ryan Companies US, Inc. revenues historically double every five years. To support this continued growth through improved project execution, Ryan decided to replace its ad-hoc compilation of legacy systems with a comprehensive construction project management solution. This new solution needed to:

> Enhance the customer experience

> Promote efficiency through standardization

> Support growth through scalability

> Drive integration with other supporting systems

> Promote accountability among the Ryan workforce

After a thorough investigation of available systems, Ryan selected Proliance software from Meridian Systems because of its ability to improve capital project performance across the plan-build-operate lifecycle.

Proliance was implemented as part of a larger enterprise resource planning (ERP) technology initiative that also included Oracle's JD Edwards EnterpriseOne for financial and real estate management and Oracle's IPM for imaging and process management. According to Ryan's Project Director, Mike Ernst, when implementation was complete, these systems operated as a single, integrated platform.

"With Proliance, we expect to eliminate $3.2M in expenditures within two to three years, primarily in time-savings related to greater efficiencies."

Mike Ernst
Project Director
Ryan Companies US, Inc.

A Phased Implementation

Meridian Professional Services worked with Ryan to implement Proliance in phases, rolling out the Office and Field Management modules first, followed by Budget, Cost and Contract Management.

By April 2007, the Office and Field Management modules were operational. Ryan's System Administrator, Kari Meyers, spearheaded additional in-house configuration of the Budget, Cost and Contract components that would be rolled out during the second phase of implementation. "We decided to tackle these phase two configurations on our own to take a hands-on approach to learning the system," she says.

Ryan's Construction Business Analyst, Frank Sarno, was charged with analyzing the company's construction management processes and working with Meyers to develop Proliance workflows to support day-to-day operations. "My job was to make sure that we held true to our original objectives, like establishing accountability and standardized processes, but without changing our company culture," Sarno states. "Proliance allowed us to do that."

According to Meyers, the investment was worth it. "Doing our own Proliance configuration was a great learning experience in understanding how the system operates. Having this knowledge is a huge advantage going forward."

Morpheus Technology Group (MTG), an authorized Meridian Integration Partner, also worked with Ryan to integrate critical elements of Proliance with JD Edwards EnterpriseOne. The two systems went live as an integrated ERP solution on January 1, 2008. At that time, Ryan had migrated core data for 1,200 projects onto Proliance, and would soon have 450 daily and periodic users of the software.

Training the Trainer

Ryan used a phased training approach to get its hundreds of employees up to speed on how to use Proliance. "Getting people used to the integration standpoint was more of a challenge than getting them used to the software," says Ernst. "When you've never had controls like this in place, it's sometimes difficult to understand that change order setup in Proliance affects how a subcontractor gets paid in JD Edwards EnterpriseOne."

To shorten the learning curve, Ryan used a train-the-trainer approach to divide and conquer. Subject Matter Experts (SMEs) used for testing during implementation became trainers who, in turn, trained additional staff. With the cascade effect, the ratio of trainer to trainee became a manageable 1:5.

Measurable Efficiency Gains

Ryan's heaviest Proliance users are its 60 Project Assistants (PAs), who are responsible for setting up projects and handling the bulk of data entry. In addition to her software administration duties, it's also Meyers' job to make sure the PAs gain efficiencies from the software.

Budget setup is one area where results have already been measurable. "In our old system," Meyers explains, "PAs would take eight hours or more to set up a budget for a construction project because of the manual data entry required to enter the cost accounts. With Proliance, we use 'Office Business Applications (OBAs)' to upload our budgets from Excel and all of the cost accounts are automatically populated. A task that used to take a full day now takes less than an hour. It's a great time-saver."

Sarno is also seeing efficiencies in the field from Proliance because information is readily available. "At the project level, Proliance gives you the ability to input data and use that data in multiple places," he says. "When you input a drawing, for example, that drawing could also be linked to a cost event like an owner change order. Before, it was tough to even find drawings because they were often hidden away, back at the office. Now, information is at your fingertips."

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Meeting Original Objectives

While Ryan continues to develop Proliance processes and reports, benefits relating to the company's original objectives can already been seen.

