

# PSA 101

Introduction to  
Professional Services Automation



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# What is PSA and Why is it Important?

The success of service-driven organizations depends on their efficiency. In order to thrive, resources (staff), projects, time, budgets and invoices all have to be managed with complete clarity.

**Professional Services Automation (PSA) steps in to provide insights and reduce operational stress giving consulting firms the power to succeed.**

By allowing PSA software to automate the operational side of the service offering, firms see a chain reaction in benefits throughout their business cycle.



## KEY BENEFITS



**Improved Workflows:** Streamline your internal processes from project creation, tracking resources, approving time and budgets to sending client invoices and getting paid.



**Centralized Information:** Gather all our firm's valuable data into one hub to cut down on double manual entry, and create custom reports on key business insights.



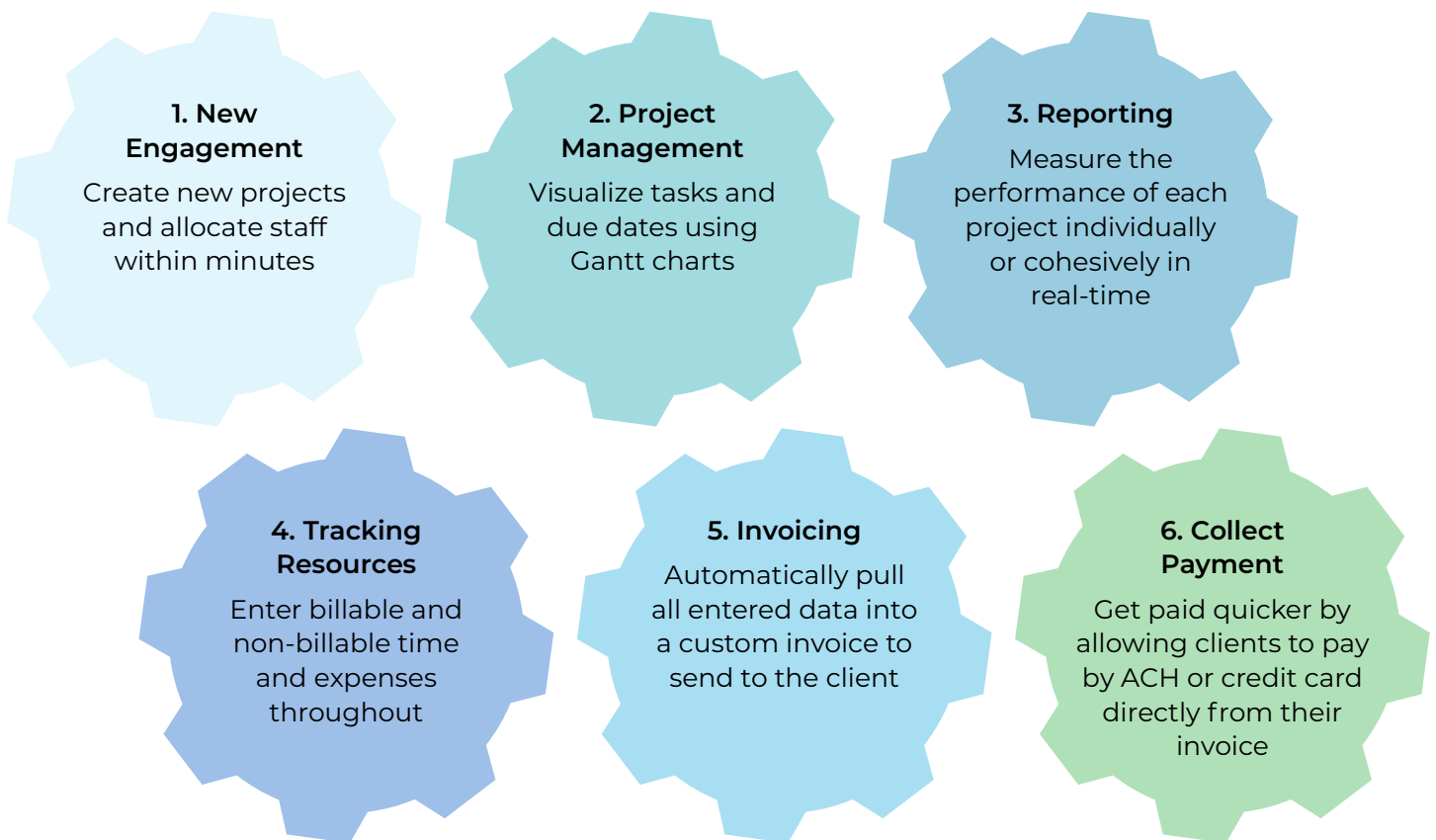
**Increased Profitability:** Accelerate your business through more accurate management of budgets, time and staff, and in turn, faster engagement turnaround.

