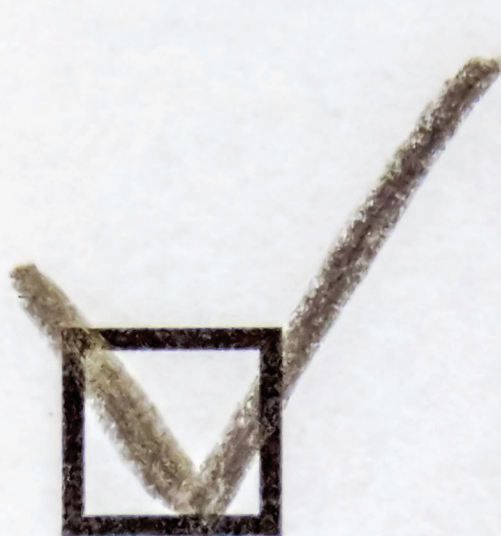


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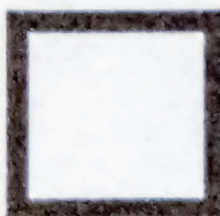


Professional Services Automation Solutions



Let's find the professional services automation (PSA) solution that's right for you.

- ☒ Learn about key PSA market trends and purchasing criteria
- ☒ Measure the maturity of your PSO
- ☒ Prepare for the selection process with a tried-and-true checklist





INTRODUCTION

If you're here, reading this, you know that professional services organizations (PSO) don't have it easy. Your sales teams close the deals and it's then up to your team to deliver. But it's never just one deal at a time. Managing resources across a myriad of engagements, evolving services packages, and growing your business are just a few of the major initiatives to keep afloat.

How do you manage it all? Even as technology evolves, many PSOs still rely on spreadsheets and disconnected systems to get the job done. You're here because you know there's a better way.

In professional services, your people are the keystone to success. A professional services automation (PSA) solution is the *cornerstone* supporting them. With a PSA solution, you can manage resources, the engagement lifecycle, and project financials—all within the same application. Rich integration with other core systems (HR, CRM, ERP) aggregates relevant data to create a single source of truth within your PSA solution. The benefit is having all the information in one place, enabling your teams to gain the insights needed to make more informed decisions and the freedom to focus on their jobs, not waste time creating static reports in Excel.



ONE. A look at the professional services landscape

Today, the pace of innovation isn't slowing down and new technology is released at breakneck speeds. Every business is feeling the pressure. Figuring out how new technologies fit in and impact your business is as simple and enjoyable as organizing your sock drawer or going to the DMV. But, Darwinism is no joke; it's survival of the fittest, sink or swim. Ignoring digital transformation is too great a risk. If you do, you risk becoming obsolete.

If that's not bad enough, it's even worse for professional services. PSOs are playing many roles—they're both scientist and subject, doctor and patient, Dr. Jekyll and Mr. Hyde. Scratch that last one. The point is, your PSO is looking to new technologies to improve processes while being expected to offer expert counsel to clients navigating the same changes.

As business accelerates and transforms, professional services will be a key driver for delivering success and competitive differentiation. In order to do that efficiently, you need a PSA solution so your teams can manage, measure, and analyze the success of engagements across the organization. A PSA solution will answer business-critical questions like:

- What type of engagements and contracts are best for business?
- What resources and skill sets are needed to fulfill engagements?
- How can we improve client satisfaction?
- How are services adding to the bottom line?

What are the market trends affecting your PSO?

Before diving into key PSA criteria, it's important to take a look at the trends that are impacting professional services directly—trends that are turning into standards and influencing best practices.

Global expansion: the world is your oyster

One of the key differentiators for businesses is how able they are to support global expansion. As sales expand into new geos so, too, do professional services. However, with global expansion comes the need for multi-currency support, new billing, and more complex revenue models.

Millennials: calling for new resource management

By 2030, millennials will make up 75% of the workforce.¹ With them come new career aspirations and shorter tenures. The average tenure for a millennial is two years. For baby boomers, it's seven.²

In professional services, the greatest commodity is your people—so managing the churn becomes incredibly important. PSOs need a solution that inventories skill sets and simplifies resource planning. That way, when there's a change, the success of an engagement isn't compromised because the knowledge that is needed has left the building.



