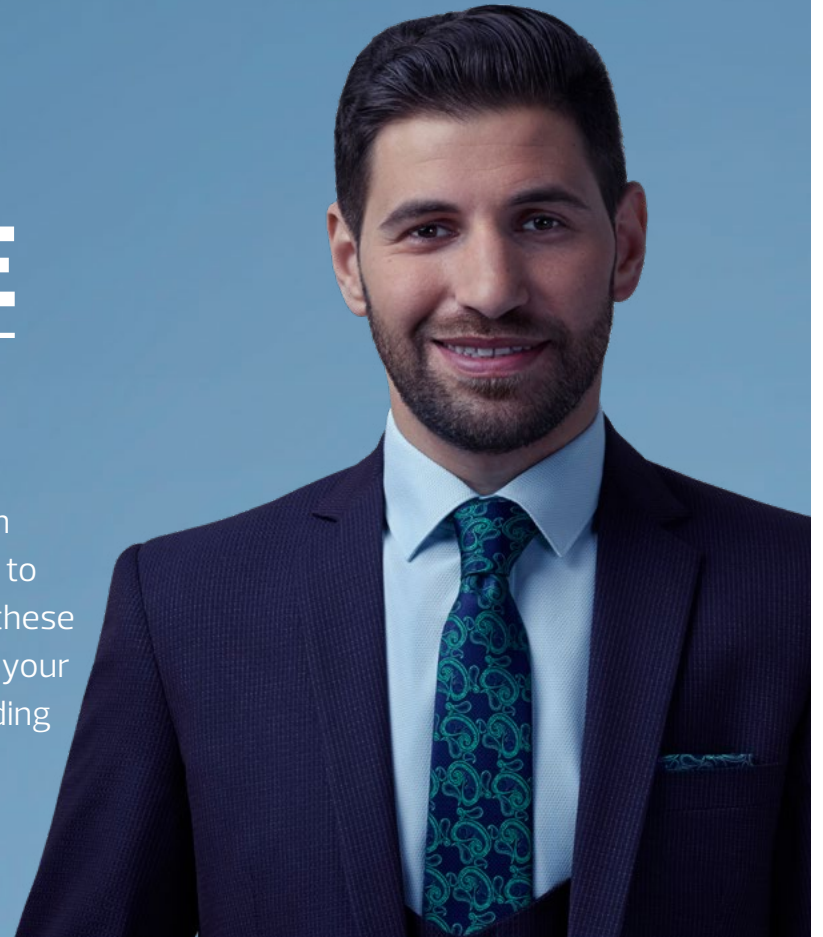


# PSA SOFTWARE SELECTION GUIDE FOR THE MIDDLE MARKET

## Are you ready to evaluate a new PSA system?

Before you start reading this professional services automation (PSA) resource guide for the middle market, we would like you to stop and consider the following questions. Your responses to these questions will help guide your thought process and determine your key considerations as you evaluate what RSM sees as the leading cloud-based PSA solutions for the middle market.



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# PSA READINESS QUESTIONNAIRE

- Are you maintaining multiple systems and spreadsheets to manage your projects, employee expenses, project purchases, project billing and project resources?
- Do you have to maintain integrations between these systems or are you looking to build an integration between them?
- How do you currently measure project health (i.e., timing, budget trends and critical path items)?
- Does your current PSA tool or project management solution provide enterprisewide visibility into resource utilization, project billing and billing forecasts, project revenue recognition and true project profitability, including expenses and purchases?
- Can you easily access reporting and analytics dashboards with backward- and forward-looking project and resource information with real-time data that helps facilitate decision-making?
- Do you have to manually calculate bills for your projects and gather project expenses, purchases and markups?
- Do you lack visibility into what has been billed and billed accurately?
- Does your project billing hold up closing the books quickly?
- Do you have to manually calculate project revenue recognition?
- Can you accurately track and manage billing for your project and ensure you are billing accurately and on time?
- Can you forecast resource needs accurately based on current backlog and your pipeline?
- Do you need to assign resources to projects based on their skill set, location, certification or other attributes?
- Will your current system sustain your growth in 3-5 years?
- Do you have global needs? Do you require a multicurrency or international taxation solution?
- Do you have or work with a technology consultant that demonstrates knowledge of industry standards and best practices?

