

UNIT4

In Business for You

TRANSFORMATION TIME FOR PROFESSIONAL
SERVICES ORGANIZATIONS



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Overview

Time for change

Every facet of your organization can be better managed by business applications, from clients and people to projects and finance. Every barrier to engagement, productivity and growth can be smashed. And, if you are on a transformation track, any new entity can be integrated into your business model with minimal disruption.

You just need to look at how you collect, analyze and manage data.

In this guide we'll show you how to attract and retain the best talent and optimize billable staff utilization. You'll learn how increased visibility and control (through digital technology) will help you bill with precision, hit targets and execute more profitable projects. And you'll discover how to win more business and increase client profitability thanks to more accurate proposals based on past project success.

Here are the top six challenges facing people- and service-based organizations today, and how to overcome them through technology. But you need to be prepared to challenge your status quo, to break old habits and move with the times.

So, is it time for you to change?



Office workers spend **one-third** of the working year completing administrative or repetitive tasks.



This lost productivity costs the service industry more than **\$5 trillion USD** annually.



Most office workers, especially young professionals believe **new technology** would improve their productivity

Let's talk about successfully growing your business >>>

Mastering growth

Challenge 1: how to grow, restructure or merge with as little disruption as possible while remaining competitive and innovative

In modern business, change is swift and inevitable. Professional services organizations (PSOs) must evolve constantly. Innovation is essential to remain competitive and to sustain growth.

In an increasingly dynamic economy, any successful organization of today may be under pressure tomorrow.

Growing organizations need to be able to smoothly integrate new entities into the business model without disruption. For any company operating with evolving organizational structures, the ability to keep projects, orders and resources in sync is a key requirement.



How well are your business systems supporting your growth strategy without major disruptions?

Likewise, if you are on a business transformation track, you should be able to restructure in lock-step with the internal business model as you evolve. When you expand sales, add service lines, change the way in which you deliver services, enter into new markets, follow your clients into new geographies, or partner with other organizations, your business system should scale. It should support you in keeping your processes running smoothly and providing relevant and complete information dissemination.



Does your current business software enable or hinder transformation?

With 7,000 employees in the Nordics and Belgium, integrated facilities management services firm, **COOR**, partnered with Unit4 to help it manage company growth and constant change while maintaining a high quality customer experience during continuous acquisitions.

“Whatever new information we need and whatever changes in direction that arise, I really never worry about Unit4 ERP’s ability to support us. We view our relationship with Unit4 as a trusted partnership and whichever way our strategy takes us, we consider Unit4 ERP to be a core part of any changes we make.”

Anna Malmros, finance manager

We need to look at productivity >>>

Killing tedious manual tasks

Challenge 2: finding ways to improve productivity and efficiency in the face of increased global competition

Workers lose one third of time to admin

Workers lose one third of time to admin Labor productivity growth in the US and Western Europe is at “near-historic lows¹.” Lost productivity is costing the service industry more than \$5 trillion a year², with the average worker spending one third of their working year completing administrative or repetitive tasks — time that could be better spent on their primary job duties. Yet, more than three quarters of office workers believe technology can improve their productivity, with nine out of ten workers in many countries saying they would use technology like digital assistants and software applications to manage repetitive tasks.



Are your consultants spending too much time on administration and too little time on high-value activities?

Digitalization set to drive productivity

Around 60 percent of the productivity boosting opportunities over the coming decade are set to come from digital². These include technologies that boost operational efficiency, reduce costs, streamline labor requirements and enhance innovation, as well as those that are reshaping entire business models and industries and changing barriers to entry.

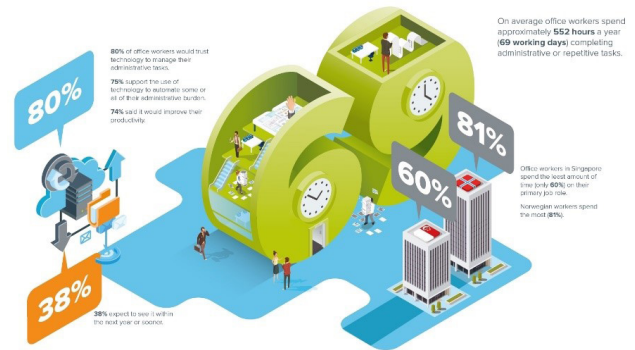
Focus on operational excellence

Introducing standardized and structured procedures across your firm will enable your team to spend less time on routine, administrative work and more time on managing exceptions. Your team needs full transparency on KPIs such as margin per project, resource utilization rates, and days sales outstanding. Receiving this information with a few clicks instead of having to spend time collecting information from multiple sources represents a major benefit.

