How professional services automation leads to better productivity
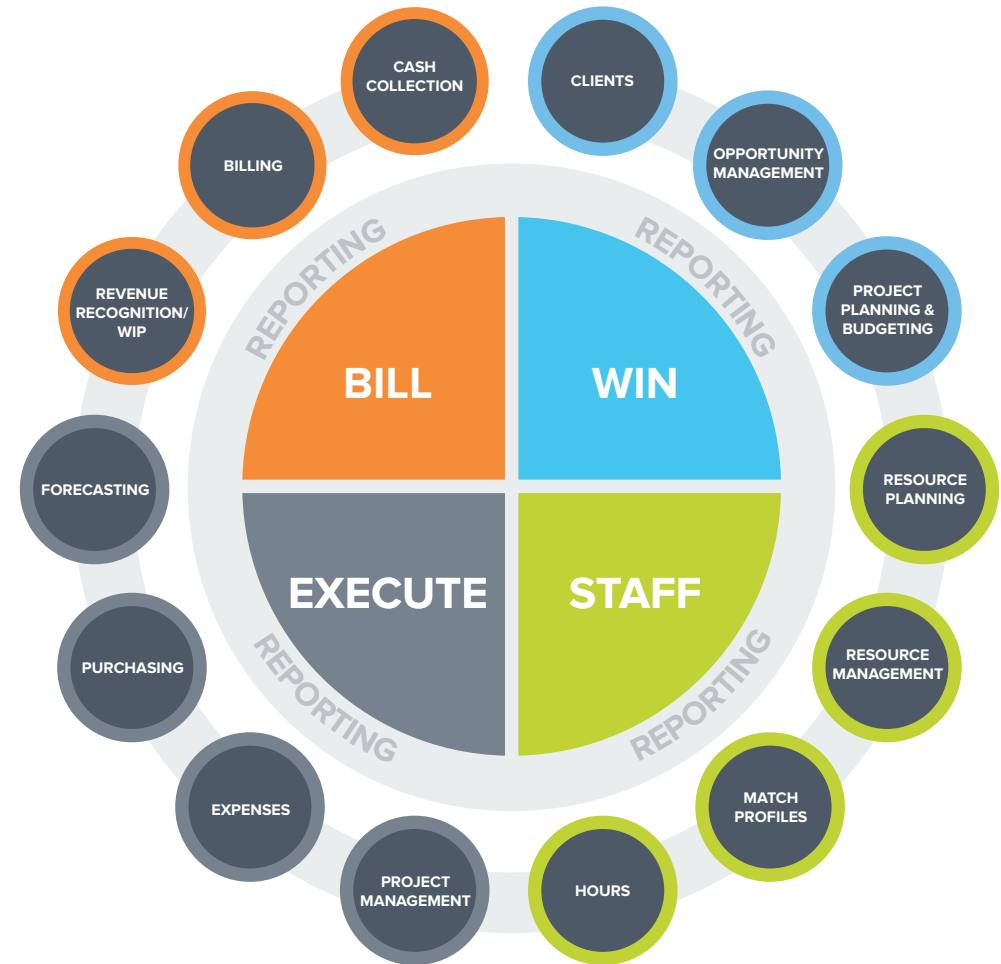
Selecting a Professional Services Automation solution
for your Professional Services Organization

What is a Professional Services Automation solution?

Professional Service Automation (PSA) solutions provide the systems basis for initiation, planning, execution, control and close-out of projects, resources and services.

A PSA solution improves service delivery, resource management, project management, and team collaboration, while ensuring accurate and timely time and expense capture and billing.

The figure provides insight into how a PSA solution can support the entire "funnel-to-cash" process. This process spans the time a bid or quote is proposed through to billing and cash collection. A PSA tool helps an organization plan, staff, manage, deliver, track, and invoice its entire portfolio of projects through their lifecycle. PSA represents the core operational system in which all the services firm's delivery activities are managed, forming the foundation for superior service execution and enhanced productivity.
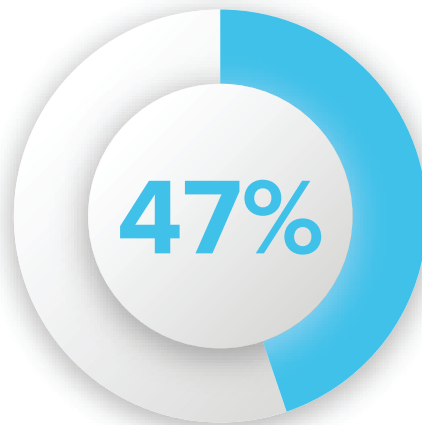
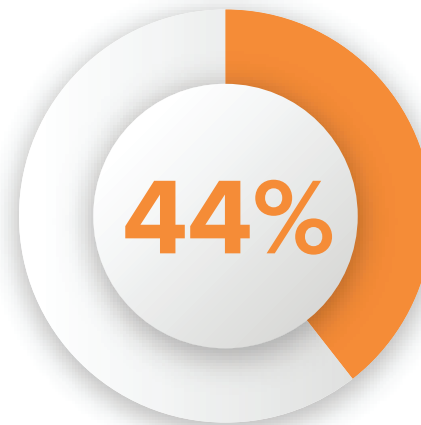The Project Lifecycle in a Professional Services Organization

Top reasons why Professional Services Firms implement PSA

57%

Exploring new sales opportunities

47%

Improving margins

44%

Growing revenue

Fundamental to these business priorities is the need to drive greater efficiency (**43%**) across the whole business to ensure profitable growth and the ability to capitalize on new opportunities quickly.