The PSA software market encompasses many vendors, offering several diverse PSA applications. Our selection guide is designed to help your company facilitate the process of evaluating critical aspects of cloud-based PSA systems to choose the right solution that supports your unique requirements and business needs.

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## COMMON PITFALLS TO AVOID

- DON'T – Lose sight of the original goals
- DON'T – Make the decision in a silo and not collaborate with other departments, including accounting and finance
- DON'T – Skip evaluating the software vendor
- DON'T – Forget to evaluate a qualified and reputable advisor to do the implementation
- DON'T – Only look at the initial costs
- DON'T – Buy dead, obsolete or brand-new software products
- DON'T – Neglect your company's business strategy
- DON'T – Buy new software to fix bad processes
- DON'T – Buy the latest, hot thing and not evaluate enough choices
- DON'T – Ignore the need to follow a well-defined process

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# SIX COMMON PSA TRENDS

## 1. Professional service organization leaders are replacing existing tools with an all-in-one PSA.

Many organizations are still using disparate systems and spreadsheets to manage projects, track time, manage resources, and track billing and expenses. Professional services leaders are looking to consolidate and reduce their total number of enterprise systems to help achieve multiple objectives, including:

- Create one source of truth: A PSA application will track all aspects of the project, including time tracking, project expenses, resource management, project billing and project revenue recognition. This allows for real-time reporting on key metrics and KPIs, including project profitability, and resource utilization and demand.
- Eliminate the reliance and cost of maintaining multiple systems: Often, organizations will have more than one system to track service-based work for different departments. For example, some may use spreadsheets for resource management, a time-tracking system, an expense management system and manual calculations of project billing, including billing back and markup for expenses and purchases.
- Standardize processes: As part of consolidating all processes into a single system, professional services leaders will implement standards and templates for project management, time management and resource management.

## 2. Mobile accessibility is here.

Professional services staff need to focus on clients and projects. Service resources also travel for work and do much of their work remotely. However, it is important to capture timesheets accurately and timely, as well as enter expenses and add attachments easily. Therefore, professional services organization are looking to use mobile solutions for users to easily enter time and expenses via a mobile application.

## 3. Financial management automation is a key element for success.

In order to run a successful and profitable professional services organization, forward-looking leaders are taking accountability for the financial management of the organization. The professional services market is changing rapidly with globalization and productization of services, and companies know they need to bill using different models in an accurate and timely manner. Additionally, ASC606 accounting standards can provide some complexity in recognizing revenue for services, which can add additional delays at month end if there is no systematic and automated way to bill and recognize revenue.

Professional services organizations often need to be able to bill in different ways, including:

- Fixed fee based on milestone
- Fixed fee based on date
- Fixed fee based on percent complete
- Time and material
- Time and material with an upfront retainer
- Recurring fixed fee with option to increase the recurring amount at certain intervals
- Billing back expenses (with or without a markup)
- Billing back purchases (with or without a markup)
- Any combination of the above on the same project

Recognizing project revenue is not necessarily the same as billing for projects and can vary by project. These revenue recognition methods include:

- As billed
- Percent complete based on estimate labor hours
- Percent complete based on estimated project cost
- Fair value allocation (ASC606) if services were on the same contract as software or hardware

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**\*Companies that automate financials with a PSA system**

on average realize \$56K increase in revenue per project, 4% increase in billable employees and 11% increase in backlog.