The forward-thinking organizations are winning more business >>>

Global productivity study:

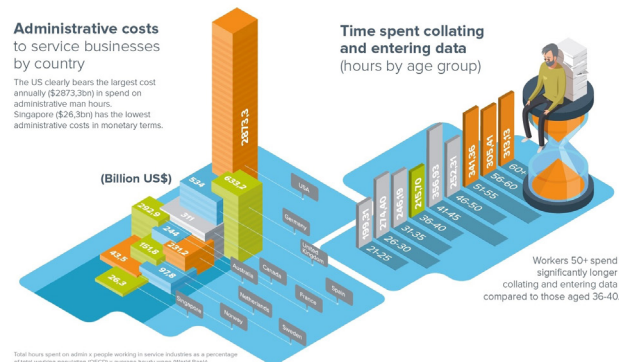
People spend 69 days on admin annually that could be spent on primary job duties.



The cost of lost productivity to the service industry

Administrative costs to service businesses by country

The US clearly bears the largest cost annually (\$2873.3bn) in spend on administrative man hours. Singapore (\$26.3bn) has the lowest administrative costs in monetary terms.



Get the infographic

To see the details behind the GLOBAL PRODUCTIVITY STUDY, please click here.

¹ McKinsey Global Institute (2018), [Solving the productivity puzzle](#)

² DJS Research (2017), [Office workers lose a third of their work time to admin](#)

Winning more business

Challenge 3: knowing where to compete, how to break down silos and identifying the right data to help you bid for future projects

Opportunity management is all about identifying who, where and how to compete by managing client information, sales activities, proposals and contracts. But most standalone customer relationship management (CRM) software doesn't give us the foresight we need to know where to compete.

A single solution with fully integrated CRM, will allow you to automate opportunities and give you predictions on cost, time and effort involved in a prospective project, providing guidance for estimating and budgeting. (As long as you collect your data using the same system.)



How do you enable your sales team to win more of the right bids?

You can use the same system retrospectively, by sourcing details about profitability, staffing and other metrics from past projects (the successful ones) to sales teams to bid for future projects. This is powerful, undisputable proof. But sales and service teams are notorious for not communicating.

Mending the sales-service schism

A combined CRM and enterprise resource planning (ERP) solution builds synergy between sales and service teams. Using an application to collect project success metrics helps communication as it's within the same platform. It creates a single source of truth and a 360-degree view of customer accounts by integrating software for managing customer relationships and project delivery. If you use an integrated solution to manage opportunities it aligns the elements sales use (budgets and plans) with the information the delivery teams care about (resources and other service needs). This builds buy-in and ownership, and breaks down wall.



18%
higher

Percentage of referenceable clients is 18 percent higher in professional services firms which use CRM systems³.

³ Service Performance Insight report, [2019 Professional Services Maturity Benchmark](#)

Time to talk about project quality, productivity and profits >>>

Executing profitable projects

Challenge 4: how to gain visibility over project plan and budget to hit revenue targets

Global market analysis shows positive trends and a few records for the professional services industry.

The independent report also claims the top-performing PSOs “rely on” a professional services automation (PSA) solution for precision execution. It says they execute profitable projects by hitting revenue and margin targets thanks to 360-degree visibility and control over their project plan, schedule, cost and budget. This makes a strong, business-critical case for automation.



How do you improve your chances of hitting revenue and margin targets on every project?



Average revenue per project is 238 percent higher in the best-performing professional services organizations who rely on a PSA application³

³ acknowledge the 2020 report, [2020 Professional Services Maturity Benchmark](#)

Comparing the professional services industry with five years earlier, these businesses as a whole have faster project staffing times, larger project staffs and duration. They are delivering more projects on-time, with an increased average price and duration per project. Project managers are able to manage more projects concurrently.

These top-performing organizations also rely on standardized methodologies. They create repeatable processes and use project templates within a PSA-integrated project management system, alongside tools for planning, budgeting, forecasting and analyzing. They have switched from being reactive and tactical to strategic and proactive. Part of the result, says the research, is that the top-performing PSOs (who all rely on PSA) earn 238% (per 2020 report) percent higher average revenue per project.

Unit4 ERP supports 40,000 projects for engineering firm, **INGEROP**, which has 1,600 staff and a revenue of €189m. The firm attributed 20 percent revenue growth to system and process improvements, and a 50 percent increase in project visibility and profitability.

“Unit4 ERP allows us to optimize the management of our current projects. Its flexibility allows us to integrate the specificities of our business, view the progress of our projects and monitor the profitability easily. We now have a practical and economical solution to meet the challenge of our growth in France and abroad.”

