

10 Features Your PSA Solution Must Have

📖 EBOOK SERIES - VOLUME 1



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■ Introduction

Established in 2010, we started Aprika Business Solutions as a consulting practice, focused on supporting clients to maximise their return on investment of Salesforce. As our reputation grew for delivering exceptional implementation services, so did the need to improve how we ran our projects. This led us to build our own project management solution for internal use.

We continued to improve the functionality as our business needs evolved and soon our customers and partners became aware of the product and its capabilities. We realised it was quickly going to become something beyond an 'Internal Use Only' tool and Mission Control was created!

Mission Control is built natively on the Salesforce Platform, and has grown into one of the top Project Management and Professional Services Automation (PSA) solutions supporting a wide-range of businesses across the globe.

Whilst we'd love you to consider Mission Control, this eBook has been put together to help provide professional services businesses with sufficient understanding of the key metrics that need to be measured. We also highlight the features any PSA solution should have in order for the business to effectively manage capacity, efficiency, utilisation and profitability.



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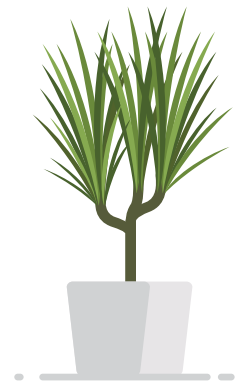


Professional Services Industry

■ Professional Services Industry

In a recent paper by The Business Research Company¹, the global professional services market was valued at nearly \$5,700 billion in 2018, and is expected to grow to nearly \$8,082 billion by 2022.

This large proportion of the business economy is unique in that there is no tangible product being sold, just time, knowledge and expertise. We've found that the most successful clients in the professional services industry are those that treat their time as a valuable commodity, ensuring a broad profit margin through a solid billable time strategy and management system.



■ Professional Services Industry

Professional services businesses that sell their time to customers are usually providing services that are of a specialist nature, such as subject matter experts, or creating assets. Examples might include:

- *Consultants working to develop streamlined business processes*
- *Creative agencies producing brand assets*
- *Software engineers implementing new software into the business*

Most of our professional services clients would include:

- *Management consulting*
- *Software (implementations & onboarding)*
- *Marketing & communications*
- *Architecture & design*
- *IT services*
- *Training providers*
- *Accounting*
- *Lawyers*
- *Financial services*





The Key Metrics to Measure



■ The Key Metrics to Measure

As we know, professional services businesses generate profit by selling their employees time at a rate much higher than they pay for it. The business will have a relatively finite number of hours available, based on the number of staff that are 'billable resources', such as subject matter experts or skilled workers creating assets. These available hours multiplied by the 'billing rate' (e.g. what they charge their customer to do the work) will identify the potential revenue the business can generate.

However, there are so many variables to consider as part of this general understanding of potential revenue. This includes the variation in billing rates, which are usually determined by the experience or skill level of the employee, plus the nature of the work involved, for example a senior director wouldn't be utilised to conduct administrative tasks as their time is more expensive and best used elsewhere.

In addition to this, so many professional services businesses have to endure the 'peaks and troughs' of consulting. Battling between not having enough work to keep everyone busy, and having too much work for the number of people available, this makes accurate resourcing one of the biggest challenges of the industry.

Regardless of industry focus, a professional services business will be interested in tracking these 5 important KPIs:

- **Pipeline**
- **Capacity**
- **Efficiency**
- **Utilisation**
- **Profitability**



■ The Key Metrics to Measure

In the early days of a new start up or if you are a smaller consultancy business, you may find a good Excel spreadsheet can suffice. However, as the business starts to thrive, and the team starts to grow, you'll undoubtedly find yourself asking these questions...

Pipeline

What have we sold YTD?

What do we have coming down the pipeline?

Efficiency

Are we delivering faster or slower than estimated?

Do certain resources work better in certain areas of our projects?

Who needs upskilling?

Profitability

Are we making a profit?

Can we compare estimates vs. actuals?

Can we recognise revenue generated?

Capacity

How much committed work is still left to be delivered?

Will new sales impact our resource requirements?

What does the bandwidth of the team look like?

Are any resources bottlenecked?

Are any of them on the bench?