*\*2019 SPI Research*

## SIX COMMON PSA TRENDS (cont.)

### 4. Globalization demands more connectivity and flexibility.

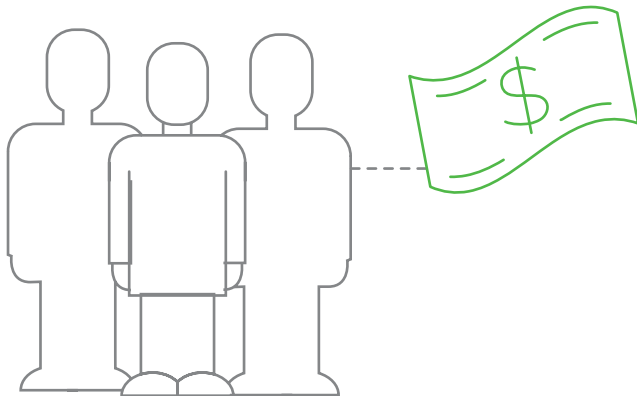
Globalization is a big factor for most professional services firms, regardless of their size. Many organizations have clients in different countries; but more importantly, many professional services teams now have resources not only spread throughout the country, but globally as well.

Service firms need to be able to manage through globalization in order to stay competitive.

This means that often resources are dispersed geographically, but organizations need to be able to manage them centrally. Often, one project will have resources from multiple different geographical regions.

On many projects, the location of the resource is not as important as having the right resource and skill set for the project. Additionally, this also means that firms need to be able to bill clients in different currencies, and resources need to enter expenses in multiple currencies.

The right PSA software will allow the organization to manage resources and clients centrally, as well as capture expenses and invoice clients in any currency.



### 5. Today's on-demand workforce requires centralized resource management.

Service organizations need to be agile in order to stay competitive.

Many firms use a combination of full-time employees, part-time employees, as well as contractors to staff a project. With the addition of global resources, it becomes next to impossible to effectively manage project resources without the right tools.

\*Companies that use a PSA solution have on average  
**17% higher revenue growth due to better staffing.**

*\*2019 SPI Research*

This means that instead of relying on project managers to track resource utilization in spreadsheets, and knowing the skill set and availability of resources by memory, firms are implementing a central system to manage resources and resource skill sets.

The right PSA tool allows resource managers and service leaders to view resource utilization, forecast resource demand, and centrally track skills and certifications for resources.

### 6. Integration with CRM creates stronger insight into business drivers.

In order to manage resources effectively, and project budget and revenue, service firms need to be able to forecast accurately based on the sales pipeline.

This means integration with a CRM system and collaboration with the sales organization, so that the professional services team has visibility into the backlog and pipeline and can start forecasting resource demand and plan for upcoming project work.

*Additional resources:*

[RSM survey details middle market digital transformation strategies](#)  
[Embracing digital to transform operations](#)

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## INDUSTRY RESEARCH

There are many software solutions that classify as PSA systems; however, it is never an apples-to-apples comparison between platforms. Solutions like Wrike can be classified as a PSA, but in reality, it is a project portfolio management solution. A true PSA should include resource management capabilities as well as project financials.

No single PSA solution has dominated the market, and there are many solutions available. However, it is important to choose a solution that has been proven in the market, as well as select a solution that will meet your future needs.

Below are descriptions of three of the most popular PSA products on the market:

### NetSuite OpenAir

NetSuite OpenAir offers a collection of applications designed to support every stage of the professional services delivery life cycle. Offered as software-as-a-service, the platform includes applications to manage projects, resources, expenses and timesheets. There are additional applications for billing and invoicing and project accounting, as well as analytics; the system is also optimized for mobile usage. NetSuite OpenAir Connect allows users to sync the web-based platform with a company's existing front- and back-office systems. OpenAir has a very robust prebuilt connector for NetSuite PSA that is deeply integrated into NetSuite financials, including advanced revenue management (ARM).

NetSuite OpenAir was developed to support the needs of professional services firms in any vertical and any size; however, it is well-suited and easily scalable for larger organizations with more than 500 employees.

NetSuite's collection of PSA solutions is currently utilized by more than 2,500 professional service companies worldwide, both small and large with the largest organizations running OpenAir PSA for up to 30,000 users.

### Mavenlink

Mavenlink offers services and solutions for project management, resource planning, collaboration and project accounting. Mavenlink combines the robust functionality of a PSA solution with intuitive user-friendly project management. It was designed for professional services and is well-suited for businesses looking for resource management, project management and forecasting tools.

