

Customer Success: Lee Company



SPECIFICATIONS

INDUSTRY

- Mechanical Construction
- Field Service
- Professional Services

DRIVERS

- Modernize infrastructure
- Optimize Dynamics 365 data capabilities
- Increase efficiency, productivity, and reliability
- Ensure scalability for future growth

PRODUCTS

- Microsoft Dynamics 365 FO
- Microsoft Dynamics Sales
- Microsoft Azure
- Microsoft Azure DevOps
- Hitachi Solutions' Engage for Construction
- Power Platform
- Project Accounting

Literally starting with "one man and a truck" in 1944, Lee Company has grown by a factor of 20x since 1998 to be regarded as one of the most reputable residential and commercial HVAC, plumbing and electrical providers in the Southeastern US. But with that growth came the need for modernization and change. See how Lee Company met the challenge and continues to excel with the Microsoft Dynamics 365 platform and Hitachi Solutions as its dedicated partner.

About Lee Company

Lee Company, based in Nashville, TN is a 79-year-old, family-owned HVAC plumbing and electrical contractor, powered by a team of caring professionals and built on decades of experience.

Offering "all you need" from HVAC, plumbing, electrical, and appliance repair, to huge construction design and build projects, Lee Company works with both residential customers and commercial clients in government, institutional, commercial, healthcare, and industrial organizations. The company prides itself on competing based on **quality, convenience and availability**, not necessarily price, often a scarce differentiator in today's ultra-competitive landscape.

Lee's corporate strategy is focused on growing its geographic footprint throughout the Southeast, from \$370 million today to over \$700 million by 2030. It became clear to the company's leadership team that to keep maturing and fulfilling its ambitious goals, the company urgently needed to modernize its systems for managing people, information, projects, and relationships, according to Rob Ivy, Lee's Chief Financial Officer.

The company knew it had to update its 20-year-old, on-premises ERP system and digitally transform its entire organization across all business units—a huge undertaking for a diverse sales, service and construction provider. The goals were clear: **to set a new standard in customer and employee experience while building a solid, flexible foundation for future growth.**



Lee Company chose the name **Atlas** for its massive modernization project, combining the strength of Greek mythology with the directional clarity of a roadmap. Just as Atlas (the Greek titan) supported the heavens, Lee Company wanted this project to carry the weight of innovation and change as it navigated the uncharted territories of digital transformation.

The Transformation Challenge

Lee Company was at an inflection point with its legacy ERP systems, as they were failing to keep up with the velocity of change in the digital economy. The limitations— siloed data and the inability to scale—couldn't be masked with patches and workarounds.

"We had four diverse business units and a lot of those processes, particularly within the different service business units were disparate. It didn't allow us to achieve any economy of scale, and it didn't allow us to share resources," said Ivy, who also served as the project's executive sponsor.

The decision to move to a cloud ERP was a prime opportunity to assess the broader possibilities and transformative impact of change. Tapping into that potential required a reimagining of how the business created value for customers and a greater economic margin for the business. In other words, replace legacy thinking along with the legacy system.

Finding a Solution

Lee Company faced a critical decision. Should the company choose a distributed solution with separate construction, service and facility management platforms, or instead opt for an integrated, single-platform solution? The company evaluated both distributed and integrated solutions, and decided that an integrated solution, specifically the Microsoft Dynamics 365 platform, was the right choice given its integrated ERP data and Azure-based modern data estate capabilities.

"We plan to double the number of markets we serve by 2030, and we need to add 3 or 4 new service lines to our business. With that diversification, we needed a platform that would allow us to integrate easily, or to find other software solutions that would integrate easily. We felt that the D365 platform was exactly that solution," Ivy said.

