



WHITE PAPER

# Using Technology to Future- Proof the Professional Services Organization





Grab a seat and enjoy.  
Read Time: 4 minutes

# Using Technology to Future-Proof the Professional Services Organization

---

With unified cloud enterprise resource planning (ERP) systems, professional services firms can run more streamlined, compliant and profitable project management and managed services offerings.

With disconnected project management systems, manual data entry processes, poor financial visibility, and virtually zero control over their budgeting and time processes, many of today's professional services consultancies need unified technology platforms that tie their operations together.

Reliant on systems like QuickBooks, Microsoft Project and Microsoft Dynamics GP, most of these professional services organizations have straightforward project management budgeting and client interaction requirements. However, they aren't using systematic project management tools that incorporate accounting, invoicing, budgeting and other functions. This makes life extremely difficult for the professional services firm that needs to scale up to meet customer demand.

This white paper examines the key challenges that professional services firms are facing in their quest to balance their managed services with project management offerings and shows how cloud ERP is helping them work smarter, better and faster in today's competitive marketplace.

---

“There’s a clear disconnect between actual project management and systematic financial reporting at most of these companies. Especially in areas like managed services or more finite project management applications, where real-time visibility gaps can have significant negative impacts on an organization’s ability to control budget and time.”

Shawn Flowers, Director of NetSuite Enterprise Solutions,  
GSI, Inc.



## Wanted: More Automation, Please

Professional services are a big business. With over \$5.7 billion in annual revenues—33.4% of which were generated by North American firms—the sector has been growing at a compound annual growth rate (CAGR) of 7.4% since 2014. On track to reach \$8.1 billion in revenues by 2022, the industry includes (but isn't limited to) professional services firms that are involved in design, research, promotional and consulting services, legal services, accounting services, and scientific and technical services.

Focused on long-term, complex projects, professional services firms operate in a sector that's impacted by technology, greater competition and changing client needs. Professional services providers are reimagining their business models in order to reduce operational costs and improve their bottom lines. To get there, many of these firms are automating their back-end capabilities, eliminating manual processes and adopting unified enterprise resource planning (ERP) systems that streamline their end-to-end operations.

In the absence of a unified platform, benchmarks like profitability and budgeting are often left up to chance at the typical professional services firm. For example, when the connection between project costs and project credits isn't clear, companies really never know whether they're making money on a client project. Should resource availability shift or change during the course of a project (e.g., new consultants are brought in to complete the job when an employee leaves the firm), the time and cost associated with this change has to be accounted for. Left unaccounted for, even a slight change in process can wind up costing the professional services firm time, money and valuable resources.

The company that's using basic financial software also misses out on features like baseline reporting, which centers on expected project costs over the entire lifecycle of the engagement. For the company whose client engagements span six months or more—typical for the average professional services firm—and deals with multiple change orders and shifts during that time, having that project visibility can mean the difference between a profitable project and a financial loss.

---

“Companies need to be able to create that project picture in advance, and then compare those numbers to the actual results post-project to see how well they've done.”

**Shawn Flowers, Director of NetSuite Enterprise Solutions, GSI, Inc.**

In the absence of these insights, professional services firms can't benchmark against themselves or make the necessary improvements on future bids and estimates.

The pain points don't end there. According to Flowers, companies using Project or similar applications to run their businesses also have zero visibility over employees' time entries or what activities are being performed within which hours of the day. In an industry where consultants are paid well and committed to customer satisfaction, any extra “unpaid” hours spent solving client problems can translate into thousands or millions of dollars in lost revenues.

## A Real Game-Changer

Working with professional services firms that have anywhere from \$20 million to \$200 million in annual revenues, the GSI team is often surprised to see what technology these firms have been running on for years or even decades. “We worked with one company that had over \$200 million in annual revenues and was still running on QuickBooks,” said Flowers. To help this company and many others migrate to an end-to-end, automated business management system, GSI developed a managed services customization package for NetSuite.

By adding managed services to the mix, GSI puts the power of a cloud ERP system into the hands of organizations that require both traditional project management (related to a project administrator) and a managed service-style support structure (for customer contractors).

Through this dual-management approach, GSI has developed an end-to-end NetSuite-based system that enables functionalities like employee time entry via a mobile application, free vendor access (for time entry) and a point-by-point list that companies can use for budgeting, project planning, project management and financial forecasting.