Utilisation

How many billable hours have we logged this week, month, quarter?

What percentage of our time was billable?

How much work can be invoiced?

What's our ratio between billable and non-billable?

How well are we utilising our resources?

Having early, or even better, real-time insight into these important metrics will be invaluable to ensuring your professional services business delivers projects, profitably and efficiently, regularly, avoiding cash flow issues.



How You Can Manage This



■ How You Can Manage This



Successful professional services businesses can identify and proactively manage all of these metrics by having sophisticated solutions as part of their technology stack. That's right...time to ditch the spreadsheets!

Pipeline can be managed in spades through a cloud-based CRM system, such as Salesforce, Close, Dynamics, Pipedrive, etc. However, most CRM systems do not typically offer out of the box features that support a professional services business in managing the other four metrics. Therefore, these businesses will also require a Professional Services Automation (PSA) solution.

PSA solutions, like CRM systems, can come in many shapes and sizes. They primarily focus on giving you the tools you need to run your professional services delivery, including project management, financial tracking of time and expenses, risks, issues, invoices, etc.

Now you've built a successful professional services business, and you've identified that you need to level up from the spreadsheet to a PSA solution, but how do you know what to look for? Do you go for the cheapest option, and run the risk of having to upgrade further down the line? Or do you go for the one with the most bells and whistles, and find you're not using half of what you're paying for?

We've outlined all of the key requirements you'll want to make sure your solution of choice delivers.





10 Must Have PSA Features



■ 10 Must Have PSA Features

When you start researching PSA solutions, you might find this list of questions helpful. Whilst there's likely to be additional requirements your business may have, you'll at least want to make sure your chosen solution can tick off these key features.

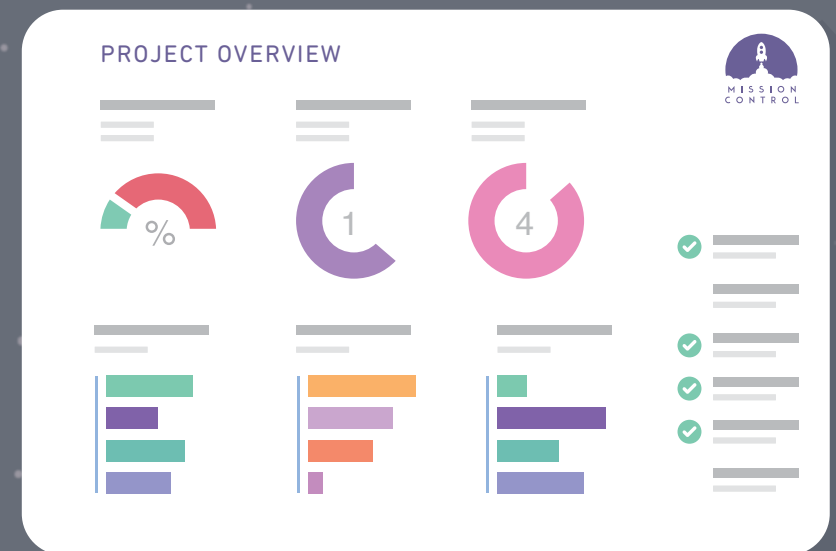
1. Have capability to plan out an entire project

A comprehensive project management system will enable you and your employees to plan the project, including plotting key milestones, key phases, tasks and sub tasks. You'll be looking for tools like Gantt Charts and Kanban Boards that are easy to use and help your team stay on top of their assignments.

2. Track both billable and non billable time

Time billing is where most projects go off track. When tasks that have scheduled hours allotted take more time, you need to know as it's happening, not at the end of the month or quarter when it's too late to intervene. Accurate time tracking is key to prudent financial management and so you can identify quickly if your project is on track to profit or loss.

Your time-tracking feature in your PSA system should be able to support multiple different types of billing options such as standard day rates, role-based or skill-based to factor in all those variables.



■ 10 Must Have PSA Features

3. Manage resources efficiently

Bottlenecks, employees who need upskilling, employees drowning in work while others coast – all these factors contribute to poor productivity. Your PSA system needs to be able to manage resources efficiently and have a feature where you can see at a glance what everyone's doing, their deadlines, team structures and skills (including languages and certifications).