Mavenlink's emphasis is on resource management and project management. Files used in a project are stored and shared with the team on Mavenlink and can be tagged to specific tasks.

Mavenlink offers support for resource management, time and expense tracking and management, planning, and reports and analytics. The centralized dashboard keeps users updated on the most recent activity and progress of each project.

Mavenlink is suitable for professional service businesses, especially those in the marketing, advertising, public relations, embedded services, information technology services, management consulting and educational industries.

### Microsoft Dynamics 365 Project Operations

Microsoft Dynamics 365 Project Operations application helps organizations efficiently track, manage and deliver project-based services, from the initial sale all the way to invoicing. The app enables you to:

- Plan projects, and create estimates and work schedules
- Estimate and track project cost and billing
- Forecast resource requirements for projects in the pipeline
- Track a project's progress and cost consumption
- Manage quoting, pricing and billing for projects
- Assign and manage resources
- Use reports and interactive dashboards to monitor KPIs for successful projects

In addition, to help you monitor and control costs for your project-based work, individual consultants easily enter and track project time and expenses either on mobile devices or using a web browser.

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# COMPARISON MATRIX

We have created five assessment categories on how we would classify certain functionality and industry alignment to support a given company profile. Please keep in mind that our assignment of a specific category is our opinion and not one validated by each of the software solutions represented in our document. Many software providers claim to address a wide variety of industry and functional needs. It is our goal to provide a nonbiased and objective viewpoint based on our years of experience working with a large variety of clients.

Legend	Score	Legend	Score
<b>Mature</b> By our definition, mature reflects a software solution that is deep in functionality and should support a high percentage of business needs including specific requirements associated with a given industry focus. These solutions have a strong presence in the market, revealed through their ability to win deals and profile successful deployments across a range of companies.	M	<b>Emerging</b> An emerging provider offers core functionality for a given industry or business need. However, its ability to support complex or expanded needs are limited. In addition, it might not be a strategic focus in the near future regarding investment for expansion. The solution provides basic functional or industry capabilities.	E
<b>Growth</b> A growth-based assignment indicates the core solution will support a high percentage of business and reporting requirements. We recognize that not all companies have the same needs, even in a defined industry.  This category is used for aligning solutions that continue to make investments in these industries or functional areas but haven't reached the level of maturity we would expect in an industry-leading and mature platform. This assignment is not a negative reflection, assuming the needs of your business are fulfilled by the software vendor or a third-party solution.	G		
<b>Not available</b> An assignment of N/A indicates, in our opinion, that the solution lacks functionality or focus; we are unable to offer an assessment of its value at this time.	NA		

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Company	Oracle	MavenLink	Microsoft
Product	NetSuite OpenAir	MavenLink	Microsoft Dynamics 365 Project Operations
<b>Project management</b>			
Multilevel WBS structure	M	G	M
Project templates	M	M	M
Task-level assignments	M	M	M
Interactive Gantt chart	M	G	M
<b>Accounting</b>			
Billing	M	M	M
Advanced billing with multilayered billing rules	M	M	M
Sales tax/VAT	M	G	M
Multicurrency	M	M	M
Customizable invoice PDFs	M	M	M
Purchase tracking	M	E	M
Requisitions	M	NA	M

# COMPARISON MATRIX (cont.)

Legend	Score	Legend	Score
Mature	<b>M</b>	Emerging	<b>E</b>
Growth	<b>G</b>		
Not available	<b>NA</b>		

