

YOUR COMPLETE GUIDE TO

PSA

Improving operations. Driving profitability.





Introduction

Why PSA matters in consulting today

Today's consulting market can be tough. To get ahead and stay ahead, firms need to constantly look for ways to deliver more value to clients, improve how they operate and grow the bottom line.

Professional services automation (PSA) software has emerged as a critical tool for helping firms get better results and make better decisions. It helps leaders drive their businesses looking forward, not just react to the past.

This eBook is your guide to understanding what PSA is, how it can help your firm and the steps you can take to select and implement the right PSA solution for your business.

It's built on Garwood Growth's years of experience in more than 25 PSA projects with clients across the UK and around the world. Drawing on our expert insight, we'll guide you through the essentials of PSA, its benefits and how to ensure successful adoption.



Chapter 1

What is professional services automation?

Before diving into whether your consulting firm should adopt a PSA solution, it's essential to understand exactly what professional services automation is. PSA is a software platform designed to help people-based service businesses – such as consulting firms – manage core business processes with greater efficiency and transparency. It integrates and automates key functions like project management, resource planning and scheduling, time tracking, billing, and reporting into a single, cohesive system.

Key components of PSA

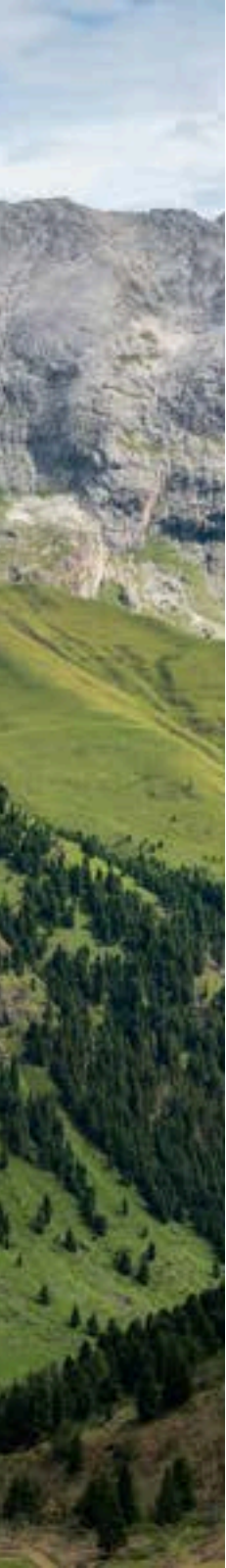
At its core, PSA covers several business functions:

1. Project financial management:

PSA enables consulting firms to plan, track and manage projects from inception to completion. With tools for task assignment, timeline tracking and progress reporting, firms can ensure projects are completed on time and within budget.

2. Resource management:

Effective use of personnel is critical to any consulting or professional services business. PSA provides real-time visibility into resource availability and allocation, helping firms assign



the right people to the right tasks based on their skill sets, availability, and project demands whilst maximising utilisation.

3. Time & expense tracking:

Accurate tracking of time spent on client projects and associated expenses is crucial for billing and profitability. PSA allows employees to log their time and expenses easily and get them approved, ensuring that no billable work goes untracked.

4. Billing & invoicing:

PSA streamlines the billing process by automating invoice creation based on project progress, time entries and expenses. This ensures timely and accurate client billing, which reduces revenue leakage and billing errors and improves cashflow.

5. Analytics & reporting:

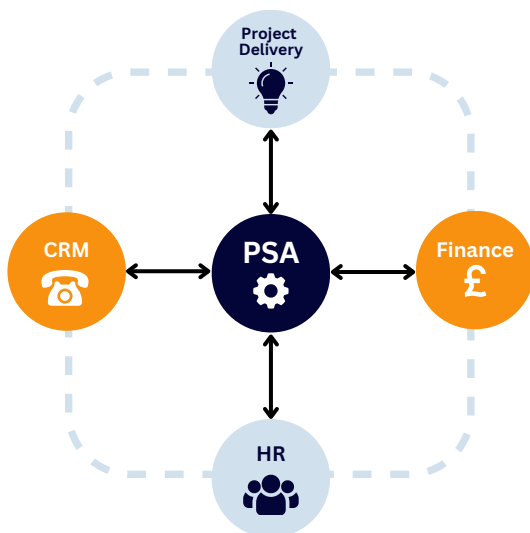
PSA offers built-in reporting capabilities, allowing firms to generate real-time insights into project performance, resource utilisation and financial metrics. The systems create a joined-up, single, real-time view of key operational and financial data. This helps leaders better forecast and manage performance of the business, make informed decisions and continuously improve operations.

