



Five Ways Professional Services Automation (PSA) Can Make a Difference

Professional Services Automation for Dummies Cheat Sheet

You wouldn't run a marathon in high heels, would you? Of course not. And you wouldn't run your business with the wrong tools, either. You should use PSA tools that have been designed specifically for project businesses. PSA helps you see what's going on with your corporate and project financial information so you can make informed decisions.

Higher Win Rates

When organizations can tell which projects and what type of projects are the most profitable, that information builds a basis for solid cost estimation and a track record of performance that drives efficiencies into your business development processes. This allows you to focus in on the business that is best suited to your skill set. That, in turn, increases your win rates.

Being able to identify and provide past performance information to your customer is a key differentiator in the bid cycle.

Higher Resource Utilization

Because your workforce is one of the biggest assets your organization likely has, you want to make sure that this resource is being used effectively on revenue-generating work. You'll go a long way toward making the organization profitable if you can see where your people are being used – and where they aren't being used. After you have that information, you can make sure they're assigned to work that is actually generating revenue.

Higher Profits

Today more businesses are competing for fewer jobs and projects, and that creates an atmosphere where pricing is as competitive as possible. Profit margins are tight. Setting the right prices for bids is the first half of the equation for managing profit margins. Visibility into actual historical project costs, performance, and risks/opportunities is critical to setting prices that will keep you in the running but won't cause negative profit impacts for the organization in the long run.

The second half of the profit margin equation is ensuring that projects are well run. Manage projects proactively to ensure that they keep costs in line with revenues to maintain expected margins. Financial and project management software solutions enable organizations to create accurate forecasts that support profitable bids and ensure that projects – and changes to projects – are executed in a manner that maintains margins.

Increased Cash Flow

It takes you less time to get paid in a PSA system because the time to create an accurate invoice dramatically improves when your labor and materials costs are connected to the right level of your project. Transactions are validated for accuracy at the point of entry, making invoice creation more automated and predictable, with fewer errors. As a result, your customers are more likely to pay the invoice on time, which greatly accelerates the cash flow.

Visibility and Control

With existing siloed solutions, it can take days or weeks to pull together accurate information about schedules, costs, and profit by project or program. This leaves plenty of room for surprises in terms of missed deadlines, cost overruns, and backlogs that can jeopardize individual projects – and potentially torpedo the profitability of the entire organization.

Financial and project-management software solutions give the entire team complete and timely visibility into project and financial status, as well as risks and opportunities. Alerts proactively warn executives and project/program managers about potential cost overruns and schedule slippage without requiring them to wade through lengthy reports. This timely information reduces surprises and allows organizations to take proactive actions to address issues before they impact schedules, costs, or revenues and margins.

Download the complete **Professional Services for Dummies** eBook!

If projects are your passion, you can benefit from this book! It doesn't matter what your company builds or services – if your revenues and profits are derived from projects, this book explains the benefits of using a purpose-built PSA system to run your business.