# How Does it Work?

PSA software guides your firm through each stage of your engagements to save you time. Features include some of the project management basics like **project/task assignment and tracking, layered with more sophisticated operations like time/expense tracking, resource allocation, budgeting, invoicing and payment processing.** Custom reporting is then built off of the data captured within the tool to measure the KPIs that are important for evaluating the success and growth of your business.

## AUTOMATION THROUGHOUT THE ENGAGEMENT LIFECYCLE

PSA software will benefit not only your employees' internal workflow struggles, and give you company insights, but also improve your client relationships. Invoices will be more likely to be generated on time, with accuracy, and in a customized format.



The background of the top half of the page is a solid teal color. In the upper right and lower left corners, there are faint, light-colored gear shapes of varying sizes, some overlapping each other.

Designed with professional services firms in mind, PSA tools are best suited for firms that are looking for an all-in-one solution for business management. Companies that need only part of the feature set, like clock in-and-out time tracking or just task management, are better suited for a more simplified product.

## **THE ROI**

Firms who utilize a PSA solution can expect an increase in growth margins. The automation of each lifecycle phase leads to an increase in profitability by stronger resource planning and improved client retention with invoices that are more likely to be generated on time and with accuracy.

# The Difference Between PSA and Project Management Software

PSA (Professional Services Automation) and PM (Project Management) software are often confused because at their core they offer the same key values of getting your business more organized and increasing productivity. Where they differ is in the extent at which they get this done.

PSA software, as outlined above, is a robust tool built specifically for professional services firms to automate their entire business process. The software benefits the internal team, consultants on the job, and your clients.

PM software works for any company type, regardless of industry or offering, but only focuses on employee productivity around the planning and assignment of projects, making the tool's benefits more narrow.