Choosing a Partner

Lee Company interviewed many potential partners, and company executives agreed that Hitachi Solutions was the best partner to lead its transformation. Company executives immediately noted the 'like' cultures between the organizations as a fit that would promote collaboration, efficiency and ultimately success. The company was also reassured by the fact that Hitachi Solutions had been named the Microsoft Field Services Partner of the Year several times in recent years. "Field service is the more complex part of our business so that designation was critical, but we also felt that Hitachi Solutions had the depth of resources that some of the other partners we evaluated did not have."

Hitachi Solutions' ability to complete an end-to-end D365 implementation, along with its **Engage for Construction** solution, were key in demonstrating how Hitachi Solutions was uniquely positioned to meet Lee Company's modernization needs today and prepare them to scale and diversify in the future. Ivy said the company knew that Hitachi Solutions' willingness to customize and create new functionality in its own product would allow Lee Company to benefit and drive efficiency and profitability throughout its construction business unit. "I think another reason we went with Hitachi is that they would make investments for us and they have."

"A partner, like Hitachi Solutions, who also had a mind towards innovation and toward developing their own intellectual property around the Microsoft platform, was also a good partnership for us. And it has turned out to be so."

Rob Ivy, CFO

The Solution: Project Atlas

Atlas was a massive undertaking, touching almost every solution in the Microsoft stack, including D365 Finance and Operations, Sales, Field Service, Azure modern data estate, Power Platform, and Hitachi Solutions' Engage for Construction. With such a large scale project touching all business units in nearly all functional areas, Hitachi Solutions knew it was critical to develop a unified data solution.



Finance and Operations

Tight integration and bi-directional, dual-write updates between Dynamics 365 Finance and Operations and Dynamics 365 Sales allow the sales and operations teams to share real-time information with project accounting and other back-office users. Supporting functions such as estimating and bidding, project and inventory management allow for transparent financial analysis and for control of projects to be tightly integrated with field operations.

Reporting is now provided through Power BI's interactive business analytics reporting tools. All the company's sales, operations, and finance/accounting data is available for users—everyone from the operations team to executives—to “slice and dice” information and uncover valuable insights.



Field Service

Even though Lee Company always provided excellent service, legacy software made it difficult for employees to do their jobs effectively. Dynamics 365 Field Service's advanced, integrated capabilities allow Lee's field service technicians, engineers and managers to connect Dynamics 365 Sales and back office data with its overall field service operations, providing advanced scheduling and workforce management.

Enhanced dispatch capabilities, including machine learning based smart routing and skills-based technician assignment, ensure that the right technicians with the right skills are dispatched, allowing for greater efficiency and productivity in the field, and a better service delivery experience for customers.



Construction Project Management

Many of Lee's commercial construction business processes had never been digitalized, thus requiring a ground-up approach to building process flows, data integrations and tooling. Hitachi Solutions' Engage for Construction product provided the foundation for modernization, because it centralizes, automates, and simplifies project lifecycle, and provides key integrations to Dynamics 365 Finance and Operations, Dynamics 365 Sales, and Microsoft Project Accounting.

Developers then added functionality and customizations to provide a full-service mobile solution based on Microsoft Power Platform, including Power Apps for project superintendents, managers, and field technicians for time keeping, safety verification, and project management, just to name a few. Now employees have productivity tooling at their fingertips wherever and whenever they are working.

Results and Impact

Atlas standardized Lee Company's culture, processes, and data streams providing the connectivity, data visibility, and business intelligence that Lee Company needs to operate more efficiently and effectively today, all using a sleek, new data platform that unifies data across all the company's business units. Along with that, the solution can scale broadly, allowing for sustainable growth in the future.



Data Drives the Decision

The biggest change, Ivy said, is the availability of data. In Lee's legacy system, company employees spent an inordinate amount of time exporting and manipulating data in Excel, only to have that data become stale quickly. With a modern data warehouse built on Azure, "we are exporting data daily and a lot of development is going on with citizen developers using the Power Platform, so our output is more real time, more robust and more reliable," Ivy said.