Company	Oracle	MavenLink	Microsoft
Product	NetSuite OpenAir	MavenLink	Microsoft Dynamics 365 Project Operations
<b>Accounting (cont.)</b>			
Markups on purchases and expenses	<b>M</b>	<b>G</b>	<b>M</b>
Invoice credits	<b>M</b>	<b>NA</b>	<b>M</b>
Invoice aging	<b>M</b>	<b>E</b>	<b>M</b>
Payment tracking	<b>M</b>	<b>G</b>	<b>M</b>
Revenue recognition	<b>M</b>	<b>G</b>	<b>M</b>
Job costing	<b>M</b>	<b>M</b>	<b>M</b>
<b>Budgeting</b>			
Hours budget	<b>M</b>	<b>M</b>	<b>M</b>
Currency budget	<b>M</b>	<b>M</b>	<b>M</b>
Advanced budgeting (revenue, labor cost, expenses, purchases)	<b>M</b>	<b>M</b>	<b>M</b>
<b>Resource management</b>			
Calendars and work schedules	<b>M</b>	<b>M</b>	<b>M</b>
Resource skill tracking	<b>M</b>	<b>M</b>	<b>M</b>
Soft and hard resource allocation	<b>M</b>	<b>M</b>	<b>M</b>
Graphical user interface resource allocation	<b>M</b>	<b>M</b>	<b>M</b>
Multiple user costs	<b>M</b>	<b>M</b>	<b>M</b>
Resource demand request	<b>M</b>	<b>M</b>	<b>M</b>
<b>Time and expense tracking</b>			
Time sheets	<b>M</b>	<b>M</b>	<b>M</b>
Configurable time sheet periods	<b>M</b>	<b>M</b>	<b>M</b>
Time tracker (start/stop time)	<b>M</b>	<b>M</b>	<b>M</b>
Expense reporting	<b>M</b>	<b>M</b>	<b>M</b>
Time off, vacation and paid time off accruals tracking	<b>M</b>	<b>M</b>	<b>M</b>

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## COMPARISON MATRIX (cont.)

Legend	Score	Legend	Score
Mature	<b>M</b>	Emerging	<b>E</b>
Growth	<b>G</b>		
Not available	<b>NA</b>		

Company	Oracle	MavenLink	Microsoft
Product	NetSuite OpenAir	MavenLink	Microsoft Dynamics 365 Project Operations
<b>Reporting</b>			
Standard reports	<b>M</b>	<b>M</b>	<b>M</b>
Customizable reports	<b>M</b>	<b>M</b>	<b>M</b>
Advanced reporting	<b>M</b>	<b>M</b>	<b>M</b>
Business intelligence compatible	<b>M</b>	<b>M</b>	<b>M</b>
Dashboards	<b>M</b>	<b>M</b>	<b>M</b>
Real-time reporting	<b>M</b>	<b>M</b>	<b>M</b>
Summary to detail	<b>M</b>	<b>M</b>	<b>M</b>
<b>Technology</b>			
Cloud-based technology	<b>M</b>	<b>M</b>	<b>M</b>
Standalone PSA solution	<b>M</b>	<b>M</b>	<b>M</b>
Pre-integrated to an enterprise resource planning	<b>M</b>	<b>M</b>	<b>M</b>
Robust application programming interface	<b>M</b>	<b>M</b>	<b>M</b>
Team and customer collaboration	<b>M</b>	<b>M</b>	<b>M</b>
Document management	<b>M</b>	<b>G</b>	<b>M</b>
Workflow engine	<b>M</b>	<b>M</b>	<b>M</b>
Mobile access	<b>M</b>	<b>M</b>	<b>M</b>
Outlook integration	<b>G</b>	<b>M</b>	<b>M</b>
Role-based permissions	<b>M</b>	<b>M</b>	<b>M</b>
Data import tool	<b>M</b>	<b>M</b>	<b>M</b>

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## SELECTING THE RIGHT IMPLEMENTATION PARTNER

PSA and project management solutions involve more than just software. Whatever your needs—managing multiple locations, merging new businesses, enhancing purchasing decision-making, managing inventory, handling complex accounting functions or migrating to the cloud—your PSA solution should help improve processes and streamline operations.

The process of implementing a new PSA system usually requires consultants with specialized knowledge of application and business processes. A cloud solution may not require fees for software installation; otherwise, the costs are very similar to an on-premises implementation. It is important to choose the right implementation partner who has worked with a significant number of professional services executives, chief financial officers and their teams, and knows how to navigate complex challenges and drive strategic decision-making.