This 360-degree overview means you can easily assign resources to a project based on their skills and proficiency level as well as holidays and existing workloads.

4. Manage multiple projects

No professional services business relies on one project for its profitability. So, when you examine a PSA system, make sure it enables you to get a helicopter view of all your projects in one central location. A feature like this enables you to manage multiple projects at one time and capture your program objectives and KPIs.

5. Measure profitability through time tracking

It's all too easy for a task to run over time and you don't want to eat up too much effort logging individuals' times per task – billable, non-billable and overtime. So, check that your PSA system enables employees to log their own time, get a summary of time per task, and that updates in real-time. With real-time information, you can check the health of your projects quickly and step in if you need to. Better time management means more productivity and higher profits.

THE SCHEDULER



	MON	TUE	WED	THU	FRI		
  	6	0	0	3	6		
  	4	3	3	4	7		
  	4	4	3	5	6		
  	9	3	20	13	10		

10 Must Have PSA Features

6. Measure profitability through expense management

Expenses can be tricky to manage. When they aren't captured accurately or in a timely manner, they can impact profitability. So, choose a PSA system that enables you to account for and charge project expenses easily.

7. Track or Flag Risks

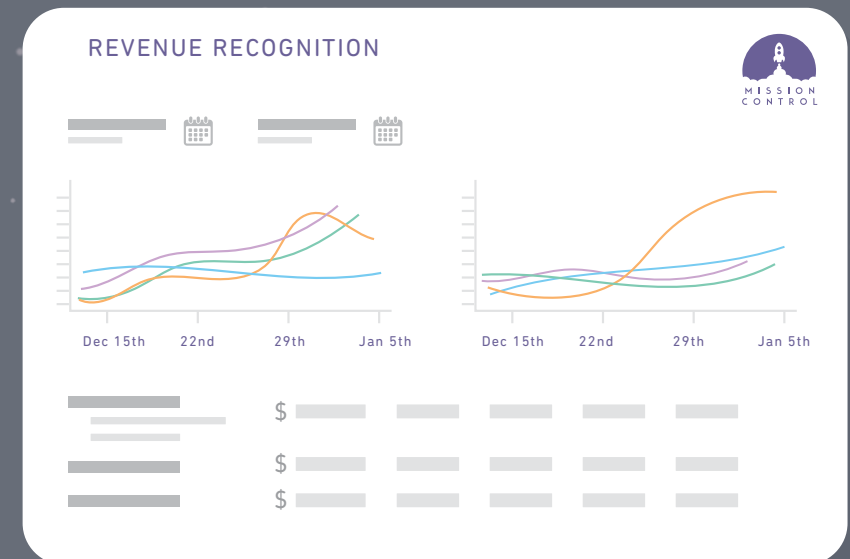
Risk management is a critical component of project management. You need to be able to keep track of identified risks and work out what, when, where and how they could potentially impact your project. You also need to identify how to mitigate risks and identify any countermeasures you need to be ready to implement.

8. Generate and Send Invoices

You need cash flow, so you need to be paid for your work in a timely manner. A good PSA system will automate billing, so your invoices are generated and sent to clients per milestone completed, and capture payments. This means you'll have better insights into profits as well as the health of your project.

9. Enable collaboration for effective communication

We know that communication is key in the professional services industry, as is client service. When you're scrutinising a PSA system, look for features that allow instant communication between colleagues and that gives you the ability to communicate effectively with both internal and external project stakeholders.



10 Must Have PSA Features

10. Enable you to analyse performance

In order to work out how your business is working, you need to analyse the performance of the organisation easily. Check that your PSA solution enables you to identify how your team members are allocated tasks, profitability of projects, revenue recognition, resource utilisation, or the project delivery performance and more.