How PSA differs from other systems

Many firms rely on a mix of tools to support different functions like customer relationship management (CRM), project management, finance and HR. But rarely do those give the best solution for the thing people-based businesses need most: end-to-end management of project and resourcing workflows.

Unlike generic software solutions, PSA is tailored to the unique needs of professional services firms, providing deep insights into operational efficiency and profitability.

By integrating core consulting requirements, PSA transforms how firms manage their day-to-day operations, moving from manual, fragmented processes to a streamlined, automated system. With PSA, firms can focus on delivering value to their clients while ensuring internal processes run smoothly.



Chapter 2

Why growing consulting firms look to PSA

PSA systems streamline project management, resource allocation, time tracking and billing. For consulting firms dealing with multiple clients and complex projects, PSA offers a centralised platform to manage the entire project lifecycle.

The decision to implement PSA is often driven by inefficiencies in existing processes. Firms that are struggling with manual tracking, delayed reporting and poor visibility into project financials often realise that adopting a PSA system can solve these issues.

The heart of consulting operations



The purpose of PSA

- ✓ Manages end-to-end delivery of services in a consulting or professional services business
- ✓ Connects project delivery and resourcing to sales, finance, HR and the wider IT ecosystem
- ✓ Typically replaces many disconnected Excel spreadsheets that take effort to maintain manually
- ✓ Creates a single version of the truth, with the whole organisation seeing the same connected, up-to-date data and KPIs
- ✓ Gives early visibility of contract and project financial performance, enabling leaders to take proactive measures instead of just reacting when something hits the P&L
- ✓ Manages resource assignment and utilisation optimisation
- ✓ Enables more timely customer invoicing



Benefits of PSA



Improves operational efficiency by automating or even eliminating existing manual tasks



Improves performance forecasting, enabling better decisions and earlier action



Increases utilisation and improves operational discipline (e.g. time capture and approvals), resulting in margin improvements typically between 5 and 10%



Helps shift accountability for project performance from back office to front office



Improves invoice timeliness and visibility, giving better cashflow and driving EBITDA



Streamlines month-end processing and gives much earlier visibility of results, often by day 2 or 3 after close



Chapter 3

Deciding when the time is right for PSA


Even when firms have recognised they need PSA, they often struggle to know when they should get started. Based on Garwood's experience and our insight from PSA providers, there are several common trigger points that can make it the right time to press the button:

Growth is ramping up

As consulting firms scale, the complexity of managing numerous projects, diverse team members and an expanding client base escalates. This often happens when a firm reaches a headcount of around 50 to 100 people. At this point, a PSA system becomes crucial to sustaining efficiency, providing a structured framework to handle growth without sacrificing operational control.

Operations are becoming inefficient or difficult to manage

When firms become heavily reliant on manual processes to connect up all their systems, operations become more difficult and inefficiencies set in. A proliferation of spreadsheets and manual integrations across CRM, HR, finance and delivery operations can lead to project delays, resource misallocation and revenue leakage.



When that happens, it's likely a sign that PSA is needed to help regain control. Other operational challenges that can signal the need for a PSA solution include:

- **Manual data collection:** Teams are spending excessive time manually collating data in Excel – such as resource availability, project assignments, invoicing schedules and financial details – leading to potential errors and reduced profitability.
- **Disconnected systems:** Key functions like finance, CRM, time capture and HR sit in isolation, resulting in time-consuming manual data entry and reconciliation efforts across systems.
- **Delayed management information & reporting:** Because data processing is manual, reporting lags behind real-time events and hampers effective decision-making.
- **Delayed billing & collection:** Monthly billing is late or – even worse – wrong or incomplete because invoicing schedules aren't visible or adhered to.

