



---

## June 2011 - Featured Article: The AVID Advantage

### HOW AVID'S EXTENSIVE INTERNAL PROCESSES AND MIS SYSTEMS HELP CUSTOMERS ACHIEVE BETTER RESULTS AND LOWER COST

---

AVID Technologies takes great pride in our ability to deliver expert electronic product design services to a wide variety of markets including Aerospace/Defense, Medical, Consumer, Telecom, Industrial, and more. Our customers are surely aware of AVID's advanced technology capabilities, innovation and expertise.

However, most customers are probably not aware of the extensive internal processes and MIS systems AVID has developed, which enable us to provide them with valuable benefits including:

- Faster and more on-time deliveries
- Higher quality
- Controlled costs
- Fewer surprises

AVID has invested over 15 man-years in the creation of MIS systems that run our entire business and operations.

It begins with our "Opportunity Management System" (OMS). This custom relational database and GUI of Account and Contact information was created by AVID to be the foundation upon which all else is built, including our "Time, Expenses, and Materials" (TEM) system. All AVID projects and processes are controlled and inherently embodied and enforced through these systems.

Of course OMS provides common CRM functions, with central, shared visibility of all correspondence, emails, calls, meetings, etc. for our contacts, whether customers or prospects. But OMS does much more.

OMS was created to be a complete Forecasting, Quoting, Project Management, and Job Cost system. OMS supports the creation of "Opportunities" (Opps), linked to a contact and account. An Opp can be populated with "Line Items" that can be materials, software or labor. Line Items can have a hierarchical structure to define the phases and stages of a project, creating a detailed plan for the project.

In a pre-sales mode, these Opps are a forecasting and quoting tool. Every line item has quantity and price information, which roll up to each phase and the overall Opp, defining our "Budget" for the Opp.

When a customer contracts a project with AVID, the Opp becomes a Project. The customer purchase order and amount are entered into the Opp, representing "Funding" that authorizes and enforces spending limits on this Opp.

"Time, Expenses and Materials" (TEM) is the software application where every cost or expense is entered, and applied to a specific Line Item of an Opp. Purchase orders to vendors are created in TEM, emailed, and linked to the Opp and the Account. The entire purchasing process flow (PO, receiving, inspection, acceptance, and payment to the vendor) is automated and embodied in the software. Every UPS, Fedex or other shipping charge is entered. Every minute of time spent by the team is logged to a Line Item of a customer Opp, or to "Internal AVID Opps" such as training, maintenance, admin, meetings, etc.

TEM automatically generates payroll data that electronically is sent to an outside payroll service.

(cont'd)

TEM automates the billing process entirely, as well. Years ago, the process of collecting all of the costs and labor on every project took a great amount of time and labor, and was often riddled with errors and unknowns.

Now, the cognizant Project Managers review and approve (electronically) all time and costs for their Opps in TEM, to make sure they are valid charges, and the Department Manager approves final billing. The month end billing cycle takes 1 day, and is extremely accurate and complete.

All PO, billing and payroll data gets electronically transferred in real time to our financial system, for Accounts Receivable, Accounts Payable, banking, and financial reporting.

With such automated processes, engineers and managers can spend more time doing productive project work for customers, and less time looking for information or manually trying to manage the project accounting.

The bonus is Metrics. With all of this information in a relational database, we are able to generate very valuable Metrics that help us to measure and improve efficiency and performance. Project Managers can see exactly who is spending how much time on which projects and tasks, to ensure optimal prioritization of resources. We can measure the “% of utilization” for each team member to make sure we are effectively applying our resources.

As costs accrue on a project, there is a real-time measure of “% of budget” that lets us know if we are at risk of a project cost overrun in real time, before it happens. In fact, each Project phase and line item has a budget, so we can see exactly how we are performing at a detailed level on each task.

These processes and systems, along with the exceptional AVID culture and work ethic, ultimately provide customers with superior value: we call it the “AVID Advantage”.

If you would like to learn more about how AVID’s services, capabilities and processes can help you be more successful on your next product design opportunity, contact AVID at 330.487.0770 or [sales@avid-tech.com](mailto:sales@avid-tech.com).