In its construction business unit, Lee now has complete visibility of the project lifecycle and access to data insights. Lee managers can see labor spend at a very granular level, and managers are using that information to fine tune schedules and increase margin. They also have a real-time view into daily costs on a per-project basis so they aren't waiting until the end of the month to determine whether to adjust.

One of Atlas' most valuable data analysis tools, Ivy said, has been the company's ability to build a construction revenue projection model. The model merges finance and operations backlog data with the sales opportunity pipeline to establish a robust revenue forecast that goes out for years— well into 2026 at this point, Ivy said.



A Better Customer Experience

The customer experience has been greatly improved as well. Previously, Lee Company lacked transparency into individual account activity, whether it was a work order in the service group or a maintenance contract in the facilities management group, Ivy said. With Atlas, Lee Company communicates in a streamlined fashion as a single entity. "No customer wants to deal with four different people or get four different account statements," he said. Detailed Power BI reporting also provides the analytics that the company needs to designate accounts as strategic, and apply the appropriate sales and marketing efforts.

But it doesn't end there. Customers are much happier and have a much better experience with new Power Apps portals for self-service scheduling and service updates. The process has reduced the time and effort required for both customers and customer service reps, driving out inefficiencies and driving up a convenient and flexible experience for customers.

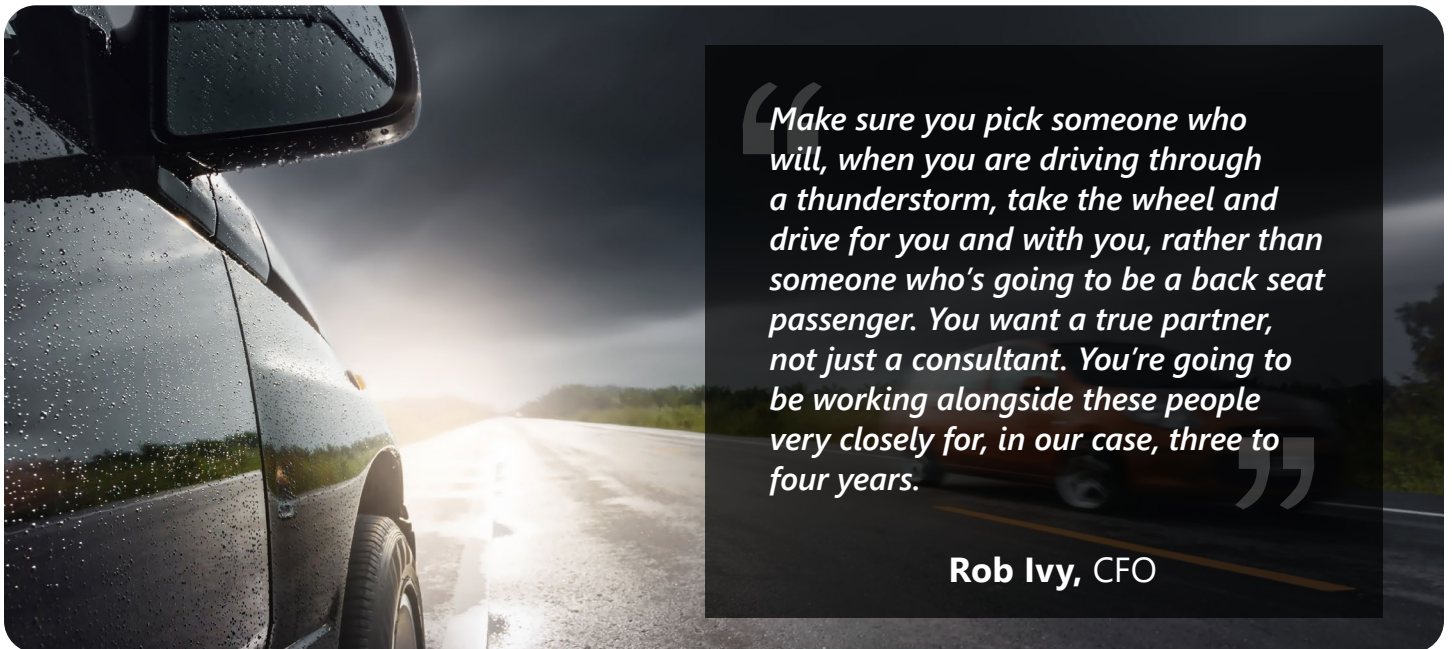
A Journey of Learning with Managed Services