XaaS: the rise of complex revenue models

It's no secret that revenue models are changing. How technology is purchased has moved from CapEx to OpEx with subscription-based payment plans being the new normal. That same change is happening for services. Product-attach services are still around, but subscription-based service offerings are taking over.

For the PSO, this means having to accommodate varying billing methods and more frequent, incremental payment cycles. Having an automated way to manage cash flow and accommodate client demands for new kinds of services increases margins and profitability.

Definable outcomes: taking center stage

Coinciding with shifting expectations around XaaS are increased expectations around the kinds of services that are offered. Standard implementation services are still expected, but focus has shifted to outcome-based results. Clients want to know how the services they're buying are benefiting them beyond the initial purchase and implementation: how they can extend the use of the technology and realize full functionality across their teams, how to manage teams' adoption and acceptance, and how your PSO can help them thrive.

Today's PSOs have the responsibility of maturing their offering levels, which means many organizations need to redefine client engagement and lifecycle management. This includes establishing closer ties between customer success and professional services to increase visibility into service opportunities for current clients and create ongoing service packages.

The Internet of Things: it's here

The Internet of Things and the advent of smart devices has been picking up speed for a couple of years. Vanguard businesses are already establishing when, where, and how IoT fits into their business. As the rest catch up, and IoT becomes standard, professional services will invariably be integral to adoption. With any new concept comes a learning curve and clients will be turning to professional services to enable success.

For the PSO, this will require new expertise, contract types, and service packages. Making sure your teams are ready to have these discussions and recognize opportunity, along with ensuring your PSA solution can support IoT initiatives, will establish your PSO as the experts to turn to.



The business value of PSA

The right PSA solution will mitigate most—if not all—of the disruption associated with the above market trends. The direct benefits of a PSA solution are:

- Improved visibility across all professional services functions, including intake, execution, and ongoing management of the client lifecycle
- Centralized database for project revenue and cost data
- Standardized processes for opportunity, resource, and project management
- Automated workflow for financial management and invoicing
- Real-time reporting and analytics for visibility into engagement status and improved communication to stakeholders
- Centralized management of information for a seamless audit trail
- Improved financial management support through multicurrency and multilingual applications that support localized tax regulations
- Reduced manual data entry and elimination of spreadsheets to lower administrative costs and upkeep

Integrated PSA benefits



- Map clients needs
- Up-sell / cross-sell potential
- Optimize selling price
- Build pipeline
- Improve client satisfaction
- Optimize resource pool
- Manage employee cost
- Develop compensation structure
- Improve career development
- Reduce staffing cost
- Forecast revenue
- Manage cash flow
- Improve DSO
- Improve margins
- Manage all practices
- Exploit strategic objectives
- Focus on organization improvement
- Analyze processes & build strategy
- Determine “optimal” services, clients, etc.



Benefits that extend beyond the PSO

In truth, the benefits of a PSA solution extend beyond managing engagements. It's also an effective solution for non-billable activities, such as strategy, sales and marketing, operations, recruiting, finance, and administration. These resources are all part of the bigger picture in delivering high-quality services. Below are several non-billable activities a PSA solution can bolster:

- Planning, forecasting, and budgeting for the PSO
- Packaging services and generating proposals
- Supporting capacity management, recruiting, hiring, and training
- Analyzing project, revenue, and cost to determine the right client and engagement types for your organization
- Capturing trend analysis
- Supporting knowledge capture
- Improving project quality management and engagement satisfaction



TWO. Are you in the market for a PSA solution

Assessing the current state of your service organization

The selection of a new PSA solution isn't a small feat. It's not an app you can download. For most PSOs, it's one of the most important investment decisions to make. The evaluation process should consider both your current and future state to determine how a solution can evolve as your processes mature.

To start, take a look at the questions below to gauge if a new PSA solution could improve your business and bottom line. If you agree to any of these statements made by PSO leaders, it's time to evaluate a new solution.

