



Beyond Transactions: Managing Risk With *COINS* Triggers And Automatic Alerts

Thanks to the low margins typical of the construction industry, construction managers often lose sleep worrying about unanticipated costs and problems even in the best of times. As every contractor knows, costly surprises can be disastrous in today's weak economy. "Managing by exception can help mitigate the risks and avoid costly surprises," says

Cathy Terwilliger, Director of Marketing for COINS USA. "It helps you focus on areas of your business that are not performing as expected where corrective action has the greatest impact on overall profitability."

"Most construction software lacks the tools needed to manage by exception," Terwilliger points out. "Using standard reports is time consuming, error prone and, quite often, not

timely enough. Someone must manually review the reports, determine the appropriate action, assign items, send notices and track outcomes – all based on a report that is outdated almost from the start."

COINS USA, a leading provider of web-based, event-driven ERP software to the construction industry, claims to have re-written the equation. The company worked with a broad group of its customers to create a toolset for managing by exception.

"The new COINS toolset consists of automated triggers, workflows and electronic alerts," says Terwilliger. "Combined with a focus on areas of greatest risk and greatest opportunity – such as cash, revenue, inefficiencies and margin – the toolset transforms a transactional accounting and project management system into a proactive notification and warning system."

By mapping triggers and alerts to an area of risk, contractors can take early action to mitigate that risk. The COINS system continually compares the selected business data to preset trigger values. When triggered, it instantly launches the workflow associated with that trigger

with an email alert to one or more people. Automated, real-time processing replaces reports and manual effort.



Table 2: Four Areas of Risk and Opportunity

Table 1: Bottom Line Impact of an Alert: A/R Invoices 60 Days Past Due

DESCRIPTION	AMOUNT
Annual Revenue	\$ 50,000,000
Existing DSO	60
Average Receivables	\$ 8,219,178
Adjusted DSO	58
Adjusted Receivables	\$ 7,945,205
Improvement in Cash Flow	\$ 273,973
Cost of Capital	5.00%
Working Capital Improvement	\$ 13,699
Existing Bad Debt %	5.00%
Existing Bad Debt Reserve	\$ 410,959
Adjusted Bad Debt %	4.90%
Adjusted Bad Debt Reserve	\$ 402,740
Bad Debt Improvement	\$ 8,219
Total Annual Savings	\$ 21,918



COINS USA
Construction Industry Solutions
(Shaker) Corporation
6 Airport Park Blvd.
Latham, NY 12110
USA

Cathy Terwilliger
Phone: (518) 242-7200
Fax: (518) 242-7298

cathy.terwilliger@
coins-global.com
www.coins-global.com

COINS triggers and alerts can have a dramatic impact on the bottom line as illustrated by the conservative example in Table 1. An alert goes out to the appropriate project manager or sales rep whenever an A/R invoice goes 60 days past due. Instead of waiting for the monthly aged receivables report (which may not be ready for weeks), the PM or sales rep contacts the customer proactively. Prompt action quickly helps the company reduce Days Sales Outstanding (DSO) by 2, resulting in improved cash flow, improved working capital and reduction in bad debt reserve. "In this example, nearly \$22,000 in savings goes straight to the bottom line," notes Terwilliger.