SUPERCHARGE YOUR SERVICES ORGANIZATION IN 2024

Leveraging NetSuite's integrated PSA solutions

December 6, 2023

RSM

Your Presenters

Uriah Hakala (RSM)

Director, PSA Product Strategy

20+ years running services organizations, mostly at software companies. Fun fact – I have used 8 different PSA solutions in the past!

Joe Haley (NetSuite)

Corporate AE, Channels PSA

15 years PSA Sales with Certinia, Changepoint and the last 6 years with NetSuite

Tom Battelle (RSM)

Manager, PSA Practice

Consulting practice leader for 20 years delivering business solutions to mid-market companies. Utilized OpenAir for resource management and budget control for 16 years.
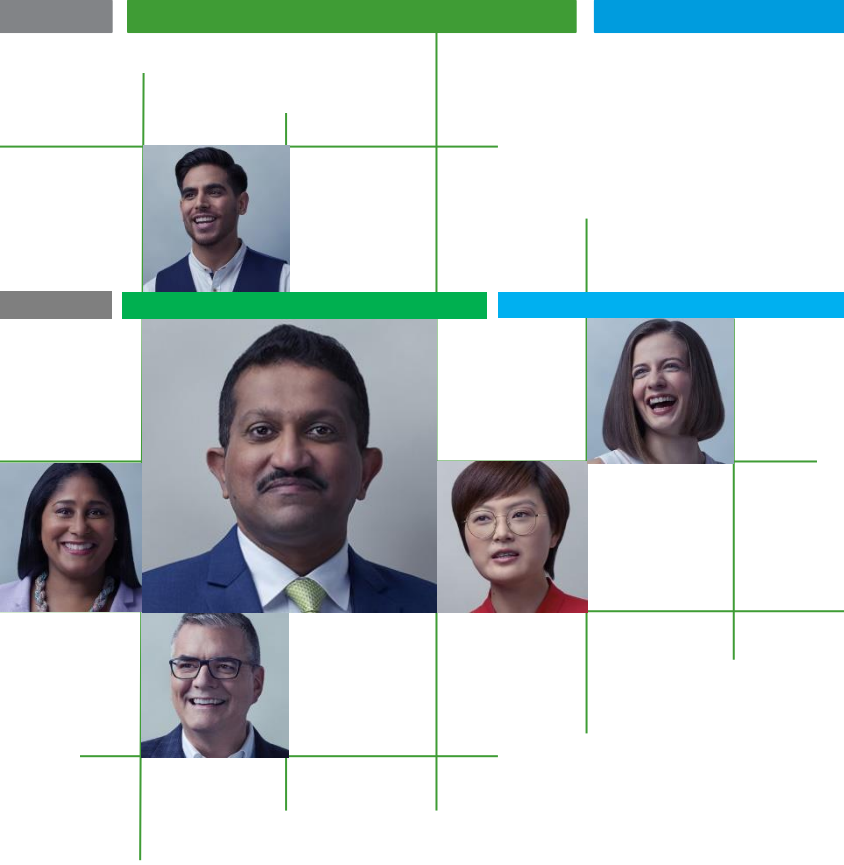
Marlon Arevian (NetSuite)

Sr. PSA Specialist

Consulting industry expert with over 20 years of experience who has helped hundreds of organizations realize the benefits of Professional Services Automation solutions.