## PM SOFTWARE'S PRIMARY FEATURES



Assign tasks to staff and set deadlines



Direct messaging with coworkers



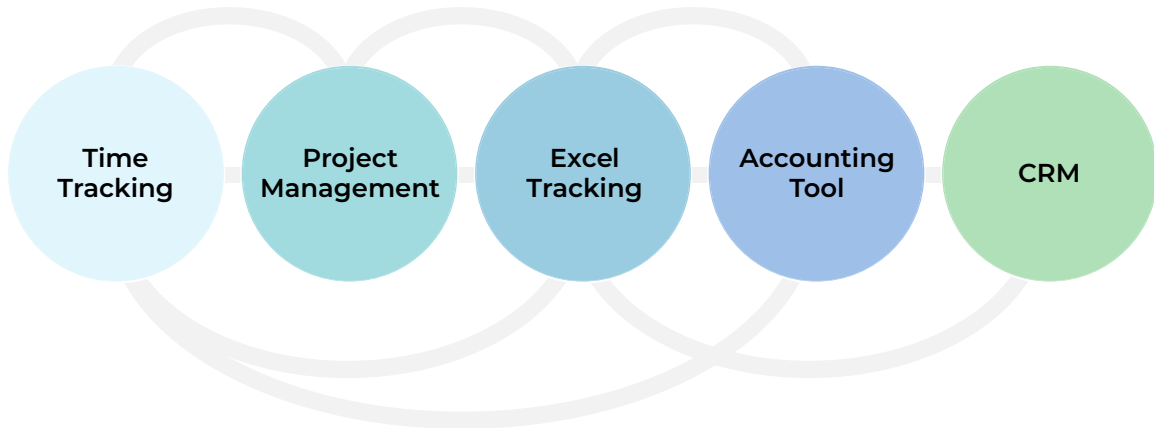
Visualize project timelines



Internal file sharing

# Strength in Consolidation

When most firms first start out, they grow by adding on systems or technologies to solve individual needs as they come up. There may first be a need for time tracking, then project planning, until their tech stack looks something like the graphic below.



Once a PSA software is introduced, many of the operational technologies previously needed can be consolidated. **Much like a game of telephone, the fewer links it takes to function properly a higher accuracy level and lower error margin can be expected.**

For the technologies that are still valuable for feeding information into your PSA hub, integrations come into play. Instead of spending extra effort managing a CRM and accounting software in addition to a new PSA tool, you can integrate the cloud-based systems to talk back and forth seamlessly. This reduces the time spent on the double-entry of data and allows each system to do its job in flow with one another.



# KPIS Uncovered With PSA Software

## PROJECT MARGIN

What projects are turning the highest profit?

Review the revenue earned minus the labor costs associated with a project to find out how successful your revenue model is and which projects, in particular, are the strongest.

## DELIVERY MARGIN

How profitable is my current business structure?

Similar to your project margin, the delivery margin includes the overhead cost, in addition to labor cost. This will give you insight into operational and internal expenses that impact your bottom line.

## BILLABLE UTILIZATION

Am I using my team and resources efficiently?

Track how much time is billable versus bench time, and then adjust for a higher utilization rate. By looking at a combination of historical and forecast data, this stat gives you the power to boost profit from efficiency.

## WIP (WORK IN PROGRESS) STATUS

Are my engagements within budget?

Stay on top of current projects with real-time analytics to make sure budgets are on track and deadlines are met.





# Is PSA Software Right for Your Firm?

Signs you've reached the right time to invest in a PSA solution to improve your business:

- You're not billing a significant amount of time each project
- It's difficult to predict your revenue cycle
- Employees are entering their time sporadically and complain about the process
- Project managers have to meet regularly to discuss staff capacity
- Benchtime is becoming too common among consultants
- Invoices are a lengthy manual process for every client and lack branding
- Approvals for time and expenses take weeks

# Steps to Evaluating a PSA Software

As you begin your search for the solution that's right for your firm, we put together the following checklist to keep your eyes peeled for five benefits. These key components will distinguish the different solutions available to highlight the one solution that meets all your business needs.

## 1. STREAMLINED WORKFLOWS

Your new software solution may not perfectly match every manual step you currently have in place, but the right one should still alleviate your pain-points through automation.

### Ask About:

- Approval process structures
- Basic project management
- Custom client invoice templates

## 2. INTEGRATIONS

One of the best parts of adopting new cloud-based software is how it can integrate into your current tech-ecosystem and easily talk between the tools without your intervention or double-entry.

### Ask About:

- Accounting software (QuickBooks, Sage Intacct, Intuit Lacerte)
- Customer Relationship Management (CRM) platforms (Salesforce, Hubspot)
- Project management tools (Asana, Smartsheet)
- Communication tools (Slack, Google apps)

## 3. CUSTOM INVOICING

Invoices are a key part of how your clients view your business relationship. When evaluating your options, ask to see the different ways to customize your invoices to not only fit your brand, but also the needs of your clients.