Things that are said by by PSO leaders

- My current system is struggling to manage resources and project financials.
- My engagement processes are manual and disconnected.
- It's difficult to attract and retain professional services talent.
- My current applications for managing engagements and time and expense are expensive to update and maintain.
- I am planning to expand globally. Can you support multinational currencies, regulations, and taxes with your current system?
- We are still relying on spreadsheets for data management.
- We are struggling to collect real-time information for reporting.
- My billing process is manual.
- Inaccurate invoices are disrupting our payment cycle.
- We don't have the visibility into the sales pipeline and project backlog to support demand forecasting.
- Lacking visibility into budgeted versus actual time.
- Inaccurate or inaccessible information about resource skills and competencies are affecting our ability to recruit new talent.
- Struggling to implement consistent services sales and delivery standards.
- Separate systems for resource, project, and financial management make it more difficult to manage the client lifecycle.
- It is difficult to find information about our billable utilization levels.
- It's challenging to access project margins by client, practice, region, and consultant.
- Would our resources benefit from being able to see planned future events?

Measuring the maturity of your PSO

Many technology implementations fail because the selected solution is either too complex or too simple. The same can be true for PSA. Determining the maturity of your PSO and identifying the core capabilities that will help you thrive and meet your current needs, will also enable you to define how to maintain positive growth.

Because professional services is largely about resource management, below is a table to determine where your PSO stands on the resource management maturity curve.



	Level 1 Initiated	Level 2 Piloted	Level 3 Deployed	Level 4 Institutionalized	Level 5 Optimized
Leadership	Initial strategy is to support product sales and provide reference customers while providing workarounds to complete immature products. Leaders are “doers”.	PS has become a profit center but is subordinate to product sales. Strategy is to drive customer adoption and references profitably. Leaders focus on P&L and client relationships.	PS is an important revenue and margin source, but channel conflict still exists. Services differentiate products. Leadership development plans are in place. Leaders have strong background & skills in all pillars.	Service leads products. PS is a vital part of the company. Solution selling is a way of life. PS is included in all strategy decisions. Succession plans are in place for critical leadership roles.	PS is critical to the company. Service strategy is clear. Complimentary goals and measurements are in place for all functions. Leaders have global vision and continually focus on renewal & expansion.
Client Relationships	Opportunistic. No defined solution sets or Go to Market plan. Focus is on new customers and reference building. Individual heroics, no consistent sales, marketing or partnering plan or methodology. No consistent estimating, quoting or contract management processes. Ad hoc, one-off projects.	Start to use marketing to drive leads. Multiple sales models. Start investing in sales training, CRM & sales methodology. Start measuring sales effectiveness & client satisfaction. Start developing partners and partner programs. Some level of proposal reviews and pricing control.	Marketing, inside sales, solution sales with defined solution sets. CRM integrated with financials and PSA. Deal, pricing and contract reviews. Partner plan and scorecard. Tight pricing and contract mgmt. controls. High levels of customer satisfaction.	CRM, PSA, ERP/CFM integration provides 360-degree view of client relationships. Business process, vertical and horizontal solutions. Vertical client centers of excellence. Top client and partner programs. Global contract and pricing management. Key partner relationships. Strong customer reference programs.	Executive relationships. Thought leadership. Brand building and awareness. High customer satisfaction. Integrated sales, marketing and partnering programs. Consistent, high quality marketing, sales, contract management and pricing processes, systems and measurements. High quality references.
Human Capital Alignment	Hire as needed. Generalist skills. Chameleons, Jack of all Trades. Individual heroics. May perform presales as well as consulting delivery and project management.	Begin forecasting workload. Start developing job and skill descriptions & compensation plans. Rudimentary career paths. Start measuring employee satisfaction.	Resource, skill and career management. Employee satisfaction and engagement surveys. Training plans. Aligned goals and measurements with compensation. Attrition <15%	Business process and vertical skills in addition to technical and project skills. Career ladder and mentoring programs. Training investments to support career. Low attrition, high satisfaction	Continually staff and train to meet future needs. Highly skilled, motivated workforce. Outsource commodity skills or peak demand. Sophisticated variable on and off-shore workforce models.
Service Execution	No scheduling. Reactive. Ad hoc. Heroic. Scheduling by spreadsheet. No consistent project delivery methods. No project quality controls or knowledge management.	Skeleton methodology in place. Centralized resource mgmt. Initiating project mgmt. and technical skills. Starting to measure project satisfaction and harvest knowledge.	PSA deployed for resource and project management. Collaborative portal. Earned Value Analysis. Project dashboard. Global Project Management Office, project quality reviews and measurements. Effective change management.	Integrated project and resource management. Effective scheduling. Using portfolio management. Global PMO. Global project dashboard. Global Knowledge Management. Global resource management.	Integrated solutions. Continual checks and balances to assure superior utilization and bill rates. Complete visibility to global project quality. Multi-disciplinary resource management.
Finance and Operations	The PSO has been created but is not yet profitable. Rudimentary time & expense capture. Limited financial visibility and control. Unpredictable financial performance. Rudimentary contract and risk management.	5 to 15% margin. PS becoming a profit center but still immature finance and operating processes. Investment in CFM and PSA to provide financial visibility. May not have real-time visibility or BI. Standard Library of Contracts and Statements of Work.	15 to 25% margin. PS operates as a tightly managed P&L. Standard methods for planning, resource mgmt., time & expense mgmt., cost control & billing. In depth knowledge of all costs at the employee, sub-contractor & project level. Processes in place for contract management, legal and pricing decisions.	PS generates > 20% of overall company revenue & contributes > 30% margin. Well-developed finance and operations processes and controls. Systems have been implemented for CRM, PSA, CFM and BI. IT integration and real-time visibility. Systems have been implemented for contract management, legal and pricing decisions.	> 30% margin. Continuous improvement and enhancement. High profit. Integrated systems. Global with disciplined process controls and optimization. Completely integrated financial, CRM, resource management, contracts and pricing systems, processes and controls.