Standardization

In a very short time, Ryan has made great strides toward the adoption of new standards across all locations. "The mandate has been made to run all project management processes through Proliance," states Sarno. "Now we're working toward getting people to follow that mandate." Meyers helps by designating certain fields in the software as required so that data entry is complete and uniform. "Capturing the same information in the same way gives us a consistent platform to run reports and identify areas of opportunity," adds Ernst.

Accountability

Before Proliance, Ryan had few checks and balances. Today, accountability has replaced the "honor system." Take subcontractor controls as an example. All Ryan subcontractors are subject to a registration process that sets contract limits based on financial data and other criteria – like an internal bonding process. "But we couldn't be sure if our people completed this process because we had no way to track it," says Meyers. Now, controls in Proliance protect Ryan from awarding a subcontractor too much work. "Using Proliance to keep just one subcontractor from getting upside down is probably worth $100K or more to the company," Sarno states.

Accurate Projections

Tracking projections using disconnected systems and spreadsheets are ballpark at best. At fiscal year-end, it wasn't uncommon for Ryan's projections to be off by as much as $1.5M. "Although we had already spent the money," says Ernst, "there was no reporting mechanism in place to tell us that." Now the company has real-time visibility into project costs. "Three months after implementing Proliance, we went through our fiscal year-end closeout and had already wiped out our projections deficit. Not only did we not have any negative surprises, we actually found money that was being over-projected."

Enhanced Customer Relationships

Although it's too early for Ernst to say whether Proliance will help secure new work, the software promises to enhance relationships with existing clients. "Proliance gives us the opportunity to deliver better business intelligence to our clients about their projects, which leads to greater customer satisfaction."

Saving Time and Money

As Proliance becomes a more integrated part of the Ryan company culture, Ernst anticipates meeting the original objectives for this technology initiative – and more. "Right now, our revenue growth probably equals our personnel growth from a percentage standpoint. Proliance should change that by allowing us to grow our revenues without adding a proportionate number of staff. With Proliance, we expect to eliminate $3.2M in expenditures within two to three years, primarily in time-savings related to greater efficiencies."

"With Proliance, we use 'Office Business Applications (OBAs)' to upload our budgets from Excel and all of the cost accounts are automatically populated. A task that used to take a full day now takes less than an hour. It's a great time-saver."

Kari Meyers
Proliance System Administrator
Ryan Companies US, Inc.

Ryan Companies US, Inc. Project Profile

Westin Edina Galleria Hotel and Residences in Edina, Minnesota

The Westin Edina Galleria Hotel and Residences is a combination of modern classic hotel and luxury condominiums. Located in Edina, Minnesota, the Westin is connected to the Galleria, the owners' retail lifestyle and shopping center, by an underground climate-controlled tunnel. The base of the hotel is a dark brown brick, which blends with the existing Galleria facade. The lower portion of the hotel tower has a strong horizontal expression with polished precast panels and glass. The expression at the condominium levels changes to curtainwall and metal, which extends to the hotel portion on the northwest corner.

Key Project Elements

> Development, design and construction of a 446,000 sq. ft. Westin hotel with 225 hotel rooms and 82 luxury condominium residences

> Construction of a five-level, 930-stall parking ramp

> Exterior design to complement existing Galleria façade

> Connection of hotel/condo structure to adjacent shopping center by a climate-controlled underground tunnel

Project Owner: Warren Beck

Project Architect: Swenson Graham Architects

Ryan's Responsibility: Development and Design-Build

Contract Amount: $98M

Start Date: June 2006 (Ramp), January 2007 (Hotel/Condo)

Completion Date: November 2006 (Ramp), August 2008 (Hotel/Condo)

Results: The Westin Edina Galleria Hotel is a four-star property. The condominium residents have access to the hotel's many amenities, including concierge service; 24/7 room service, maid and housekeeping services, dog walking, meal delivery from Galleria restaurants and access to a fitness center, meeting rooms and an outdoor courtyard. According to project owner Warren Beck, "I have worked with a number of high quality construction companies over the years, but my experience with Ryan stands head and shoulders above that group."