Agenda

- Key Benefits & KPIs – Business Drivers

- Industry Benchmarks

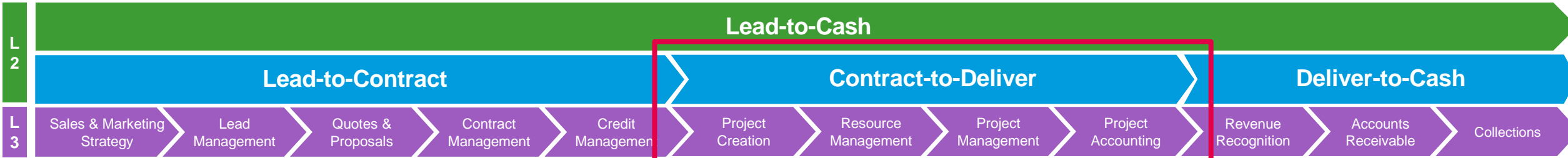- OpenAir Magic and Value Unleashed

- Live Q&A

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KEY BENEFITS AND KPIS

Successful Business Outcomes

Successful Outcomes are based on Business KPIs

Business Process	Pipeline + Capacity Forecasting	Resourcing + Talent	Project Delivery + Profitability	Client Outcomes	Financials + Accounting
Business Outcomes	Improve accuracy of sales pipeline and decrease time to staff projects	Optimize resource supply and demand and have the right resources available to deliver on work	Deliver "green" projects on time, on budget, and within scope	Provide realized value and client satisfaction from project delivery	Create a financially healthy, successful services business
Persona(s)	• Business Development	• Resource Manager • Practice Manager	• Project Manager • Billable Consultant	• Program Manager • Executive Leaders	• Finance • Operations
Key Performance Indicators (KPIs)	• Deal pipeline • Revenue forecasting • Availability (Roles / Users) • Time to Staff • Capacity + Demand	• Utilization • Attrition / Retention • Time to Hire • Backlog • Resource Cost • Employee Satisfaction • Skills March vs Demand • Revenue per Consultant	• Project Fees • Project Costs • Project Margin • Scope Management • Cost Savings • Project Health • Portfolio Health • Project Overruns • Tasks % Complete • Budget vs Actuals • Non-Billable Time • % of Partner Delivery	• Time to Start • Time to Live • Time to Value • Standardization of Delivery • Client Satisfaction • Client Health • Client Outcome Achievement	• Gross Margin • Top-Line Revenue • Forecasting Accuracy • Effective Bill Rate • Effective Bill Rate by Role • Actuals vs. Forecast • Fees Variance by Project • Realized Rate • Revenue per Consultant

Think about Business Outcomes across the full L2C lifecycle

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L2: Lead-to-Cash

L2: Lead-to-Contract | Contract-to-Deliver | Deliver-to-Cash

L3:

Front Office					Middle Office				Back Office		
Sales & Marketing Strategy	Lead Management	Quotes & Proposals	Contract Management	Credit Management	Project Creation	Resource Management	Project Management	Project Accounting	Revenue Recognition	Accounts Receivable	Collections

L4:

Sales Strategy Development	Lead Generation	RFx Management	Contract Lifecycle Management	Credit Policy Definition	Project Creation	Capacity Planning	Project Delivery & Monitoring	Project Forecasting & Re-Forecasting	Define & Maintain Policy & Procedures	Invoice Management	Dispute Escalation and Arbitration
Price Management	Opportunity Pipeline Management	Sales Segment Opportunity Management	Contract Negotiations & Approvals	Customer Segmentation	Project Financials Set-Up	Resource Planning	Time & Expense Management	Project Budget Management	Regulatory Compliance	Manage Accounts Receivable	Collections Strategy & Execution
Sales & Operations Plan ("S&OP")	Credit & Risk Approvals	Quote Management	Contract Documentation Management	Manage Customer Credit	Services Estimating		Project Dashboard & Reporting		Calculate & Record Revenue	Cash Application	Process Billing Adjustments
Goals & Target Setting	Sales Forecast	Sales & Pipeline Management	Contract Compliance Review				Project Extensions & Renewals		Manage Intercompany Billing		
	Account Management		Contract Renewals & Amendments				Project Closeout		Treasury Management		

Legend

MKTG Marketing	CRM / CPQ Customer Relationship Management	CLM Contract Lifecycle Management	PSA Professional Services Automation	ERP Enterprise Resource Planning	REV REC Complex Billing & Revenue	CS Customer Success

How To Get Started?

Start with the business questions in mind:

- "Does our delivery team have visibility to future projects?"

- "Are we missing out on revenue?"

- "Are our people either too busy or not busy enough?"

- "How much time is wasted on the month-end close process due to the complexity of our contracts?"

- "Can our executive team track our services financials accurately?"

- "Do we know which client projects are in 'red' status?"

- "Do we staff the same key people on every project, or do we develop new skills and talent?"