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Why implement a Professional Services Automation solution?

In a survey by Loudhouse*, over half of organizations (57%) say exploring new sales opportunities is a key business priority over the next 12 months. This can best be achieved by building on past successes and bidding for projects where experience prevails.

Improving margins (47%) is another focal point, which in a service-based business is highly dependent on having the right people on the right projects at the right time whilst ensuring all billable hours are captured and invoiced quickly.

Growing revenues (44%) is clearly a priority for business leaders with a keen eye on growth and maximizing sales (and profits).

Providing high levels of customer service to limit attrition is central to effectively growing revenues and in the quest for greater efficiency across the board. Media companies amongst others, have developed their digital propositions / capabilities to ensure customers don't have to look elsewhere for such services, whilst growing revenue potential at the same time.

Fundamental to these business priorities is the need to drive greater efficiency (43%) across the whole business to ensure profitable growth and the ability to capitalize on new opportunities quickly.

Loudhouse 2015. Optimising Efficiency to Drive Profitability in Services Organisations

How Professional Services Automation tools makes a difference

Stay busy...

PSA used	Not used
71.3%	**67.3%**

Employee billable utilization up **6%**

... and more profitable

PSA used	Not used
15.9%	**12.8%**

EBITDA up **25%**

Manage more...

PSA used	Not used
5.94	**5.23**

Concurrent Projects managed by PM up **14%**

... and charge accurately

PSA used	Not used
72.1%	**63.7%**

% of employees billable or chargeable up **13%**

2016 Professional Services Maturity™ Benchmark by SPI

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Determining what really matters

With so many options on the market, once your professional services organization decides to invest in a PSA solution, examining all the possibilities can be a daunting task. Different organizations have different automation needs, and each of the major PSA vendors has taken a slightly different approach to addressing them. What your services business needs to determine is what you're looking to get out of a PSA tool and how you want it to impact your businesses — basically, deciding what really matters.

When services firms evaluate PSA solutions they expect the solution will give them a significant positive return on investment (ROI), and fast Time to Value. With PSA, a positive ROI can be realized fast, as increases in billable utilization, improved project margins, faster invoicing, fewer out of control projects, and higher customer and employee satisfaction make PSA a well worth investment.

Checklist for selecting a PSA solution

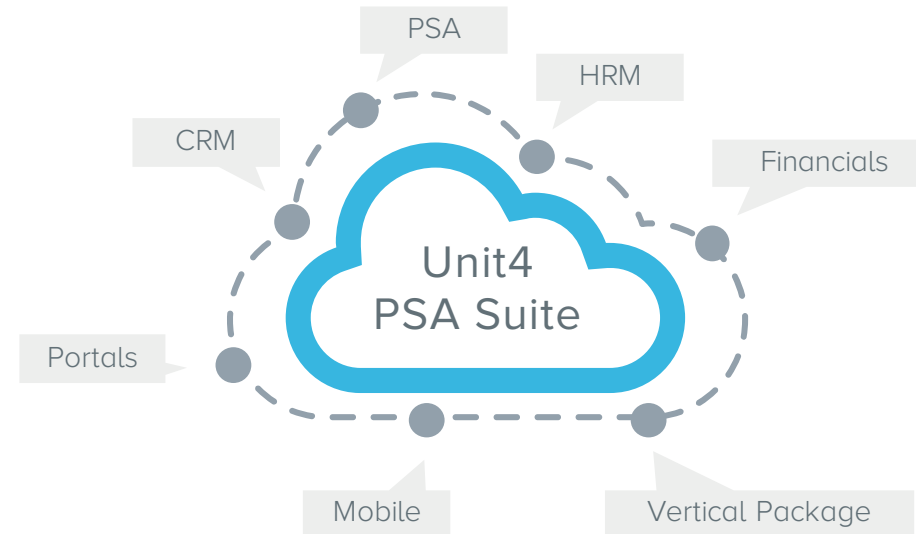Here is a checklist of the key areas to consider when selecting a PSA solution:

- [ ] **Total cost of ownership (TCO)**: the total cost to purchase, implement, maintain, and change the solution;

- [ ] **Solution breadth**: whether the solution provides unified PSA, ERP and HCM or integrates with additional, bolt on modules;

- [ ] **Solution depth**: how robust each of the core modules is and how well the application models the business.;

- [ ] **Business process support**: how well the solution supports and models strong business processes and change.

- [ ] **Vendor viability**: whether the vendor will be around in five years and how knowledgeable and committed the vendor is to the professional services vertical;

- [ ] **Integration with financials**: whether the PSA solution has its own core accounting ledger or needs to be integrated with a financial management (ERP) solution.

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Contact us

For further information regarding Unit4
for Professional Services Organizations
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