Deltek Insight 2016
A MOVE TO INFORMATION ACCESS EVERYWHERE

INTRODUCTION

Deltek kicked off another successful Insight Conference with keynotes from Chief Executive Officer Mike Corkery and noted documentary expert Ken Burns. While Burns provided inspirational highlights of an incredible career spanning the past 40 years, Corkery's presentation provided insight into the future of Deltek. Over 3,000 Deltek customers were in attendance to see many significant changes to its solutions and a glimpse of what is to happen over the next year.

The success of Deltek across its entire product portfolio was encouraging. While Corkery discussed Deltek's strategy for its Government Contracting solutions and customers, he seemed to spend more time discussing its rapidly growing Professional Services solutions portfolio, no doubt excited about its success and rapid growth. He continued with Deltek's theme of "**Win** (sell effectively), **Manage** (projects and resources), **Deliver** (In the back-office) and **Measure** (performance) but added a fifth category, "**Develop,**" to highlight the importance of improving all aspects of talent management, especially in an industry so heavily reliant on human capital.

Talent management took an increased role at Deltek Insight 2016. Much discussion was provided around the employee experience, looking at issues such as leadership, quality, training and growth, advancement and overall employee satisfaction. For complex organizations, that require extremely talented (expensive) human capital, the focus must be to operate more efficiently and with high levels of quality.

Over the past year, Deltek has increased its investment in data visualization – providing more graphical information and control of all visual assets at the users' fingertips. It is very popular among disciplines such as architects and engineers, where the work they do is so visual in nature. Deltek's goal is to drive greater user adoption, greater efficiency with a more inviting user interface. Standardization across many of Deltek's core solutions will enable individuals to have greater visibility of information. This move has been accomplished through browser-based solutions, with embedded processes, and smart workflows that take organizations from planning, through sales, project delivery, time and expense capture, approvals, invoicing and payment.

Deltek is already the leading solution provider for government contracting, architecture, engineering, and marketing agencies. This conference utilized its strength in these project-based industries to show how it is evolving to support the need of other professional services markets such as management consulting. The changes SPI Research has seen over the past year show Deltek's commitment to furthering its market leadership in key project-driven organizations, and the following sections will highlight some of the more notable findings.

DELTEK'S PROFESSIONAL SERVICES OFFERINGS

In Deltek's discussion specifically related to professional services organizations (PSOs), SPI Research found it interesting that the emphasis for the organization was in three key areas, which mirror SPI's core pillars. They include:

Δ **Relationships** (SPI's Client Relationships Pillar): ensuring all organizations that meet with clients have the information at their disposal to make more intelligent decisions, which ultimately provide client value and satisfaction, as well as meet organizational requirements for quality a and margins.

Δ **Talent** (Human Capital Alignment Pillar): ensuring the organization can provide the necessary skills to meet the needs of the clients in the most efficient and effective way, both short and long-term, while also, looking at the skills necessary to grow and providing an infrastructure where current and future employees can gain critical knowledge.

Δ **Project Management** (Service Execution Pillar): the ability to plan, staff, execute and close projects in an efficient manner so that deadlines are met, quality is delivered, and costs are contained.

Namita Dhallan, Executive Vice President of Strategy and Engineering, discussed the emphasis on client-facing organizations, and Deltek's focus on social, mobile, analytics and cloud (SMAC).

Δ ***Social (Kona)***: Deltek's Kona collaboration suite is now embedded within many of its enterprise solutions, to enable employees to collaborate on projects all within the same solution that they managed projects

Δ ***Mobile (iAccess)***: Deltek has improved and expanded its core user interface so employees can always be available to enter information such as time and expenses, as well as understand current project status from anywhere at any time.

Δ ***Analytics/Information (Deltek's Union Square acquisition; iAccess)***: information available at the

users' fingertips, much of which is through data visualization for a more graphical and easier to understand UI.

Δ ***Cloud***: Deltek's customers are overwhelmingly moving to cloud-based solutions, as over 95% of the new installs are on the cloud. This figure is significant, as Deltek has many customers who must maintain on premise solutions as mandated by various government regulatory agencies. So whenever possible, Deltek's customers are moving to the cloud.

Putting information at the fingertips of all Deltek customers, especially those client-facing organizations, is critical to beginning, conducting and ending engagements with high levels of satisfaction.

IT'S ALL ABOUT CLOUD-BASED INDIVIDUAL ACCESS TO INFORMATION – IACCESS!

