



# The Power of Professional Services Automation for Small to Mid-size Firms

Your Guide to Buying the Right PSA Software

# Introduction

## 80%

of cost structure  
is labour

Source: SPI Research 2019  
PSA Buyer's Guide

## 27%

average cost  
overrun of projects

Source: Harvard Business Review

## 39%

of projects fail due  
to lack of planning  
resources & activities

Source: Spikes Cavell

People are at the core of every professional services organization (PSO). With labour making up almost 80% of their cost structure, utilizing project resources to their fullest capacity is critical to growing the business. And yet it's one of the biggest challenges for services companies. People get bogged down in the administrative processes associated with the projects – tracking time and expenses, updating project information, managing customer communication, approving billable costs...the list goes on. Every minute they spend on these tasks, takes away from project deliverables, lowering utilization, chargeability and on-time delivery.

This is a common challenge among small to mid-size firms. Why? Because they rely on a collection of disconnected systems to run their business. They'll often have a basic accounting system to handle finances, plus a project management tool to coordinate the details of their projects. Then there's a separate system for timesheets and expense tracking (some are even still operating on paper!). When it comes to contact and opportunity management, some have a CRM system, but others just use Outlook or even spreadsheets.

This approach is only sustainable when you're starting out, with a small team and a handful of projects. Managing each step in the quote to cash cycle independently causes a significant drop in efficiency and you end up duplicating effort across the organization. Even the best project management system won't save you. If your project data is separate from the rest of your business, you'll have limited visibility into performance, in turn limiting your ability to increase profitability.

## What's inside?

- ▶ What is professional services automation?
- ▶ What problems does PSA solve?
- ▶ Why do we need PSA software?
- ▶ Are we ready for a new system?
- ▶ How do we choose the right PSA solution?

## If disjointed systems are the problem, what's the solution?

Professional services automation (PSA) software, complete with integration into your financial system.

Particularly for SME firms, technology has become the differentiator that gives you a leg up against your competition. When your company is built around people, streamlining your back-end processes has a direct impact on your clients. The systems you run impact your processes and determine how effectively you can deliver projects on time and on budget.

But with so many PSA solutions to choose from, how do you choose the one that's right for your business? This guide is your roadmap. We'll help you identify when it's time to upgrade your systems, how PSA software boosts business performance and what to look for in your software evaluation.

# What is professional services automation?

Research by the **Project Management Institute** shows that 77% of high performing companies understand the value of project management. And how do you manage projects effectively? By using the right systems to support your operations.

While you might be inclined to think that means you just need a good project management tool, take a step back and look at the bigger picture. A project management application helps you manage the tasks and timelines of your projects, but that's about it.

## What kind of impact would you see if you could manage your projects and your business operations in the same system?

- ▶ Sign more clients by managing sales cycles more effectively
- ▶ Easily identify where your most profitable opportunities come from
- ▶ Allocate resources more effectively across projects
- ▶ Increase resource utilization and chargeability
- ▶ Improve your client experience with more effective project management
- ▶ Boost cash flow with more accurate, timely billing and faster collections
- ▶ Streamline communication and optimize project delivery
- ▶ Avoid project overruns with real-time progress reporting
- ▶ Make faster, more informed decisions with reliable, timely information
- ▶ Lower costs with increased efficiency



## Who uses PSA?

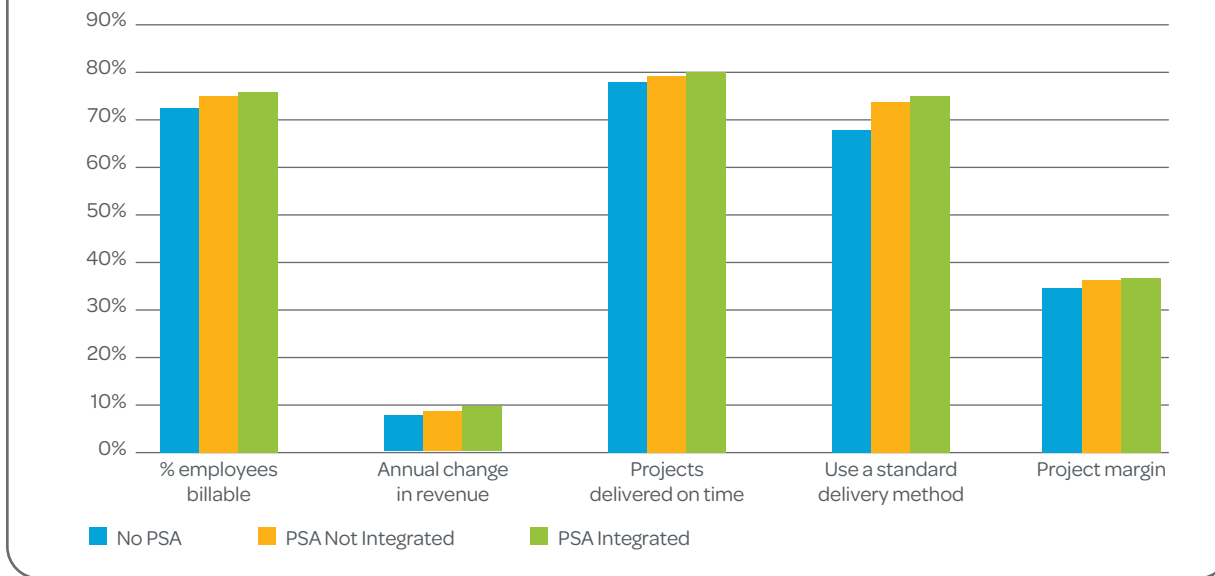
- ▶ Engineering firms
- ▶ Management consultants
- ▶ Software & tech companies

