

Customer  
Case Study

Deltek Costpoint

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» Michael Mueller, CPA  
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A “corporation for a higher cause” finds a higher level of capability, flexibility and compliance in Deltek Costpoint

If you had to think of one word to describe the Chenega people of Alaska, it would be the word “resilience.” Lives and livelihood devastated by a tsunami in 1964, then by the 1989 Exxon-Valdez oil spill, these Alaskan Native people have rebuilt and proven their strength time and again.

It’s no surprise that the Alaska Native Corporation (ANC) that represents them, Chenega Corporation, is equally resilient. In 1998, the company won its first government contract. Today, they are a large and highly successful Alaskan-owned business.

## The Challenge

Chenega’s extraordinary success came with a price: outgrowing its systems. With over 250 contracts to manage, Chenega’s financial systems were bursting at the seams. Data were spread across multiple systems, making it difficult to track and allocate general and administrative, overhead, and fringe costs.

The old systems weren’t designed for government contractors, requiring Chenega to cobble together workarounds. Indirect costs and burdens became a major issue. The company spent a great deal of time exporting costs from the general ledger and manually calculating indirect costs in Microsoft Excel.

## The Solution

The solution to Chenega’s system challenges came from within. Chenega’s senior financial systems analyst, Michael Mueller, CPA, knew that the system he was already using internally at one of Chenega’s subsidiaries was different. The company’s experience with that system – Deltek GCS Premier—was so positive that they were immediately willing to explore other Deltek solutions.

Mueller says of Chenega’s search for solutions, “We considered a variety of options, including the status quo. Deltek Costpoint was a very clear winner in its ability to meet our diverse commercial and government contracting needs right out of the box.”

Costpoint had all the capabilities of GCS, plus the features that the growing firm needed: more flexible billing and invoicing capabilities, multi-company support, improved incurred cost submission reporting, 15-level work breakdown structure and unlimited cost pools.

Renee Hagen, CPA, CMA, Chenega’s senior vice president of corporate compliance, says that the deciding factor was Costpoint’s cost pools functions which provide an excellent way of allocating fringe benefits, overhead, and general and administrative costs. As a former Defense

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Contract Audit Agency (DCAA) supervisory auditor, Hagen knew that Costpoint would address Chenega’s compliance needs.

### **Improving Efficiency**

Chenega moved from many disparate systems to a single Costpoint ERP environment. Time, materials, overhead and other expenses in Costpoint are tracked at the project, organization and account level. Chenega can quickly and easily summarize costs and revenues by account, organization or project at any level of the work breakdown structure. Chenega can also automatically generate the appropriate invoices and financial statements, which are driven by configurable, project specific costing rules. Costpoint automatically applies the invoicing, accounting and procurement rules to each transaction, based on its associated project. That means much more efficient day to day operations, with automated invoicing and accounting. It also means easier consolidation of financial statements, which is critical for Chenega’s multitude of subsidiaries.

### **Improving Compliance**

As a government contractor, compliance is crucial, and Costpoint hasn’t disappointed in that aspect. Hagen says that Chenega has passed every DCAA systems audit since implementing Costpoint. In addition, the company has a much better idea of where they stand on a project-by-project basis, down to the most detailed levels. “We have great visibility into project status and costs,” Hagen says. “We can get the information we need with the click of a mouse.”

Hagen recommends Costpoint because it was built with government contractors in mind. Costpoint’s time and expense solutions are particularly notable, she says: “These products take worrying about compliance down a couple of notches.”

### **Winning New Business**

When Chenega submits proposals for government contracts, they mention Costpoint by name. “The Deltek name provides a great deal of credibility and comfort in those situations,” Hagen says. Deltek has also helped Chenega discover new opportunities through GovWin IQ, manage those opportunities through GovWin Capture Management, and make more informed bid/no-bid decisions. This means that Chenega is not just improving efficiency, but also increasing revenue and ROI.

### **Leveraging Costpoint 7’s Web-Based Technology**

Chenega says that Costpoint 7 is user-friendly and has great features. Its support for multiple browsers and a variety of mobile devices (driven by Apple and Android operating systems) is a big plus. They’re also excited about being able to use Costpoint in conjunction with productivity tools such as Microsoft Excel, Outlook and Exchange. Rick Kessler, Chenega’s CIO, says that the Costpoint 7 footprint is very small, allowing the company to lower costs by reducing the number of servers it maintains and eliminating extra software such as Citrix. Since Costpoint 7 is Web-based, the rollout was also fast and easy.

### **“Deltek is a Great Partner”**

Chenega participated in Deltek’s Early Adopter program for Costpoint 7, and was able to learn about the product offering and provide feedback during the early development phases. “The Early Adopter program was a huge plus, unlike anything I’ve seen before,” said Kessler. Kessler notes that the partnership during the Early Adopter program to implement Costpoint 7 was “tremendous.” The Early Adopter program ensures that Deltek’s software meets customer needs and enables the company to reduce development timeframes and costs. As a result of this program, Deltek’s

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customers end up with even better software.

"I've worked with many ERP vendors and have never seen such strong partnering before," he says. "We've built a great relationship with Deltek. Other companies can't or won't do it, but we can lean on our relationship with Deltek."

**Addressing Commercial and Government Contracting Needs**

Chenega uses Costpoint to support diverse commercial and government contracting divisions, specializing in military intelligence, defense, IT, power, telecommunications, security, engineering, construction, the environment and natural resources.

Costpoint's three-dimensional accounting supports all of these diverse needs with flexible, pre-defined reports, calculations, invoicing and accounting options.

With Costpoint, Chenega has been able to shorten their invoicing cycles, and improve their days sales outstanding. They have been able to meet customer, stakeholder and audit expectations more effectively than ever before. Chenega has also been able to follow Federal Acquisition Regulation (FAR), Cost Accounting Standard (CAS), Defense FAR System (DFARS) and many other federal accounting rules and regulations more efficiently and cost effectively than before, and to provide visibility and transparency to their shareholders, the federal government, DCAA, DCMA, auditors and the communities they represent and serve.

**About Chenega Corporation**

The Chenega Corporation began to participate in the government services marketplace in 1997. Today, the company supports more than 250 federal contracts through a combination of negotiated best-value and full and open competition vehicles.

Chenega's corporate culture is steeped in the values and ethics that flow from its Alaska Native leaders. Those values distinguish Chenega as "a corporation for a higher cause," where a substantial portion of profits are dedicated to elevating the Chenega Community and its people to lives of self-sufficiency and a sustainable, productive future.

<http://www.chenega.com>

**The Deltek Advantage:**

- Improved compliance
- Increased revenue
- Shortened invoice cycles
- Reduced Days Sales Outstanding

Deltek is the leading global provider of enterprise software and information solutions for professional services firms and government contractors. For decades, we have delivered actionable insight that empowers our customers to unlock their business potential. 16,000 organizations and 2 million users in over 80 countries around the world rely on Deltek to research and identify opportunities, win new business, optimize resources, streamline operations, and deliver more profitable projects. Deltek – Know more. Do more.® [deltek.com](http://deltek.com)