Marc De Maria-Martin, INGEROP

Challenge 5 is all about talent, since people are the lifeblood of any professional services organization >>>

Solving the talent puzzle

Challenge 5: predicting resource needs, matching the right people to the right projects and making the best use of your talent

Part of the cheat code for solving this talent puzzle is locked away in technology. Today luckily, this tech is available to every organization, not just the elite. Successful project-centric organizations are using the latest technology to prevent burnout, create self-driving resource projects and improve productivity.

With the right professional services automation application the solution is obvious (the clue is in the name): we can match the right consultants with the right skills and seniority to the right projects automatically. Consultants can update their costs, availability and requests remotely (the data is recorded automatically via integrated apps). And we have the ability to synchronize all that with the project backlog – all within the same system. Everything can be tracked, updated and analyzed in real time.



How can you increase billable resource utilization with your current business systems?

The top five percent of PSOs³ all rely on a single, integrated digital solution to manage finance, projects, talent and clients. Staff at these businesses are paid more than employees at the others and they receive a host of additional benefits. More employees at these firms would recommend their employer as a great place to work, they receive higher levels of training investment and are more likely to understand and take advantage of career advancement opportunities. The result is self-driving resource projects, plus greater collaboration, better communication and more flexibility.

Resource managers are empowered with visibility of people's skills, their planned work and absences, tentative and recurring bookings, what tasks they have in their workflow and which need manager approval⁴.

⁴Service Performance Insight report, [2018 Professional Services Maturity Benchmark](#)

It's time to look at billing >>>

Billing with precision

Challenge 6: how to collect, bill and report financial transactions more efficiently

The solution to streamlining your billing and collections, speeding up your payment process and reducing errors and invoice disputes lies in automated collection of data and issuing invoices.

Capturing actuals as they occur and ensuring that all contract details make it from the original documentation to the invoicing software streamlines the collections process, reduces the amount of days sales outstanding and immediately improves cash flow.

Invoice automation allows you to reduce admin time, tighten up cash control and bill with precision. With a project and billings system integrated within a single system of record you can also track costs, revenues and profitability to help you hit revenue and margin targets.

These top-performing organizations also rely on standardized methodologies. They create repeatable processes and use project templates within a PSA-integrated project management system, alongside tools

for planning, budgeting, forecasting and analyzing. They have switched from being reactive and tactical to strategic and proactive. Part of the result, says the research, is that the top-performing PSOs (who all rely on PSA) earn 91 percent higher average revenue per project*.

With Unit4 ERP, enterprise solution provider, **Kinetic IT**, almost doubled its forecasting accuracy and timesheet completion while cutting billing times in half.

“We wanted to automate transactions, provide mechanisms of control and risk management to refocus efforts on supporting decision making. We had grown exponentially and could no longer manage the business on ‘gut feel’ or ‘entrepreneurial spirit’.”

Russell Decent, CFO



How do you achieve higher realization, more accurate planning, streamlined invoicing, and higher overall profitability with your current systems?

Challenging your status quo

The benefits of a single solution

Against the backdrop of a business climate driven by technology, disruption and skilled talent shortages, where the millennial workforce — nursed on technology and instant global communication — is starting to take charge, isn't it time to take note of the signs?

If your software is slowing you down, it may be time to think about change. Here's a sum-up of the benefits that the top-performing PSOs are gaining from using a single solution like a PSA application, according to industry analysis⁴.

- more likelihood of achieving project revenue and margin targets
- more revenue per employee, per billable consultant and project
- higher net profit, EBIDTA and gross profit margins
- greater visibility and control over plans, costs, people resources, and budgets
- more revenue in backlog
- shorter sales-to-cash cycle
- increased productivity

All this equates to greater financial stability, predictability and flexibility — everything you need to grow, scale and weather the storm of transformation.



Summary

Six challenges, one solution

To accelerate your growth and digital transformation, you need a new type of business application — a solution that's powered by data and intelligence; one which creates a single source of truth and a 360-degree view of projects, resources and finances.

The right solution should come with pre-defined project templates and built-in legislation support, as well as built-in industry best practices for project-based sectors such as: accountancy, architecture, consultancy, engineering, IT services and legal. It should also provide a multi-company, multi-currency and multi-lingual project solution that supports multiple charts of accounts.

The right solution should also provide mobile technology for easy access everywhere, it should offer the opportunity to standardize and optimize processes and give you the choice of deploying your solutions in the cloud or on-premise. Say goodbye to legacy enterprise software, spreadsheets, emails, and PowerPoint reports.

The right solution, with the right support from the right partner, should allow you to cope with change without disruption to your organization.

UNIT4
In business for people