## Which is better – PSA or project-based ERP?

Most PSA software is available as a stand-alone solution – and you’ll see great results using PSA on its own. But it’s even more powerful when it’s integrated with your accounting, CRM and payroll functions as part of a project-based ERP solution.

This approach delivers the benefits of PSA but extends even further to help you increase efficiency across the entire organization – including non-billable teams (more on this [later](#)).

### Performance Metrics Comparison












Source: SPI Research Professional Services Maturity™ Benchmark

# What problems does PSA solve?

Each individual system you use to manage your projects – and your business – adds unnecessary complexity. Over time, that complexity starts to

slow you down, impacting your ability to deliver projects on time and on budget.

## Here's how the impact shows up in your business:

-  You spend an excessive amount of time maintaining spreadsheets
-  Highly manual processes require additional time and resources
-  Duplicate information must be regularly reconciled between systems and manual tracking sources (e.g. spreadsheets)
-  Error rates are high due to manual processes (**rates above 1%** are a concern)
-  The same data is being manually re-entered in multiple systems (e.g. timesheet data is transferred into payroll and invoicing systems)
-  Only your salespeople know what the opportunities are and where they're at
-  You can't easily share information across sales, service and finance teams
-  Projects are being delayed or mismanaged because information is inaccurate or inaccessible
-  Resource management is done manually, usually in a spreadsheet
-  It takes weeks (or even months) to bill clients, delaying payment and impacting cash flow



Only **2.5%** of companies successfully **complete 100%** of their projects.

PSA is the key to tuning your operational processes so you can leapfrog your competitors!



Reporting and analysis is manual and time consuming, requiring countless hours to roll-up and cross reference spreadsheets



You lack visibility into upcoming projects and resource needs, resulting in subpar billable utilization



Time and expense entry is slow and painful for your team, leading to delays and inaccurate entries



Runaway projects are common due to a lack of visibility into budgeted vs. actual timelines and costs



Limited reporting capabilities don't give you real-time visibility into project profitability



Outdated systems are hard to use with poor user interfaces

# Why do we need PSA software?

For many executives, the **4% increase in billable utilization** is enough to prompt a move to PSA. But the benefits don't end there. Consolidating your core business functions into a single system offers benefits for both billable and non-billable functions. A PSA solution helps you tighten up your processes across the organization, so you're spending less time on administrative functions and more time on revenue-driving activities.

- ✔ Boost client satisfaction by assigning the most compatible resources to each project based on skill set, experience and availability.
- ✔ Increase resource utilization with better visibility of staff skills and active projects to ensure you're assigning the right resources to the right projects.
- ✔ Make better hiring decisions with visibility into upcoming projects and resource availability that helps you proactively identify resource gaps.
- ✔ Accurately forecast financials with real-time forward-looking resource and project data.
- ✔ Improve employee satisfaction by allocating them to projects that excite them and help them meet their individual development goals.
- ✔ Measure, analyze and improve productivity with total visibility into costs and deliverables at the territory, account, project or resource level.
- ✔ Proactively address project risks before they become problems with real-time reporting and alerts.
- ✔ Onboard new employees faster with a consistent user interface and only one system to train on.








