BIGTIME

PSA 101:
What is Professional Services Automation?

How PSA Software Can Transform Your Firm

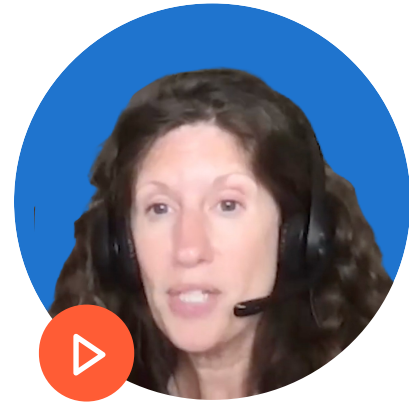# TABLE OF CONTENTS

INTRODUCTION

PSA software led North Labs to increase revenue by 25% in less than a year.

How?

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.

Brandy Thill,
VP of Operations, North Labs

> **Professional Services Automation (PSA) steps in to provide insight into project profitability and reduce operational stress, giving firms the power and confidence to succeed, no matter the scope.**

Eliminate inefficiencies and inaccuracies that are eating up profits caused by tedious and time-consuming tasks such as manual double data entry. Firms see a chain reaction in benefits throughout their business cycle by allowing PSA software to automate the operational side, which in turn produces cleaner and reliable data on the end-user side of the house.

WHAT IS PSA SOFTWARE?

Professional Services Automation (PSA) software is designed to manage your firm, not just your projects. Built on the foundation of your projects, a PSA system is where you budget, track time and expenses, allocate resources, and invoice your clients based on the data collected. From there, management teams can view reports on important KPIs and make proactive business decisions based on the firm's financial health in real time.

Key Benefits of a PSA Solution

✓ **Improved Workflows**

Streamline your internal processes from project creation, tracking resources, approving time and budgets to sending client invoices and getting paid. The right PSA software should help you to understand current and planned employee capacity to not only reduce burnout, but to also glean insight into when to staff more and when to sell more.

✓ **Centralized Information**

Gather all of your firm's valuable data into one hub by integrating data across existing systems to get a complete picture of your project's health. With real-time insights, you can deliver important KPIs to managers when needed, make rapid decisions when they count, and forecast for the future all in one place.

✓ **Increased Profitability**

Accelerate your business and profits through more accurate management of time, expenses, budgets, project status, and staff capacity. Having real-time access to this data provides you with a better understanding of if a project is on budget, right this second, and if it will be on budget next month.

HOW DOES PSA SOFTWARE 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 management, budgeting, invoicing, and even payment processing. Configurable reporting is then built off of the data captured within the tool to measure the KPIs that are imperative for evaluating the success and growth of your business.

Automation Throughout The Engagement Lifecycle

PSA software will benefit not only your employees' internal workflow process, and give you company insights, but also improve your client relationships. Invoices are more likely to be generated on time, with accuracy, and in a customized format, ensuring each deliverable feels personalized and with no detail overlooked.

1 **New Engagement**
Create new projects and allocate staff within minutes.

3 **Reporting**
Measure the performance of each project individually or cohesively in real time.

5 **Invoicing**
Automatically pull all entered data into a custom invoice to send to the client.

2 **Project Management**
Visualize tasks and due dates using Gantt charts.

4 **Tracking Resources**
Enter billable and non-billable time and expenses.

6 **Collect Payment**
Get paid quicker with ACH or credit card payment options directly on the invoice.

EVALUATING PSA VS 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. Reference our feature chart below to get a better understanding of the difference between PSA and PM software.

Feature	PSA (BigTime)	Project Management
Time Tracking	✔	✔
Expense tracking and reports	✔	
Invoicing	✔	
Payment Processing	✔	
Variable bill rates	✔	
Digital receipt management	✔	
To-do list		✔

Feature	PSA (BigTime)	Project Management
Project mapping		✓
Customer profiles	✓	
Resource allocation & management	✓	✓
Forecast staff availability	✓	
Contract management	✓	
Budget management & tracking	✓	✓
Project/task management	✓	✓
Document sharing		✓
Payment portal	✓	
Real-time reporting	✓	✓
Customizable reporting	✓	✓
Financial management	✓	
Gantt charts	✓	✓
Kanban charts		✓
Asset publication		✓
Visual proofing of project assets		✓
Shared team calendars		✓
Portfolio management	✓	✓

Feature	PSA (BigTime)	Project Management
Milestone tracking	✔	✔
Review & approvals for project tasks		✔
Review & approvals for time, expenses, invoices	✔	

EVALUATING PSA VS ERP (ENTERPRISE RESOURCE PLANNING) SOFTWARE

Enterprise Resource Planning (ERP) software is a suite of solutions that leverage a centralized database to automate and optimize routine business processes and link various departments together in a centralized location. ERP software was built with manufacturing, supply chain, and inventory in mind. This means a business can integrate its financials, supply chain operations, reporting, manufacturing, accounting, and human resources activities under one shared system.