As a NetSuite partner that also utilizes its cloud ERP system internally, GSI literally “lives and breathes” the platform on a daily basis. “Not only are we implementing NetSuite,” Flowers explained, “but we’ve also developed approaches to NetSuite Project Management that further enhance an offering that’s already very strong.”

Once in place, NetSuite gives managers and executives a dashboard they can use to view all of their company’s financials, projects and activities in one place. This integrated approach is new for many professional services firms, most of which have grown accustomed to working with a patchwork of technology applications, spreadsheets and manual processes.

“We’ve found that NetSuite’s core product set suits the professional services firm’s needs very well.”

**Shawn Flowers, Director of NetSuite Enterprise Solutions, GSI, Inc.**

A company that’s working on long-term consulting projects, for example, and has monthly hour budgets and/or managed-service contracts can work with GSI to configure NetSuite to meet its specific needs. In most cases, the implementations take anywhere from three to five months, depending on the number of service lines and subsidiaries that are coming online. (The timeline for companies already using NetSuite is considerably shorter.)

## The Key Wins

With NetSuite in place, professional services firms will quickly begin to see benefits like:

- **Complete end-to-end operational visibility.** “When companies suddenly gain visibility over every project and how it impacts their overall financial statements, from a single dashboard, it’s very empowering,” said Shawn Scanlon, GSI’s executive vice president. “For companies that had to previously report on projects with one system and then use another for invoicing, this level of integration is a real game-changer.”
- **Accurate revenue recognition for managed services.** Most professional services firms that bill in advance don’t recognize that revenue until the project is complete. “That’s really difficult to do without an ERP system,” Flowers explained, noting that QuickBooks and other basic solutions simply can’t handle this level of revenue recognition. NetSuite helps companies stay in front of these issues by, for example, addressing problems like the consultant who neglects to turn in his or her expense report for a specific client project.

- **Less scope creep.** The bane of every service-based firm's existence, scope creep—the addition of new project features/functions that weren't previously agreed upon—can quickly eat up project profitability. The consultant who is working at a customer's site and is asked to do additional work doesn't always record those additional hours spent on the job. "You don't necessarily always catch that right away—even as a project manager—if you don't have parameters set forth at the outset," said Flowers. Using a cloud ERP system that ties all of a company's processes together on a single platform—and that's accessible via mobile phone—managers can easily determine whether a project is in danger of entering the scope creep "red zone" and act accordingly.
- **Better benchmarking.** With NetSuite and GSI, companies can set milestones for specific budgeting levels or establish that they should be at a predetermined burn rate by a certain point in time. "It's much better to do this early in the project cycle," Flowers added, "versus when you notice that the project is 70% complete when there's just 10% left in the budget." Multiply that problem across dozens or hundreds of consultants, and the financial impact is substantial.
- **Improved compliance and risk management.** The core NetSuite ERP system includes a wide array of compliance and financial components that apply to all the professional services industries. "They may not always align directly with the project management aspect of businesses," said Scanlon, "but everything from international tax regulations to multi-currency to localizations based on other countries are all applicable for the professional services entity."

- **Future-proofed business forecasting.** An important capability for any company, good forecasting is especially critical for professional services firms that rely on human resources to keep the wheels turning. In today's tight labor market, knowing who needs to be where and when can mean the difference between a successful project and a dissatisfied customer. With NetSuite, companies can accurately predict how much future work is in the pipeline versus the number of resources it has on-hand to meet those needs. Companies can see if they're understaffed or overstaffed, and what changes they need to make to balance out those inequities.

### Putting Their Clients First

The lifeblood of any professional services company, clients are demanding more streamlined, automated processes and fewer manual, paper-based experiences. Meeting these and other client needs requires a technology platform that brings the professional services operation under a single umbrella, one that enables enterprise-wide visibility via dashboards, mobile devices and other tools.

With NetSuite's cloud ERP and GSI's implementation expertise, companies can more effectively run their operations, manage their business data, grow their bottom lines and keep their clients happy—and coming back for more.

#### To know more about GSI, Inc.:

11475 Great Oaks Way, Suite 340

Alpharetta, GA. 30022

877-474-4377

[info@getgsi.com](mailto:info@getgsi.com)

[getgsi.com](http://getgsi.com)



**ORACLE**  
**NETSUITE**

[www.netsuite.com](http://www.netsuite.com)



[info@netsuite.com](mailto:info@netsuite.com)

877-638-7848