



THE SOLUTION DESIGN GROUP, INC.

Using CapitalVision[®] to Manage Data Volume and Complexity

April 2010

The Northwest Florida Beaches International Airport





In 2007, the Panama City - Bay County International Airport (PFN) began development of a new airport to serve Panama City, Florida, and the surrounding Florida panhandle area. The new airport will replace the existing Panama City Airport and aims to have the first LEED-certified terminal building in the United States that will meet the future air transportation needs of the expanding Panhandle area. The new airport, the Northwest Florida Beaches International Airport (ECP), is scheduled to open in May 2010.

Construction of the new airport and supporting facilities was estimated to be \$330 million dollars and funding for the airport consisted of grants from both federal and state agencies, loans, and proceeds from the sale of the existing airport property.

The management team at PFN recognized that spreadsheets would not provide the functionality, flexibility, or efficiency that would be needed to manage the complexity and large volume of data generated from construction of the new airport. Therefore, in December 2008, the airport's Finance and Management teams implemented CapitalVision® as their new Web-based application for managing all aspects of the large project.

There is significant political and fiscal scrutiny on the building of the new airport. Accordingly, the PFN staff needed to carefully manage the project within budget and ensure that monies were spent appropriately. Once implemented, CapitalVision® provided PFN with a tool that would support the budget monitoring, detailed expense tracking, and funding outlay in the detail that was required.

PFN Capital Program Management – The “Before Picture”

Prior to implementing CapitalVision®, the PFN accounting and finance staff used spreadsheets to track the initial design and construction contracts awarded for the project, as well as the first funding sources. It quickly became apparent to PFN staff that the project would require a more sophisticated tool than spreadsheets, which presented many challenges:

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- Spreadsheets with critical capital data were maintained by a single individual and no other PFN staff members were familiar with how the spreadsheets were setup or maintained.
- Managing complex eligibility and spending rules with the dozens of capital funds was cumbersome and difficult.

“CapitalVision® has been extremely helpful in tracking project expenses, and has been especially beneficial in preparing our State and Federal grant draw downs. Since we have incorporated a direct purchase plan into our project, we have had a multitude of invoices to process, and CapitalVision® has made it easier to avoid errors in our drawdown process.”

Pamn Henderson,
PFN Accounting Manager

- As the volume of data increased for items such as invoices, expenses, payments, and funding draws, it became increasingly difficult to review, analyze, and report on that data.
- Generating required project reports, including a status report to the Airport Board and quarterly reports to federal and state funding agencies, was time-consuming and prone to error, as reports were assembled manually each month.
- Monitoring important contract and funding-related dates was a manual process.

CapitalVision® Deployment

In December 2008, PFN began implementation of CapitalVision®, “software as a service” (SaaS) solution developed and supported by The Solution Design Group, Inc. (SDG). With the assistance of SDG’s implementation team, CapitalVision® was configured to suit the environment at PFN, and all data related to the airport project was loaded into the system. SDG trained the PFN staff and worked directly with the PFN Accounting Manager to develop more streamlined business processes for the project that would take advantage of CapitalVision’s functionality and features.

The centralization of the project, contract and funding source data in a logical, structured way meant that information was easier to access.

Capital Program Management after CapitalVision® – Keeping the Volume under Control

Once deployed, PFN realized immediate improvements and efficiencies in managing its airport construction project and the increasing volume of data.

First, all data related to the project was taken from a variety of spreadsheets and loaded into CapitalVision®. The centralization of the project, contract and funding source data in a logical, structured way meant that information was easier to access. It also eliminated data redundancy because some information, such as invoices, was entered and tracked on multiple spreadsheets. CapitalVision® manages over 24 contracts that make up the project, and provides a central location for important contract data such as milestone dates, contract values, change orders, invoices and payments, and retainage balances.