Source: SPI Research, February 2018



THREE. What to look for in a PSA solution

Now that you've established the maturity of your PSO, you can determine which PSA features are critical for today's processes and which will grow your organization.

As you begin to shop around, here are the important considerations to keep in mind:

- **Built to fit your needs:** That doesn't necessarily mean customization, but the key features of the solutions under consideration should support your business needs instead of you conforming to the product's features
- **Reports for simpler decision making:** A solution that provides powerful reporting capabilities and adjustable dashboards is a must. It's business-critical to configure reports that depict the most important metrics to your organization
- **Embedded analytics:** Beyond status dashboards and reports, a solution that includes business intelligence and analytics delivers a 360-degree view of the business for improved decision making and insight
- **Familiar technology:** Don't go after the hottest trend (unless you want to); solutions that use technologies, solutions, and concepts with which you're familiar reduce training time, but also ensure that you can access support before and after rollout
- **Mobile capabilities:** Being able to record time and expense both on and offline will save your teams time and reduce double data entry without affecting the timeliness of your books
- **Global considerations:** If you're a global firm, make sure the solution can support multiple currencies and languages, as well as set up rules to support local accounting and tax laws
- **Delivery models:** PSA solutions come in all shapes and sizes—and delivery models; determine what's best for your firm: On-premise, private cloud, or software-as-a-service (SaaS)
- **Market presence:** Vendor partnerships ensure that the PSA solution will easily support integration with other applications



Key PSA features

Financial management

Project budgets, financial forecasting, and revenue recognition—these are all critical pieces of information and are necessary for monitoring the status of engagements and the health of your PSO. At any given time, you should have the financial transparency to know where you stand. You should also have the ability to support multiple currencies and billing methods within the same engagement.

Look for a PSA solution that offers real-time financial transparency through dashboards and reporting, mature budgeting functions that provides early warnings if project are at risk, and out-of-the-box multi-currency support.

Contract management

A seamless hand off from sales to services is an important factor in managing your pipeline and keeping it healthy. Make sure you are able to recognize opportunity to keep your teams busy and kick-off engagements on the right foot with automated intake and billing execution processes.

Look for a solution that supports multiple billing methods within the same engagement, reduces administrative work and manual data entry with extreme automation capabilities, and the ability to manage and forecast demand.

Resource management

Your people are the lifeblood of your business. The goal is to keep them busy, engaged, and working on the right projects. Your PSA solution should support that and enable you to inventory skill sets, maximize utilization, and manage overhead against the pipeline.

Look for a solution that provides an enterprise-wide view of resource data and the ability to perform what-if analysis to support allocation decisions that keep resources off the bench.