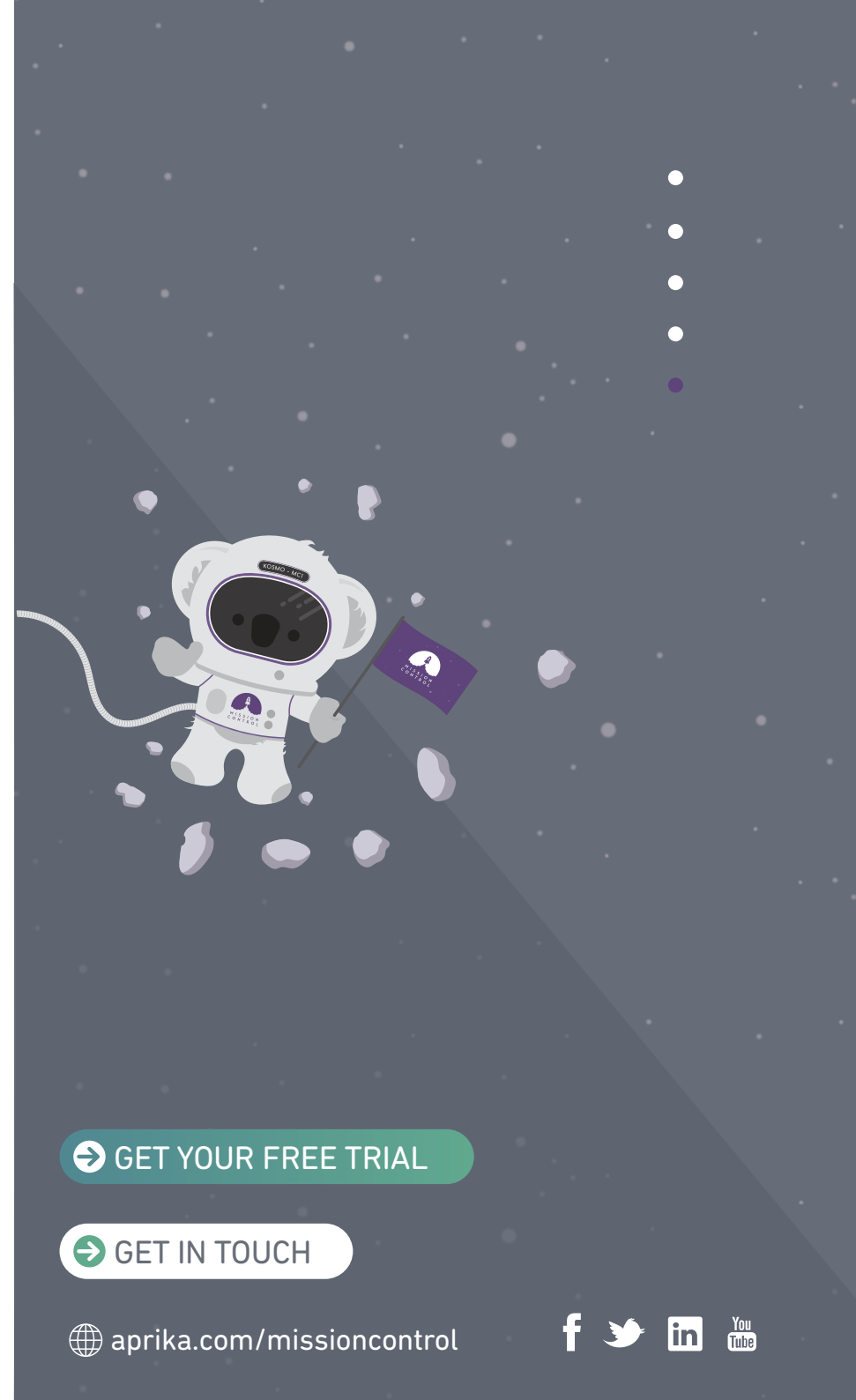
BONUS FEATURE

11. Does it integrate with your CRM system?

This is a vital feature that will allow you to have a centralised view of all your key business information in one place.

When all's said and done, though, you want a system that people will actually use, so choose a solution that's intuitive, requires minimal or no training, is tightly integrated with your other core business systems, such as Salesforce, and has the key features you need to run a successful professional services business.

Mission Control is a PSA solution, built natively on the Salesforce Platform. If you would like to learn how Mission Control stacks up against your requirements for a PSA solution, sign up for a free trial or get in touch to arrange a time for a demo



➔ GET YOUR FREE TRIAL

➔ GET IN TOUCH

🌐 aprika.com/missioncontrol