The most significant benefit to PFN from CapitalVision® was related to managing the number and variety of different funding sources designated for the new airport. Some of those funds were more typical airport capital



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sources, such as federal and state grants, bonds, and passenger facility charges. However, additional sources were used to complete the funding picture, including private loans and a “land match” fund of money received from the sale of the old airport property. In addition to the variety of funding sources, some of the funding sources had rather complex spending rules. For instance:

- Certain funds could only be used on certain locations or type of work. For example, only a certain amount of a federal grant could be used on expenses related to excavation. On another federal grant, only a certain amount could be used for the Air Traffic Control tower.
- For invoices related to construction of the runway, only a certain percentage of the invoice amount could be expensed against federal funds, and the difference had to be made up with internal funds.
- Every dollar used from specific grants from the State of Florida was required to be matched with the land sale proceeds or local funds.
- Certain funds needed to be spent in full before others were used.

CapitalVision® not only recorded the details of these funding rules, but also calculated the draw amounts automatically on each invoice. This capability also tracked the “un-drawn” balance, ensuring that each invoice was fully drawn. For each funding source, CapitalVision® also maintained the total amount spent to date and funds remaining. This ensured that funds were not overspent or that money was accidentally left over. From a funding source management perspective, CapitalVision® saved countless hours of manual calculations on funding draws, and greatly improved the management of funding sources, arguably the most critical management component of the new airport project.

PFN also uses the “alert” functionality in CapitalVision® to help monitor important dates related to funding sources. The FAA requires that quarterly reports be submitted by a specific date to indicate that federal funds are being used according to federal guidelines and requirements. CapitalVision® automatically monitors the due dates of those reports, and emails the PFN Accounting Manager a week in advance as a reminder that the report must be submitted. By automating the monitoring of key dates such as these, CapitalVision® removes this responsibility from staff and ensures that no dates are missed.

Reporting with CapitalVision®- Quicker, Easier, More Accurate

CapitalVision® has resulted in a significant savings of the PFN staff time required to generate a number of required reports.

Over the course of the project, the PFN Accounting Manager was required to submit a monthly project financial status report to the Airport Board. The report provides detailed information on project expenses by G/L code for the current month, fiscal YTD, and project YTD. Before CapitalVision®, this report was manually created using data from a number of different spreadsheets. In many cases, the report would require 3-4 hours to complete and validate. With CapitalVision®, the report is now quickly generated from the system and can be printed or saved in a variety of formats, including Adobe PDF, Excel, Word, and PowerPoint.

PFN was also required to submit regular reports to the FAA and the State of Florida to provide details on how federal and state funds were spent on the new airport project. Prior to CapitalVision®, those reports were also assembled manually, with details on expenses re-keyed from spreadsheets. Once CapitalVision® was implemented, the FAA and State Funding Sources were setup in CapitalVision, and each month regular funding draws were made for all project expenses. PFN now generates the quarterly FAA and State of Florida funding reports from CapitalVision® that include all the necessary invoice and line item detail required.

In addition to those required reports, the PFN Accounting Manager must also be able to reconcile project purchase orders, project expenses and invoices received with the Airport's Accounting system. Using CapitalVision's custom report writing tool, a variety of detailed encumbrance and expenditure reports can be easily generated and analyzed based on a flexible time period, a specific vendor, and/or a specific contract. Using the reporting capability, individual users can create their own versions of standard reports by grouping data, adding totals, changing labels, filtering, sorting, etc. Those user-customized reports can be saved and run again and again, and can even be shared among different users. By combining CapitalVision's standard reports with customization capability, many variations of project and contract encumbrance and expenditure reports can be created.

The benefits of staff time savings, report flexibility, and greater accuracy were obvious once PFN's manual reports were replaced with CapitalVision® reports.

Summary of Improvements with CapitalVision®

After over a year in production, CapitalVision® at PFN has produced many process improvements and gains in efficiency for the new airport project, including:

- Reduction of person hours required to manage the large volume of data associated with construction of the new airport
- Improved fund management through tracking of all funds in a single system
- Greater accuracy for financial data, through CapitalVision's system validation and balancing
- Generates monthly Airport Board reports more quickly and with more accuracy
- Generates quarterly federal funding reports with all required invoice detail
- Virtually eliminated the risk of missing due dates on mandatory federal and state funding reports
- Quicker response to requests for reports and data analysis
- Ability to generate user definable reports that can saved, shared among users, and available for repeated use

For more information about CapitalVision® or to request a demonstration, please contact:

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