Project management

Every engagement is a project that needs managing. From start to finish, you have to make sure your engagements are moving in the right direction, hitting deadlines, and meeting client expectations.

Look for a PSA solution that supports planning and execution through project templates, dashboards, and graphical workflows so that mapping out deliverables and capturing information at every step is simple and accounted for.



Time and expense management

Because time is money, time and expense management in your PSA solution is paramount to success. Reduce revenue leakage with an easy-to-use way to submit time and expense sheets and expedite the invoicing process with automated workflow.

Look for a solution that offers billing automation and has a mobile app with on and offline capabilities for submitting time and expense—making it easier for your consultants to enter information on a consistent basis.

Revenue management

Make sure you find a solution that makes it possible to measure real-time results and understand how projects impact revenue margins and corporate goals. With the ability to manage and analyze how and where revenue is recognized, your PSO will be better poised to head in the direction of growth.

Look for a PSA solution that offers real-time revenue recognition through streamlined order-to-cash processes and automated calculations that can support even the most complex billing methods.

Beyond application functions: PSA differentiators

Before you begin the selection process, define what kind of solution and what features will be right for your business—both today and tomorrow. From technology infrastructure to organization size to support, there are a variety of considerations to keep in mind. But, each organization prioritizes criteria differently. Understanding what your PSO needs will help you identify a vendor that can deliver a solution that's right for you.

Heritage

What is the origin of the vendor's solution? Have they always worked in the PSA vertical, or are they new to the market? How mature is their PSA solution—does it have vertical market focus, languages, currencies, etc.?

Solution depth and breadth

Understanding the kinds of modules available within a solution—including those that are more mature than others—can give you a good idea of how a vendor's solution will work for you.

Integration

A PSA solution may have a lot of modules from which you can choose, but it's also important to find out how well the solution integrates with enterprise applications and devices. What kind of integration solutions are offered, and who is responsible for implementation, management, and maintaining functionality?



Organization spectrum

What kind of PSOs is the vendor accustomed to serving—embedded PSOs within a technology company, standalone services firm, or both? Do you need a PSA solution that can manage both internal and external customers? What capabilities for capturing time and expense, supporting multiple billing models (time and materials, fixed price, etc.), and complex revenue recognition are in place?

Cost

This one nearly goes without saying, but it's important to know not just the cost of the solution you're buying, but appended costs post-implementation. What is the price tag for post-implementation development, support, and upgrades?

Delivery

PSA solutions come in all shapes, sizes, and delivery models—from on-premise solutions that give you complete control over your PSA to SaaS private cloud deployments that remove the cost of managing an on-premise solution. What type of delivery is best suited for your organization?

Geography

Is your potential PSA vendor a global company? Even if located in North America, many vendors support operations around the world. If they are a global company, it's important to determine if local support is available wherever their solutions are sold.

Language and currency

If you're a global PSO, or are moving in that direction, finding a solution that manages multiple languages and currency support for country-specific accounting rules and taxation. Can the PSA solution support multiple currencies within the same engagement? Are these functions automated? How can the PSA solution support your global presence?

Vendor viability

New vendors come to market all the time with shiny, new offers (some of which are great), but it's important to understand a vendor's market viability. Become acquainted with a vendor's history and track record in the PSA market; be sure you're making an investment with a company that has market stability and name recognition.

Service and support

You're about to roll out a new PSA solution. Understanding the level of support a vendor can provide is key, because until your people become experts, you'll have to rely on the knowledge base of your vendor. Is the vendor an expert in professional services, or is it just one of many markets they serve? Does the support team truly understand the pain points and business criteria of a PSO?



FOUR. The selection process

A PSA solution is no longer just nice to have—it's a must. If you're looking to expand globally, manage data centrally, work nimbly from mobile devices, and mature your PSO, you need a PSA solution.