 **17%**  
increase in year-over-year PS revenue growth

 **\$56K**  
more revenue per project

 **4%**  
billable utilization increase

Source: SPI Research Professional Services Maturity™ Benchmark

-  Lower admin costs with fewer manual processes and error prone re-entry in multiple systems.
-  Improve cash flow with faster billing and collection.
-  Achieve higher realized bill rates with more accurate estimating and fewer project overruns.

-  Accurately capture time and expenses against projects to reduce leakage and better assess project profitability
-  Make more effective strategic decisions using project, revenue and cost analysis to determine which types of projects and clients are best fit for your organization.

# Are we ready for a new system?

Even if you see the benefit of PSA software, you still might question whether you're ready for it. It's natural to do a gut check before implementing new software – it's a big decision

that impacts everyone in your company. This quick checklist will help you decide if now is the right time.

Yes No

Do you have requirements that your current system can't handle?

Is your data unusable or do you need to dedicate extra time and resources to analyze it?

Are you entering the same information in multiple systems?

Does your current system lack the flexibility to support new and more complex processes?

Do your teams lack access to key information and intelligence required to do their jobs?

Is your current accounting software lacking the sophistication you need?

Are you relying on manual processes, double entry and/or spreadsheets everyday?

Is the production of financial statements time-consuming and error prone?

Can your departments share information easily?

Is your team constantly frustrated with cumbersome time and expense tracking?

Every 'Yes' is a sign that you're ready to make the move.

How did you do?

	Yes	No
Do you find it challenging to forecast demand without visibility into your sales pipeline and project backlog?		
Has allocating resources and managing projects by spreadsheet and email become overwhelming?		
Are you struggling to adopt consistent sales and services delivery methods?		
Is it taking too long to bill clients and collect payment?		
Are your billable utilization levels lower than you'd like?		
Do you lack accurate reporting on project margins (by client, practice, region or consultant)?		
Is your accounting team spending time correcting inaccurate invoices?		
Does it take several days (or longer) to manually close the books?		
Are your current project management and time / expense capture applications outdated and expensive to maintain?		
Is it important to have access to information in real-time?		

# How do we choose the right PSA solution?

First and foremost, you want a PSA solution that fits your business – not the other way around. With any new system, you can expect to adjust your processes to make them more efficient and follow industry best practices. This is how you'll get the most value out of your system. But if you have to change the way you do business to fit prescribed workflows, it's not the right software for you.

As you're evaluating PSA, here are some strong selling points to look for:

- ▶ Powerful reporting and dashboards that give you in-the-moment insight into your business, with the flexibility to modify and build your own reports on the fly.
- ▶ Easy to use time and expense capture that supports mobile and offline access.
- ▶ Automated time and expense flow through to billing for timely and accurate invoicing.
- ▶ Support for complex billing rules (time and materials, work in process, milestone and fixed price) that conform to your revenue recognition policies.
- ▶ Cloud-based platform that reduces IT costs and the burden on your in-house IT team.
- ▶ Multi-currency capabilities (if you need it).
- ▶ Strong integration capabilities to connect with your financial, CRM and payroll systems for a complete business solution.

## Factor in Ease of Use

If your system isn't easy to use, your team won't use it to its full capacity.

# What capabilities should we look for?

## Project Management

- ▶ Gantt charts to give you a real-time view of the entire project plan, with the ability to dig down to the task level for more detail.
- ▶ Issue recording, with the ability to track severity, resolution date and assignment to control project risks.
- ▶ “What if” scenario modeling to optimize price, billing rates, staffing and project profitability.
- ▶ Easy project setup with templates and flexible resource assignment.
- ▶ Project financial tracking for visibility into project profitability.

## Resource Management

- ▶ Utilization reporting to track your most important efficiency and productivity metrics (worked hours, allocated hours, assigned hours, etc.).
- ▶ Centralized resource pool, with automated resource management requests and bookings.
- ▶ Resource profiles to track skills and availability in a centralized location.
- ▶ Resource forecasting to predict gaps and drive staffing decisions.
- ▶ Real-time visibility into project timelines to re-allocate resources as required.





## Time & Expense Management

- ▶ Easy time and expense capture against the project from any device.
- ▶ Customizable workflows and approval processes to meet your business needs.
- ▶ Expense consolidation from multiple projects into a single expense report.
- ▶ Integration with project management and accounting to eliminate double entry.

## Project Accounting & Billing

- ▶ Connect project activities with financials for more accurate billing and financial reporting.
- ▶ Real-time financial reporting and forecasting at a summary and detail level.
- ▶ Automated revenue calculations and allocations to recognize revenue based on unique schedules and guidelines.
- ▶ Support for multiple revenue scenarios on a project-by-project basis.
- ▶ Flexible invoicing options and automated processes.
- ▶ Invoice tracking throughout the billing process to reduce delays and get control of aging invoices.

