

Sherwood, Oregon Realizes over \$50,000 in Annual Savings by Streamlining Financial Processes



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Sherwood, Oregon, is located on the southern edge of the Portland metropolitan area. In 1991, the population of Sherwood was about 3,000; a decade later it had reached 13,680, an increase of over 350 percent. Following a decade of rapid growth, the Finance Department of the City of Sherwood, Oregon, found itself struggling with an aging financial management infrastructure that no longer met the needs of the city. In July 2002, the city deployed Microsoft Business Solutions–Navision. The new solution resulted in first year savings of more than \$50,000. It streamlined the financial operations of the city and provided them with the ability to monitor project budgets against actual expenses. Microsoft Business Solutions–Navision has the ability to provide the city with the timely and accurate financial information it needs while it continues to grow.

Company Overview

Located on the southern edge of the Portland metropolitan area, Sherwood is one of Oregon’s fastest-growing cities. In 1991, the population hovered around 3,000. A decade later, it stood at 13,680, an increase of more than 350 percent. During that time, the market value of property in the city jumped from \$95 million to \$954 million.

What’s the secret for Sherwood’s success? Sherwood has a combination of historic, small-town atmosphere and modern amenities. It is an ideal setting that includes rolling hills, fertile farmland, and the Tualatin River National Wildlife Refuge. Sherwood’s proximity to Portland is another important factor in its growth.

Equally important is the fact that Sherwood focuses on running the city like a business. This enables city departments to handle rapid growth and continue to provide high quality services.

However, as the new century dawned, it became increasingly clear that an aging financial planning infrastructure no longer served the needs of the city or its citizens. A legacy system built on outdated accounting software and a complex array of systems forced the city’s Finance Department to struggle through redundant, error-prone processes.

Lack of integration slowed access to critical financial data and wasted time. The layers of redundant manual data processing cost the city \$50,000 annually in staff time. An additional \$8,400 was spent to outsource payroll processing.

“Calculating labor costs for capital projects is just one example of the inefficiency,” says Chris Robuck, Finance Director. “We had to type timesheet data into Microsoft® Access, print paper reports, and retype the data into Microsoft Excel. Next, the data was retyped into accounting software and sent to payroll processing. Then someone had to type the payroll data back into the accounting software as a journal entry.”

Solution Overview

Customer Profile

Incorporated in 1893, Sherwood, Oregon, encompasses 4.1 square miles of land on the southern edge of the Portland metropolitan region. The fastest-growing city in Oregon, Sherwood has a population of 13,680. Sherwood provides a complete range of city services, including schools, parks, a library, police department, and construction and maintenance of streets and infrastructure.

Business Solution

A legacy financial solution that included outdated software and a complex mix of systems meant the city’s financial processes were inefficient. The city’s financial information was inconsistent and error prone, at a price to the city of \$50,000 per year. Lack of access to financial data forced city planners to make decisions based on incomplete and inaccurate information.

Solution

Working with Microsoft reselling partner, eSoftware Professionals, the Finance Department of the

Less quantifiable, but no less important, was the price paid for decisions the city made based on less-than-complete information. Lack of integration meant critical financial data was difficult to access. City department heads often made decisions based on out-of-date and inaccurate information.

City of Sherwood acquired and deployed Microsoft® Business Solutions–Navision®.

“Budgets were inordinately complex and virtually unintelligible; so decisions based on them were often not well-informed,” says Robuck. “And because managers couldn’t access component costs for capital projects, they had no way to predict final costs and head off overruns.”

Software Used

Microsoft Business Solutions
Financial Management

Two years ago, the Finance Department received the go-ahead to replace the old software and the city published an RFP. Finalists were asked to present an on-site demonstration. Cost of the solution relative to features and functionality served as one key criterion. To ensure that the company they chose would be a long-term partner, the city also evaluated the financial soundness of prospective vendors.

Microsoft Business Solutions HR
Management

Microsoft Business Solutions
Supply Chain Management

Microsoft Business Solutions–
Navision

Solution

Portland-based eSoftware Professionals and Microsoft Business Solutions–Navision®, emerged as clear winners. The first Navision Solutions Center in North America, eSoftware had been serving clients for 16 years and worked extensively with state and local government organizations.

Vertical Industries

Public and Nonprofit Sector

Country/Region

United States

“Our staff is made up of Microsoft-certified business and technical professionals,” says Robynne Davis, eSoftware’s Business Development Manager. “We chose Navision for the same reasons as our clients—scalability, ease of configuration, robust functionality, and a comfortable user interface.”

Planning began in February 2002, rollout commenced in April, and the new solution was fully functional by the start of the city’s fiscal year on July 1. The Microsoft Navision modules implemented included Financial Management, Supply Chain Management, and HR Management.

The project included a few customizations designed to enable Sherwood to implement more efficient business processes. “Time cards are one example,” says Robuck. “eSoftware customized our time cards to be easy for non-finance people to use, and to contain edit checks for inappropriate combinations of payroll control codes, jobs, and phases. These modifications allowed us to set up more effective software.”

Benefits

Cost Savings

Microsoft Navision has made life significantly easier for Robuck and her staff. By eliminating redundant data entry, the solution reduced errors and improved efficiency, enabling Robuck to trim staff and eliminate the \$8,400 annual cost for outside payroll processing. For the first full year of operation, the total savings experienced by Sherwood will equal the cost of support, maintenance, and customization for the solution.

“With Microsoft Business Solutions–Navision, the Finance Department expenditures per \$1,000 of the city budget for the upcoming year will

“In the upcoming year, Finance Department expenditures per \$1,000 of city budget will be half that of neighboring cities which produce information of comparable quality,” says Robuck.

Streamlined Financial Operations

The new solution has streamlined Sherwood’s financial operations, improved decision-making capabilities for city planners and managers, and enabled the Finance Department to ensure better compliance with requirements for loans,

be half that of neighboring cities which produce information of comparable quality."

Chris Robuck
Finance Director,
Sherwood, Oregon

grants, and statutes.

Ability to Monitor Budgets

The ability to monitor actual performance on capital projects against budgets resulted in better project oversight. Because managers can evaluate the cost for providing services, they can now make sound decisions about whether to continue, revise, or contract out those services.

"Budgets and financial statements are easier for city council members, citizens, and city managers to understand and analyze," says Robuck. "So much so, that we expect to receive the Government Finance Officers Association Awards for both Budget Presentation and Excellence in Financial Reporting for the first time."

Ability to Grow with the City

As Sherwood continues to grow, Microsoft Business Solutions–Navision will help the Finance Department continue to provide excellent financial services while giving city planners and citizens the information they need to preserve the qualities that have made Sherwood a great place to live.

"Now, we can focus on the content of the information, rather than trying to determine its accuracy," says Robuck. "This accuracy has improved our credibility with the city council and citizens because they know they can easily obtain the information they need and trust that it is accurate."

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