As you begin the selection process, consider these recommendations:

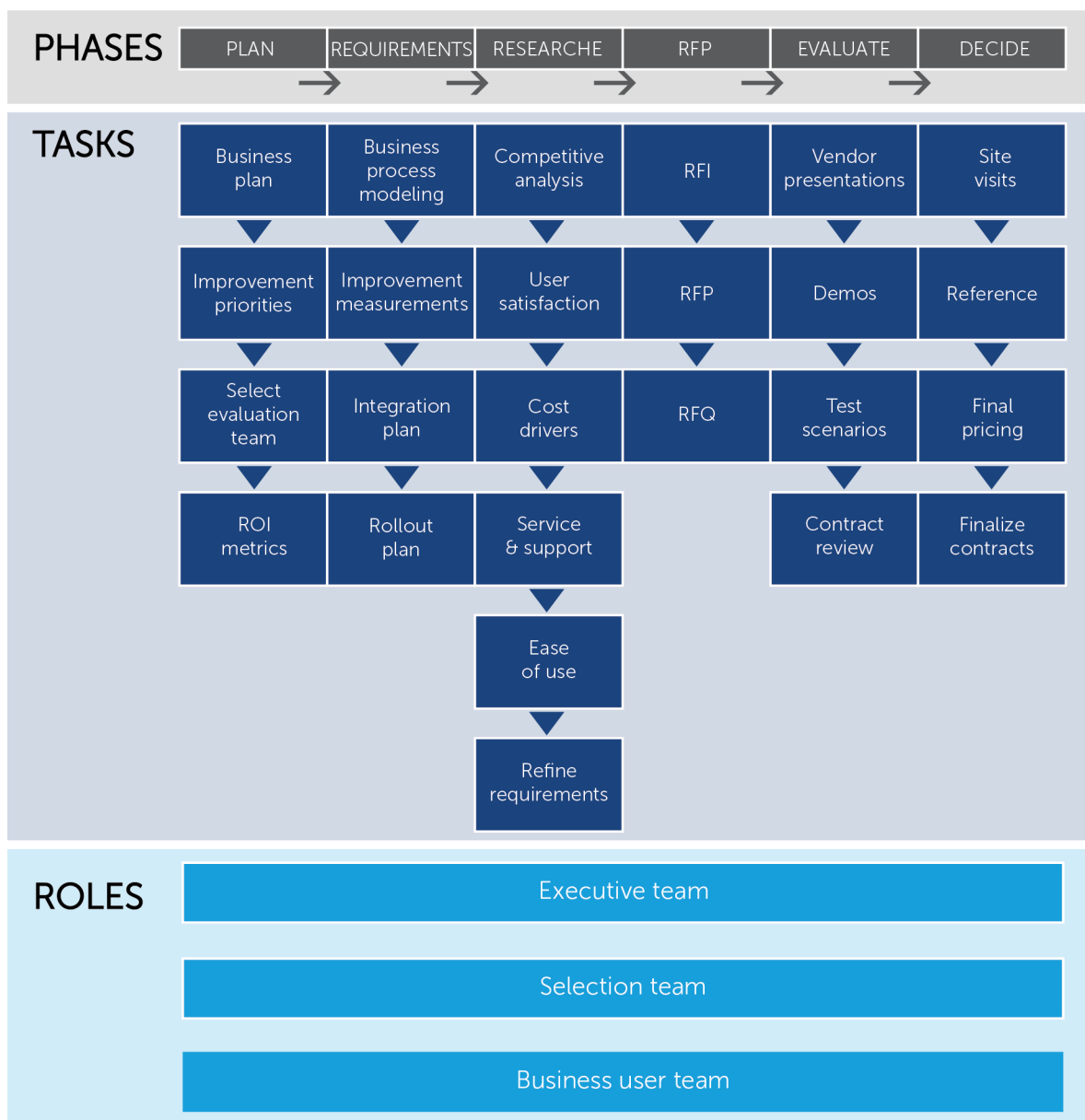
1. Create a firm business case for PSA with defined deliverables and outcomes
2. Make sure an executive on your team will act as the champion for PSA, ensuring the solution is used to its fullest potential
3. Create a team responsible for measuring the success of the PSA solution and communicating the data to executives—the insight PSA can provide is useless if not acted on
4. Be sure that your PSA provider shares your strategy and vision and supports the kind of integrations for which you're looking
5. Select a solution that was unquestionably built for PSA and consider what delivery model is best suited for your firm
6. Make sure your business processes are ready to integrate with and support a PSA solution



Six-step PSA selection process

As you enter the buyer's journey to find the PSA solution that's right for you, consider the below process and checklist. Make sure you have the right people on your team and a clear list of objectives so that you can find the PSA solution that's right for your PSO.