Make sure you review your implementation partner's methodology and approach to ensure they take the time to understand your business while providing the best solution for your organization. Every project plan should include the following elements: discovery, design, configuration, integration, data conversion, training and testing to make sure the system serves the needs and goals of your business.

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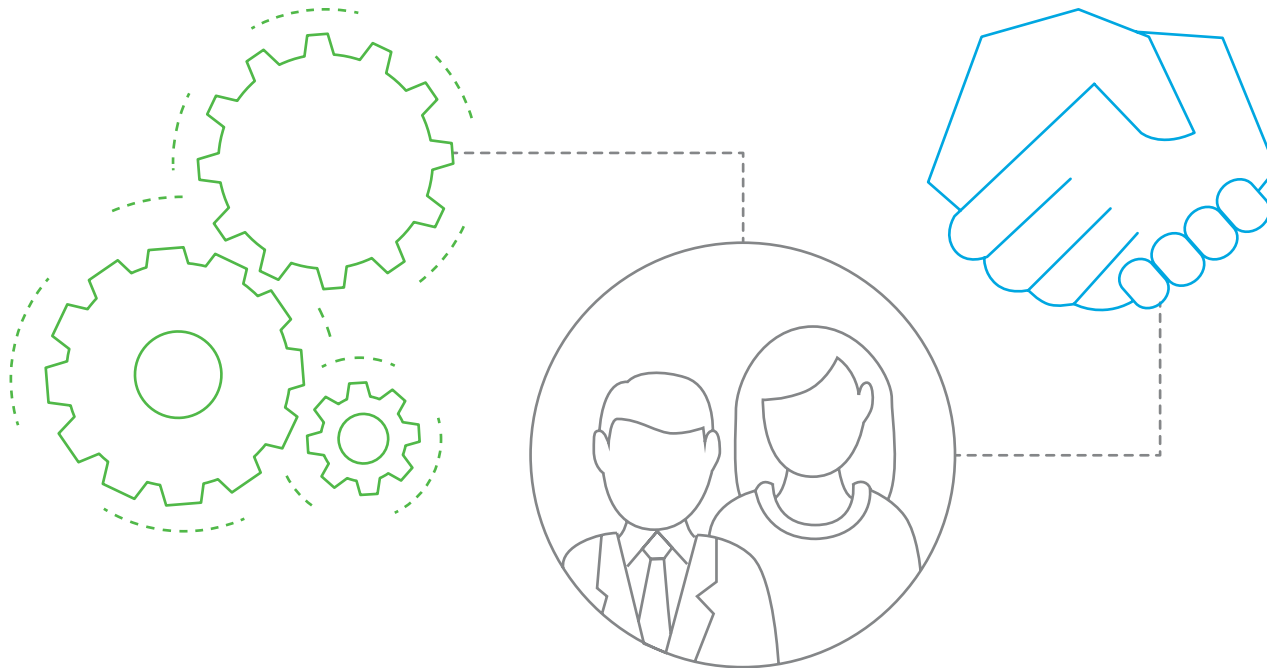
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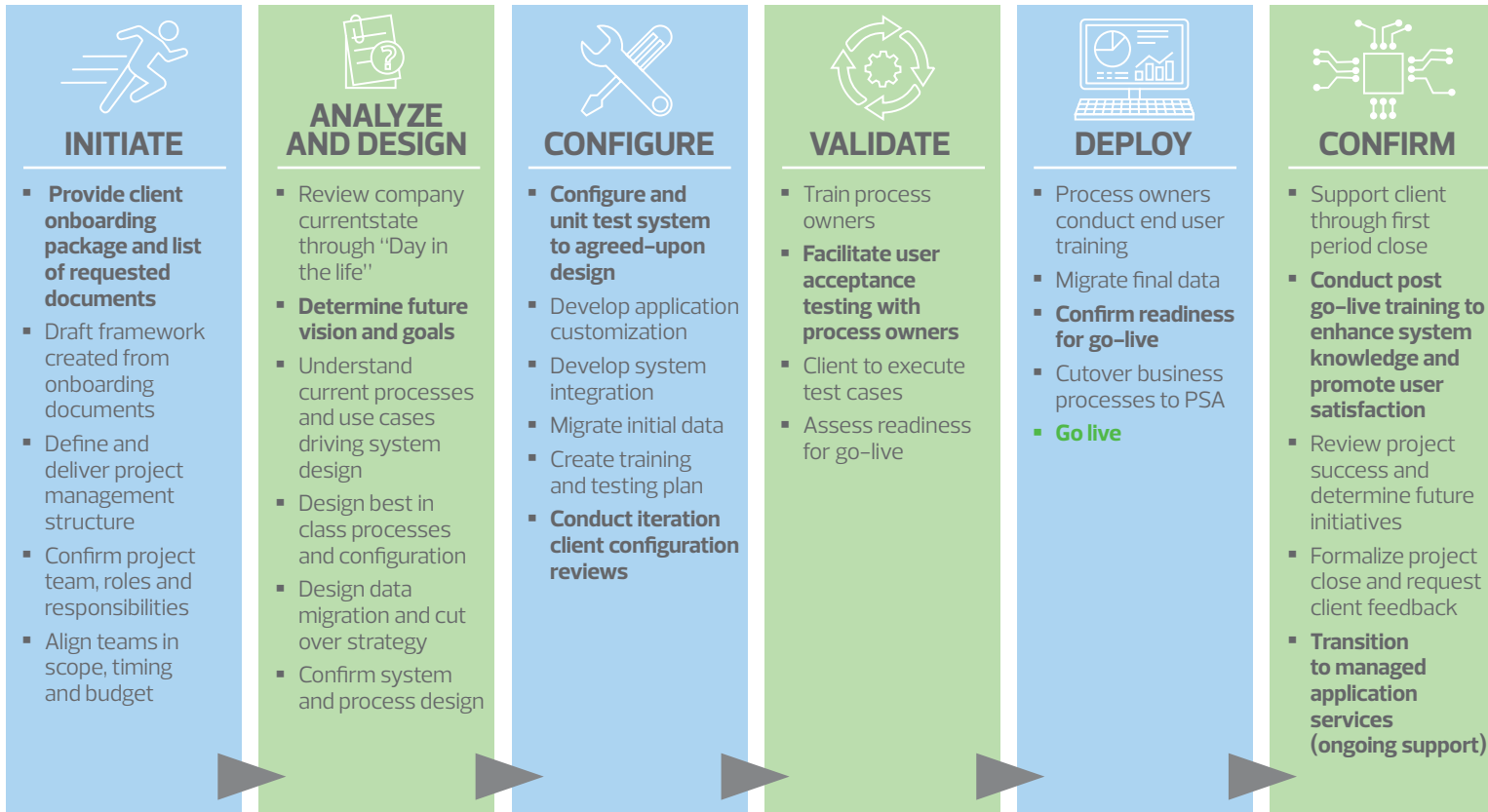