In the early days of the deployment, Hitachi Solutions and Lee Company worked in lockstep, with Hitachi Solutions educating the Lee team on all aspects of cloud computing and system management. Once the implementation was complete, Lee Company continued to augment its staff with Hitachi Solutions' Managed Services group. That partnership is still in operation today and is critical to the company's ongoing modernization success.

For Lee Company, this has meant a collaboration rooted in mutual respect and a common drive for innovation. The value delivered by the Managed Services team ranges from solving complex issues that require innovative thinking to providing day-to-day operational support. This collaborative approach benefits all stakeholders, from functional users to BI teams and executives. Through our Managed Services, Lee Company builds new enhancements, quickly escalates issues requiring specialized support, and even draws on Microsoft's expertise when needed. The focus isn't just on resolving immediate issues but also on ensuring a roadmap for future growth and innovation.

With Hitachi Solutions' guidance, Lee Company's internal resources have grown and matured to a level that has allowed the company to reduce its annual managed services expenditure by two-thirds. "Our goal, and Lee's, was to build their internal team so that they could become more and more self-sufficient on their own," said Hitachi Solutions' Vice President of Sales, Mike Oster.

In all aspects, the imperative words have been **cooperation**, **trust** and **teamwork**. Ivy said, "We've grown a lot internally with respect to cloud software, what it takes to really make it work, and what it takes to maintain it. Fortunately, we picked Hitachi Solutions. They've been fantastic. Not only have they bent over backwards to make sure we have the solution we need, but they're right there with us," Ivy said.



“Make sure you pick someone who will, when you are driving through a thunderstorm, take the wheel and drive for you and with you, rather than someone who's going to be a back seat passenger. You want a true partner, not just a consultant. You're going to be working alongside these people very closely for, in our case, three to four years.”

Rob Ivy, CFO



Every organization needs a unified cloud ERP with flexibility and ongoing innovation built in. At Hitachi Solutions, we engineer our Dynamics 365 solutions to run your entire organization. You get consistent, integrated data and process flows across every line of business—and the technology is always up to date. You can implement process changes faster and build and extend your applications better. That's the ultimate synergy of a cloud-based, integrated platform.

What Does the Future Hold?

Lee Company is on a path toward reorienting its managers from decision-making based on intuition to decision-making based on data. "People make a lot of assumptions that aren't rooted in data, facts or analysis," Ivy said. We're changing the culture of the company from 'managing by feel' to managing based upon data analytics. It not only makes the decision making better in real time, but it also allows for predictive analytics."

Secondly, he sees AI and IoT as core technologies the company will leverage extensively in the near future, and predicts they will become the cornerstone that allows Lee Company to optimize operations, reduce costs, and make more informed decisions. "We're excited about what we can do, and how we can use our scale combined with good data and analytics in order to drive ROI," Ivy said. "It's changing our mindset from being limited by technology to a mindset of exploring and being excited about the possibilities of technology."

"We plan to be 100-year-old company and so we wanted to buy a platform that would be innovating with us for the next 20 years. That's one of the reasons that we went with Microsoft and Hitachi Solutions. We won't ever outgrow them," Ivy said. "And our people are excited about that."

As a proven global Microsoft systems integrator, **Hitachi Solutions** works with multi-national global construction and project-based enterprise customers to create solutions at scale and forge strategic relationships for life. Our customers don't have to explain how their business works, we already know, and we harness our past learnings to continue innovating, using industry best practices for agile organizations to scale globally.

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