PSA is an enabler, so it is something that must be enabled by the people within your organization. As you walk through the vendor selection process, keep all key stakeholders in the loop from the first phases of planning to implementation and rollout. In order to truly get the most out of your PSA solution, everyone has to be on board, particularly once it is rolled out. Executive support and a commitment to success is the first step to getting everyone through the acceptance stages of a new solution.





Selection process checklist

Step 1: Business plan	
Who's involved: Executive team	
Identify why you're in the market for a new solution, including improvement initiatives and owners	
Determine a core PSA selection team, timelines, and budget, and what executives will be involved	
Document the benefits you are expecting to see and how they will be measured	
Step 2: Requirements	
Who's involved: Core selection team, including IT, business owners, finance, and operations	
Establish requirements and which core processes are to be automated, including how business process and behavioral change are to be measured	
Include current state metrics and improvement targets, and what subject matter experts (SMEs) should be involved	
Determine budget and ROI metrics to justify purchase	
How will the system be implemented (entire company, by department, etc.)?	
Which features will be deployed immediately, which over time?	
How will groups transition to the new system and who will be the pioneers to support the transition?	
Step 3: Research	
Who's involved: Core selection team	
Analyze research reports, industry blogs, competitive analysis, user satisfaction ratings, industry benchmark reports, vendor websites, etc.	
Review demos, webinars, case studies, product guides and specification documentation to get an idea of solution features	
Research deployment methods such as cloud, hosted, and on-premise	
Figure out how solutions are maintained and upgraded, and what the processes are for releases	
Look at ease of use across the user interface, standard reporting, and support for custom reports and analysis	
Step 4: Evaluate	
Who's involved: Core selection team, target user groups, implementation team	
Working with a shorter list of candidates, the evaluation process should include in-person meetings with each vendor to discuss how the vendor will address your PSA specifications	



Schedule meetings for the vendor(s) to propose how their solution will fulfill your needs and requirements	
Discussions should include target user groups to evaluate functionality, ease of use, business process change, and user acceptance, including: How does this solution handle core business processes?; How much customization will be required?; What services will be required?; How long will it take to configure and deploy?	
Pay particular attention to the level of support the vendor will provide, including who will implement the system and provide ongoing support post-implementation	
Make sure you're as confident in the team as you are in the solution itself. Cost analysis must include implementation, data migration, integration, customization, training, purchase price, and ongoing maintenance	
Step 5: Decide Who's involved: Core team, legal team, finance	Notes
Conduct site visits and reference checks with the preferred supplier	
Review contracts and terms	
Determine implementation process, timelines, and teams	
Performance guarantees	
Negotiate pricing	

Citations: 1. Forbes; "The Millennial Arrival And The Evolution Of The Modern Workplace"; Retrieved from: <https://www.forbes.com/sites/forbestechcouncil/2018/01/25/the-millennial-arrival-and-the-evolution-of-the-modern-workplace/#2cdfa9425a73>; 2. Forbes; "Millennials in the Workplace: They Don't Need Trophies but They Want Reinforcement"; Retrieved from: <http://www.forbes.com/sites/jefffromm/2015/11/06/millennials-in-the-workplace-they-dont-need-trophies-but-they-wantreinforcement/#1609e0945127>



Changepoint is a pure-play professional services automation (PSA) solution for global enterprise services organizations that powers the entire services engagement lifecycle. Changepoint PSA allows services leaders to better manage their organization by providing real-time visibility into financials, resources, and engagements through robust integrations with your existing enterprise CRM and ERP systems—resulting in increased productivity, operational visibility, and greater profitability.

About Changepoint Corporation: Changepoint provides Program and Portfolio Management, Enterprise Architecture, and Professional Services Automation solutions that transform business by giving executives, management, and teams new ways to collaborate, align investments, and drive digital transformation and business growth. Our global customers transform chaos into order with solutions that help teams prioritize initiatives and get the job done. Whether you're managing a portfolio of projects, engagements, or applications, Changepoint helps you gain visibility, mitigate risk, and accelerate capacity and velocity in today's changing business landscape.