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### Implementation methodology and approach



### Lead in class activities

PROJECT AND CHANGE MANAGEMENT

TRANSFORMATION AND MODERN PROCESS DESIGN

## SELECTING THE RIGHT IMPLEMENTATION PARTNER (cont.)

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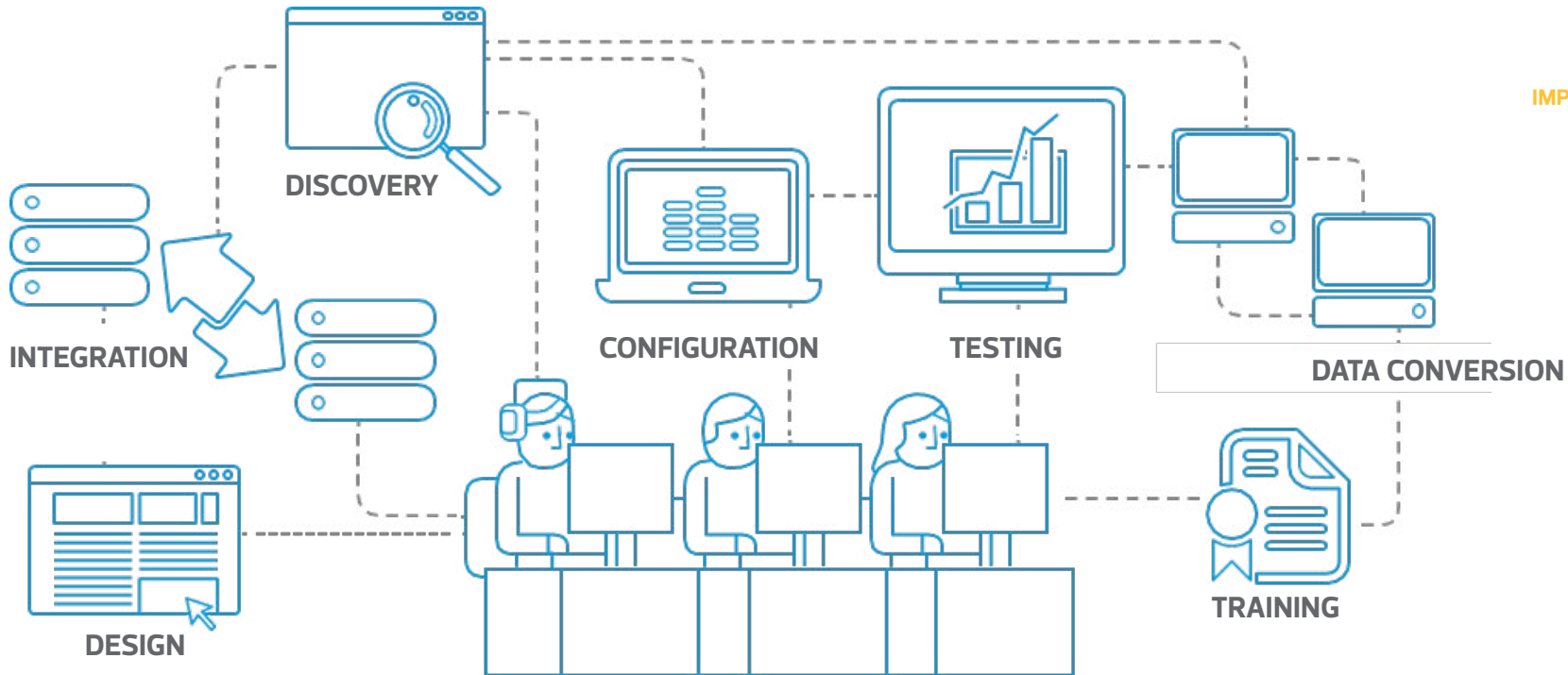
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Implementing a PSA system requires support from an experienced team



## EVALUATION CHECKLIST

- ✓ What are the potential partner's methodology and approach?
- ✓ Is there a cultural fit—can your team work with their team?
- ✓ Do they have experience with the product? Are they certified?
- ✓ Do they have experience with projects like yours? Can they provide references?
- ✓ Do they have experience with add-on functionality?
- ✓ Do they have industry experience? Can they provide references?
- ✓ What are their implementation practices, tools, methods?
- ✓ How will they provide ongoing support?
- ✓ How will they train? Are they flexible?
- ✓ Do they offer value? What are their rates (taking into consideration the above)?



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### BOTTOM LINE

Do you feel comfortable your partner will get it done, on time, on budget and in line with quality expectations?

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## WORKING WITH RSM

RSM is one of the world's leading audit, tax and consulting networks. We build strong relationships based on a deep understanding of what matters most to you. By sharing ideas from our most senior professionals around the world, we empower you to make critical decisions with confidence to move your business forward and make the most of the opportunities change creates.

With offices across the United States and a global network, RSM has certified resources in your area. Whether you're looking for consultants who can support you on the ground or remotely, RSM has deep experience for all of your needs. RSM's size allows us to attract and retain exceptional people and provide industry-focused services beyond technology, including operations, tax and accounting services. This experience means we are spending more time helping you find cost-effective ways to address your business technology needs and less time getting to know your industry.

### NEED HELP? CONTACT US

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