### Ask About:

- Custom branding (Company logos, fonts, colors)
- Multiple templates to customize for clients
- Ability to add expense receipts
- Option to collect payment via ACH or credit card

## 4. REPORTING INSIGHTS

This part of the software evaluation is where you need to think about the bigger picture to get your money's worth. Sophisticated PSA software will shed light on KPIs for strategies to propel your business forward.

## 5. USABILITY

The final part of your evaluation process should be looking at how long it will take you to get off the ground and running. Easy adoption is key when searching for a solution that is supposed to save you time and money.

### Ask About:

- Customization options to filter data
- Easy to digest visuals
- Utilization dashboards

### Ask About:

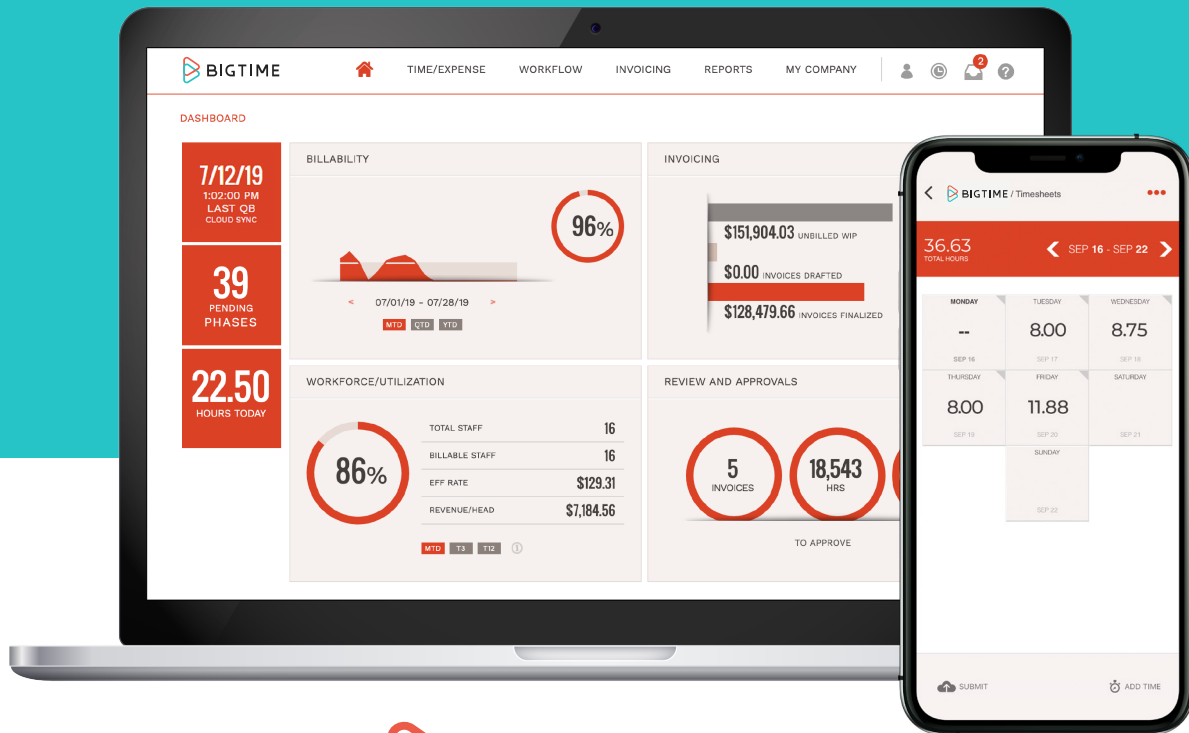
- Training process for the team
- The features you aren't using and if they'll make things more complex
- Ongoing support

# ABOUT BIGTIME

BigTime takes the guesswork out of utilization, capacity planning, and project profitability. Our award-winning PSA software provides project planning, budgeting, time- and expense-tracking, and invoicing, all backed by uber-cool reporting and analytics.

We help accountants, architects, engineers, IT-services firms, and scientific and management consultants budget, track, and bill their most important asset: time.

REQUEST DEMO



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