Deltek set a tone at this conference for greater and easier access to information. The company has come out to say iAccess will be the platform of choice going forward. iAccess (formerly called Navigator) is

Figure 1: Deltek iAccess Opportunity Management
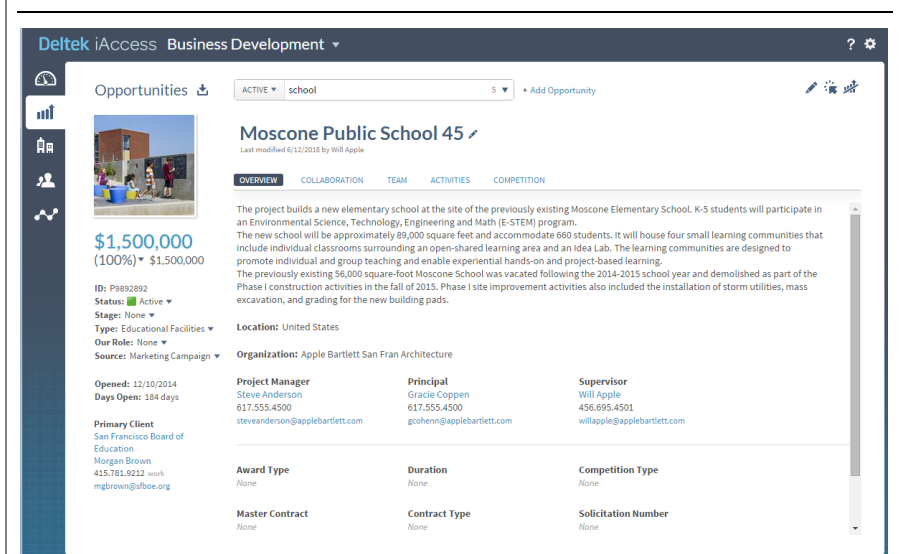
Source: Deltek, November 2016

a cloud-based interface that currently sits between their smart client Desktop and mobile devices.

Deltek stated that iAccess will be more than just a connector to mobile devices (phones, tablets) going forward, it will embrace most of the functionality currently found on the desktop, meaning employees with access to the Internet can more easily conduct business. This change is significant in that Deltek traditionally has utilized rich client technology and done so in a non-SaaS environment. Many of the vendor's customers work with the government, and there are limitations on cloud technologies in some instances. However, most of these same companies are traditional technology service providers and can utilize cloud solutions to run their own internal operations.

Along with iAccess, Deltek offers iAccess screen designer, which enables PSO administrators to create custom screens to more efficiently input data. This development enables professional services organizations to input information any way they want.

It was no surprise to SPI Research this development received some of the highest applause from the end-user community. In the same vein, it also enables PSOs to build custom dashboards with what Deltek calls "parts." Again, this development was met with significant applause from the audience. Deltek's goal is to put power in the hands of the end-user, so that they can run their business their way, with information integrity built-in.

Deltek's mobile application received a facelift over the past year and has added significant functionality for those employees on the go. From more sophisticated access to time

and expense information, as well as visibility into organizational operations, Deltek's mobile app provides the visibility and productivity enhancements leading professional services providers require. By early 2017 Deltek will move CRM to iAccess, and soon thereafter time and expense management, Outlook integration, resource planning and data visualization.

DELTEK VISION

Vision has been Deltek's leading platform for project-driven organizations (outside of the government contracting market) for many years now. But most of what Vision did well was in the back-office, helping automate the core processes of accounting. Now, with greater integration between client-facing organizations (that utilize Client Relationship Management and Professional Services Automation) and individuals working behind the scenes provides all employees with greater visibility into the planning, sales and execution of professional services. This increased visibility gives financial managers greater insight into project status, and cost.

Figure 2: Deltek Mobile Timesheet
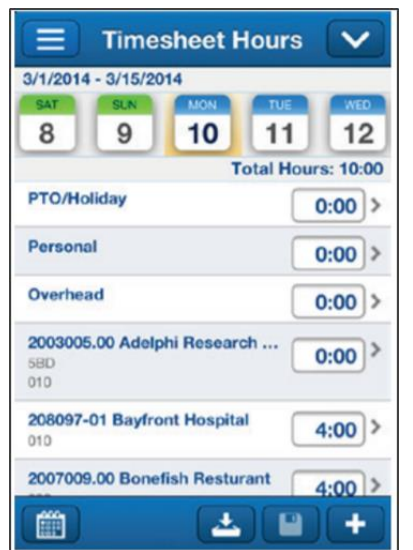
Source: Deltek, November 2016

Vision now has 8,000 firms utilizing its cloud-based solution. Deltek states that 95% of their new customers have gone cloud versus on-premise. This figure is significant as Deltek has many customers that deal with the federal government, and some of these companies may be hesitant to embrace the cloud due to the sensitivity of what they do.