Industry Benchmarks

[SPI Research](#) is an independent consulting firm that has been benchmarking thousands of Services organizations for the past 15 years.
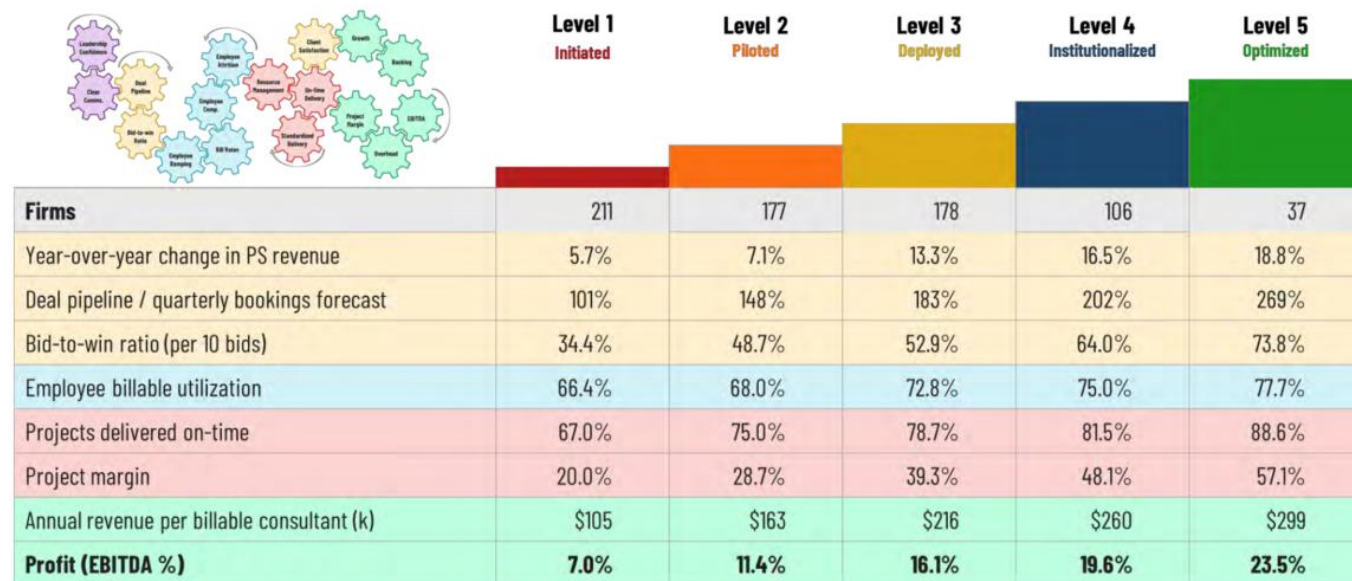
Companies using an integrated CRM, ERP, and PSA solution advance along the maturity curve and drive tangible improvements in business outcomes (growth, margins, employee and customer satisfaction).

RSM and Forrester's research validates that these assumptions hold true for our clients.

Figure 12: Professional Services Maturity™ Progression

	Level 1 Initiated	Level 2 Piloted	Level 3 Deployed	Level 4 Institutionalized	Level 5 Optimized
Firms	211	177	178	106	37
Year-over-year change in PS revenue	5.7%	7.1%	13.3%	16.5%	18.8%
Deal pipeline / quarterly bookings forecast	101%	148%	183%	202%	269%
Bid-to-win ratio (per 10 bids)	34.4%	48.7%	52.9%	64.0%	73.8%
Employee billable utilization	66.4%	68.0%	72.8%	75.0%	77.7%
Projects delivered on-time	67.0%	75.0%	78.7%	81.5%	88.6%
Project margin	20.0%	28.7%	39.3%	48.1%	57.1%
Annual revenue per billable consultant (k)	$105	$163	$216	$260	$299
Profit (EBITDA %)	**7.0%**	**11.4%**	**16.1%**	**19.6%**	**23.5%**

Source: SPI Research, February 2023

Table 46: Impact – Professional Services Automation (PSA) Use

Key Performance Indicator (KPI)	PSA Used	PSA Not Used	▲
Survey %	78.4%	21.6%	
Year-over-year change in PS revenue	11.0%	8.9%	24%
Deal pipeline / quarterly bookings forecast	167%	141%	18%
Employee billable utilization	**71.5%**	**67.6%**	**6%**
Project duration (man-months)	35.4	28.8	23%
Annual revenue per billable consultant (k)	$206	$197	5%
Annual revenue per employee (k)	$166	$160	4%
Project margin	**35.6%**	**32.9%**	**8%**

Source: SPI Research, February 2023

Industry Benchmarks – RSM's Analysis

Business Outcome	RSM's Experience
1. Minimize white space resulting in revenue increase **(Growth)**	**10-15%**
2. Manage project financials **(Increased Margins)**	**8-10%**
3. Engage employees where they want **(Emp. Satisfaction)**	**10-15%**
4. Deploy the right people to right clients **(Inc. Odds of Success)**	**10-25%**

OPENAIR MAGIC

- Industry-leading Professional Services Automation (PSA) tool

- Founded in 1998

- Purchased by NetSuite in 2008

- Industry-leading Project Management, Resource Management, Billing, and Rev-Rec

- No more spreadsheets

- Real-time visibility from Opportunity to Cash

- Assign the right resource, in the right location, at the right cost rate

OpenAir – NetSuite Integration

NetSuite OpenAir Connector

OpenAir

ORACLE NETSUITE

- Prebuilt single sign-on user interface includes dashboards, full navigation and record subtabs

- Managed by NetSuite and used by hundreds of joint NetSuite OpenAir customers

- Real-time data flows between NetSuite and OpenAir

- Flexible field mappings support standard and custom fields

OpenAir	ORACLE NetSuite
Customers	Customers
Projects	Projects
Employees	Employees
Services	Service Items
Expense Items	Exp. Categories
Expense Reports	Expense Reports
Invoices	Invoices
Credit/Rebills	Credit Memos
Revenue	Revenue

Sample integration leading practices, additional integration points available

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