Compared to an ERP solution that is an all-in-one solution that can't really be customized, PSA software allows you to use the tools you love without having to implement big changes in your company. Integrations allow you to connect with what's already working for you. A PSA solution helps you to build a best-of-breed ecosystem that evolves and scales with you. With CRM, PSA, and accounting seamlessly integrated, you can manage your business in real-time and get work done faster.

Reference our feature chart below to get a better understanding of the difference between PSA and ERP software.

Feature	PSA (BigTime)	ERP
Time Tracking	✓	✓
Timesheets	✓	✓
Expense tracking	✓	
Invoicing	✓	✓
Resource planning	✓	✓
Budget management	✓	✓
Real-time business intelligence	✓	
Project management	✓	✓
Project collaboration	✓	
Client portal	✓	
Integrations	✓	✓
Calendar Integrations	✓	
Real-time reporting	✓	✓
Customizable reporting	✓	
DCAA time tracking	✓	
Data analysis	✓	✓
Financial management	✓	✓
CRM		✓

Feature	PSA (BigTime)	ERP
Sales forecasting		✓
Custom cost rates	✓	✓
Ream management	✓	

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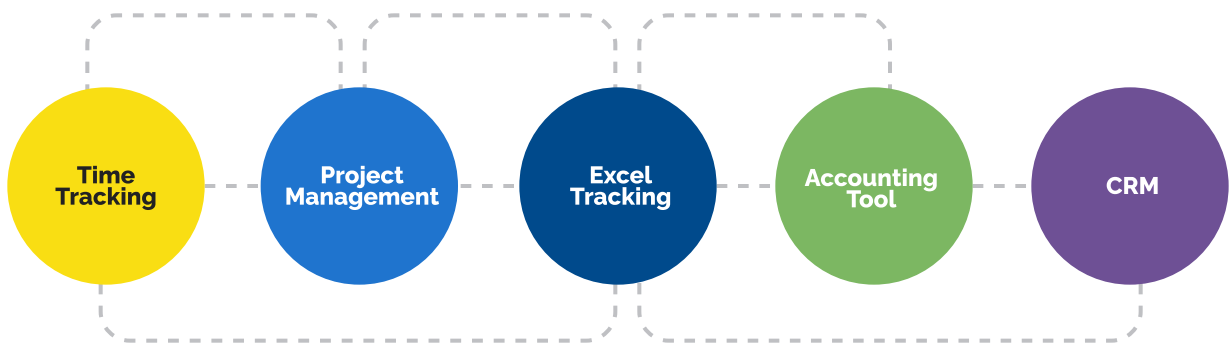
Once a PSA system is introduced, many of the operational technologies previously needed can be consolidated. Much like a game of telephone, the fewer links it takes to function properly, a higher level of accuracy and a lower error margin can be expected.

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 solution, you can integrate the cloud-based systems to talk back and forth seamlessly. This reduces the time spent on the double entry of data, avoiding human error, 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 for 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

- Bench time is becoming too common among consultants

- Invoices are a lengthy manual process for every client and lack custom branding

- Approvals for time and expenses take weeks

6 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 six 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
- Impact on my business results
- 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 time tracking app, 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

4 Payment Processing

The way you process payments dictates how fast you get paid. By automating and streamlining your invoicing with integrated payment technology, you can make it easier for your clients to pay their invoices. No more waiting for checks in the mail.

Ask about:

- ○ Option to collect payment via ACH or credit card
- ○ Branded client portal
- ○ Integrations with your accounting software
- ○ PCI compliant security

5 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.

Ask about:

- ○ Customization options to filter data
- ○ Easy-to-digest visuals
- ○ Real-time reporting
- ○ Utilization report dashboards

6   Usability and Implementation

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 and implementation are key when searching for a solution that is supposed to save you time and money. BigTime has been ranked #1 in customer satisfaction and #1 for fastest implementation by real user reviews.

Ask about:

◯ Training process for the team

◯ The timeline for implementation

◯ The features you aren't using and if they'll make things more complex

◯ Ongoing support

![BIGTIME logo]

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 reporting and 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.

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