Over the past year Vision introduced ERP for multiple companies, a new asset management module, an integrated talent management module, and enhanced project

planning. It has also introduced translations for all languages, making Deltek Vision a truly global solution.

iAccess will play a critical role in the future development of Vision. It has enabled Deltek to develop more intuitive dashboards, which provide critical real-time information for better decision-making.
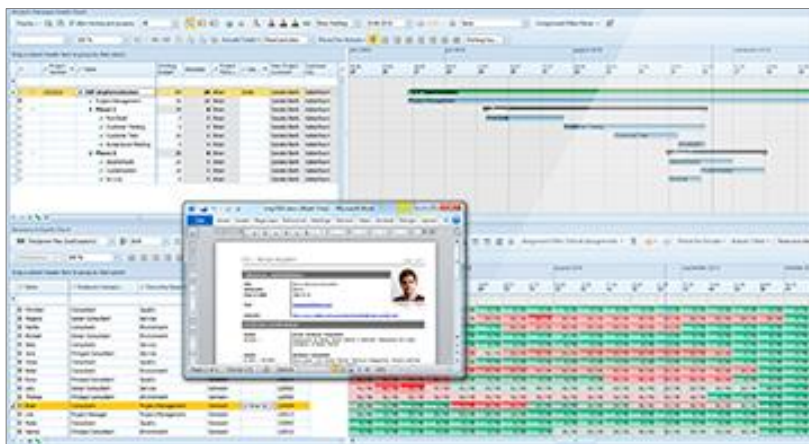
Several years ago, Deltek introduced Kona, their social solution to improve collaboration on projects. At first it was a standalone solution, but over the past few years they have embedded Kona within Vision (and their other ERP suites) to enable organizations to collaborate more efficiently while working within the project.

Figure 3: Deltek Maconomy User Interface

Source: Deltek, November 2016

DELTEK MACONOMY

Maconomy has been the leading solution for large media and advertising agencies for many years, and has also been a fit for large CPA, consulting, and engineering companies as well. Part of its success with agencies is that most other ERP solutions are not built for agency work. Advertising agencies work differently than traditional management or IT consultancies. They use different terminology and typically focus less on time and material

engagements and more on fixed price. This difference has made it difficult for traditional, financial ERP solutions to efficiently manage projects. Deltek Maconomy built enhancements to the solution, allowing for easier capture of project-based information, such as time and expenses.

iAccess is coming to Maconomy as well. Deltek is moving iAccess to the solution making it easier to build screens with HTML5 on tablets, PCs and other devices, eliminating the need for the thick or rich client that Deltek Maconomy has traditionally relied upon. iAccess also has integration with Google analytics, making it easier to better understand the status of operations.

DELTEK TRAFFICLIVE

Deltek's purchase of TrafficLIVE several years ago has been a boon for the company. TrafficLIVE was architected as a cloud-based agency management solution to make it easy for everyone to manage resources, schedule jobs and record time. Built on the Zip platform, TrafficLIVE is an excellent agency solution that integrates with other small and midsize software vendors on the platform, meaning there is little work to do in terms of integration when the organization has TrafficLIVE, QuickBooks, or other applications.

There is a changing engagement model in agencies. Many, if not most have moved to project-based work with more retainers and utilizing a third-party workforce when going to market. They are much less focused on selling time and materials services, and have moved to fixed fee engagements. The ecosystem of agencies has become more complex, and therefore TrafficLIVE has been enhanced to better manage this changing market.

TrafficLIVE manages many of the most critical key performance indicators in real time, from revenue and net profit to other metrics including revenue per client, client satisfaction, leads generated and so forth, making traffic live perfect for organizations to get up and running much faster.

CONCLUSIONS

One of the more interesting aspects of Deltek's annual Insight event is to see the organizations utilizing it solutions and realizing many are real "world changers." As the economy grows, and greater emphasis is placed on energy efficiency and the environment, architects and engineers from around the world will design more interesting and exciting structures. Many of these firms are Deltek customers.

Deltek has, and will continue to be, a leader in project-based ERP solutions. The company's thirty-plus year heritage is centered on the financials of a project, rather than the financials of inventory and widgets, which is the case in most other traditional ERP solutions. The vendor is rapidly, albeit thoughtfully, moving forward into SaaS-based solutions. However, the large installed base of government contractors need not to fear, as Deltek will continue to be committed to on-premise solutions for those organizations without the want or clearance to move toward SaaS.

Deltek has always had a lot of innovative "pieces", many were through the acquisition of industry-leading solutions. Over the past year, and for the next several, Deltek will create a more standardized and consistent user-interface, where many of the solutions operate as one. This initiative will provide greater efficiency for work, and improve visibility across the entire organization.

Deltek is not just another 30-year-old solution provider. It has been a leader in project-based business solutions since its inception. The company is committed to greater adoption of its game-changing solutions throughout professional services organizations. Over the next year, the vendor will roll out more significant developments, which will ultimately drive greater efficiency and value.