## Reporting & Analytics

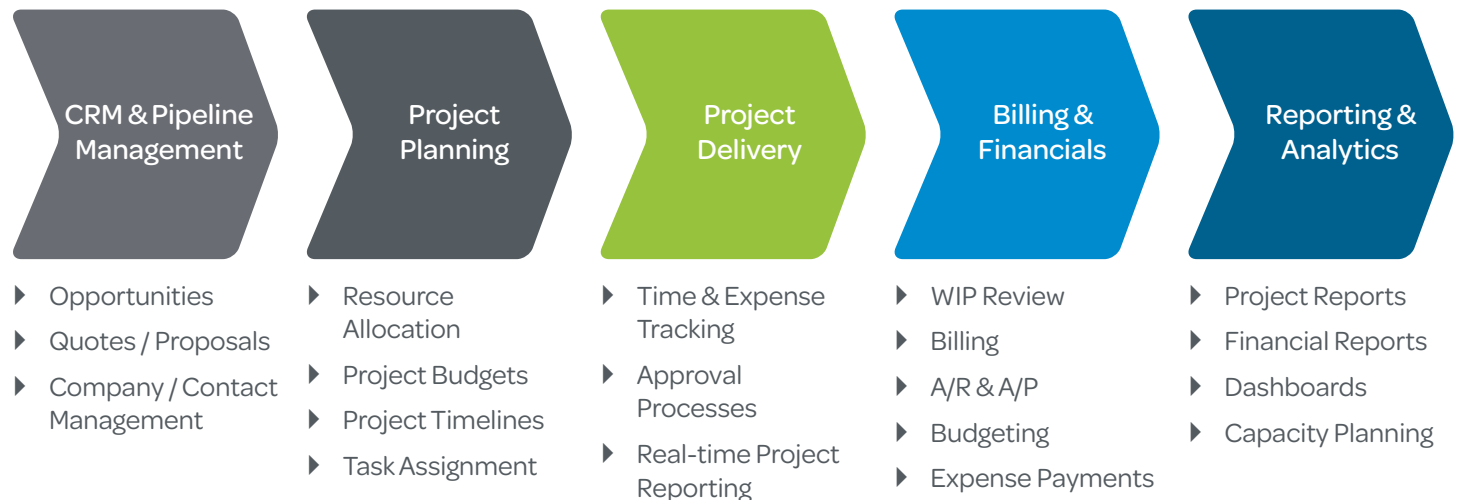
- ▶ Real-time personalized dashboards based on user requirements.
- ▶ Ability to create custom reports and dashboards without developer expertise.
- ▶ Project-level reporting to monitor profitability and performance, view resource utilization and billing forecasts, etc.

Integration increases visibility and allows you to make data-driven decisions.

## Integrate PSA to cover the entire project lifecycle

On its own, PSA software offers significant advantage for professional services firms. But if you want to amplify results across the organization, a project-based ERP solution is the way to go. By integrating your PSA solution with ERP for financials and CRM for sales and

marketing, you truly have a complete solution for the whole business. The firms that choose to integrate operate at higher efficiency, have greater visibility and can make faster, more informed decisions.



# Wrapping up...

Let's chat about  
your business!


We'd love to hear  
where you're  
headed and see  
how we can help  
you get there.

[Book an Intro Call >](#)

## Are you ready to elevate your services business?

As your Canadian NetSuite partner, we're the go-to source for PSA + ERP solutions. Our experts have a depth of industry knowledge, a keen understanding of business process and deep technological expertise that uniquely positions us to understand your business almost as well as you do. We work with growing professional services firms to create PSA solutions that fit like a glove – enabling them to focus on growing the business.

NetSuite OpenAir is a leading PSA solution designed to unite your service delivery, financial and sales functions. Managing the complete bid-to-bill process in a single solution, you can improve resource utilization, streamline invoicing, deliver more projects on-time and drive profitability. And with a fully cloud solution, you don't have to worry about the IT overhead – it's all handled for you!



We sell, implement and support best-in-class ERP software for small and mid-size businesses. We believe putting people first is the best way to make technology work for them. It's a conviction that sets us apart.

The shift to a new ERP system can be daunting and disruptive. But it doesn't have to be. We ease the inevitable uncertainty that comes with an ERP project, helping you transition with the highest level of empathy, consideration and fit.

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*The human side of ERP*