As an organisation grows, these issues only become more time-consuming and unsustainable, causing month-end closings to drag on for days or even weeks. Those delays have a direct impact on timely decision-making and, therefore, the bottom line.



It's getting harder to forecast

With disconnected data sources, firms find it challenging to produce accurate, data-driven forecasts. The sales pipeline, project delivery schedules and financial metrics don't sync up, making it difficult to make informed predictions and often leaving leadership to rely on educated guesses rather than fact-based insights.

Clients and investors are demanding more transparency

Clients and investors increasingly expect transparent, real-time insights into operational performance, project statuses and billing details. Meeting these expectations without an integrated PSA system can be challenging and time-consuming.

Legacy systems just can't keep up

Existing systems may be outdated, underutilised or even strained under the weight of new demands as the business scales. Some systems may require replacement or optimisation, which can often be achieved through the more unified approach a PSA solution provides.

Understanding these common trigger points can help your firm determine whether it's time to move from manual systems to a scalable, integrated PSA solution that supports growth, efficiency and transparency.

Chapter 4

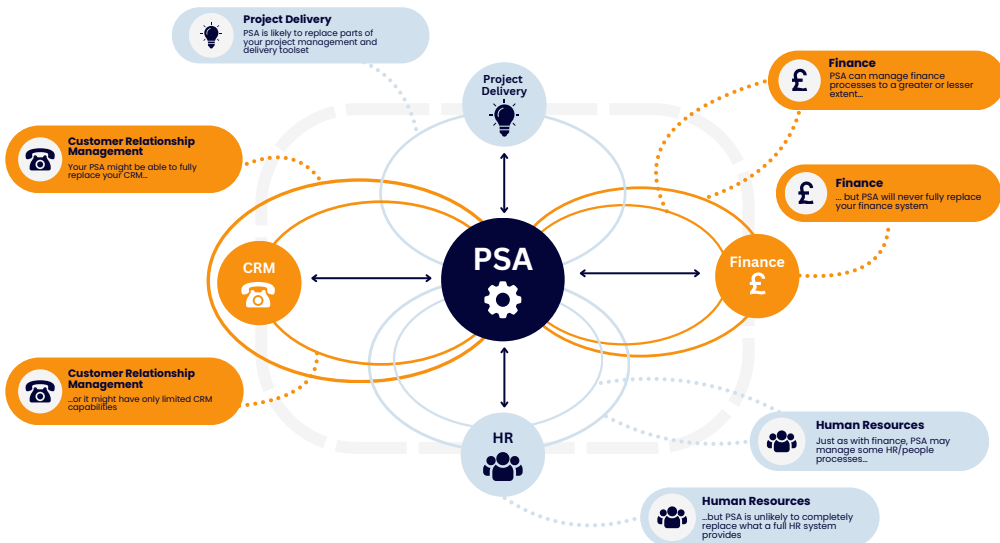
Choosing a PSA: What to consider

Selecting the right PSA system can be daunting given the variety of options available. We often see firms trying to select a PSA without knowing much about them or having implemented or used one before. Put simply, they don't know what they don't know.

To get the most from a potential PSA investment, it's vital to understand what the systems can offer, how they can – and will – change your business, and how to get maximum value from them.

PSAs are a long term commitment – you need to adopt them fully and be able to live with them. Choosing the right one needs careful consideration.

Key considerations of PSA selection



When exploring different PSA options, consulting firms should consider the following factors:

Integration with existing systems: The PSA should seamlessly integrate with your current CRM, finance, HR and other tools to avoid manual re-keying and potential misalignment of data across the business and to enable better decision-making.

Scalability: Choose a PSA system that can grow with your firm. Whether you're a small boutique firm or a global consultancy, the software should be capable of adapting to your evolving needs for at least the next three to five years.

The fit with your business: The types of services you sell and deliver, the commercial and pricing models you use, and the ways you work are all important considerations. Not all PSAs are right for all businesses.

Flexibility vs best practice: Every firm has unique workflows, and your PSA should be configurable to align with these processes. But don't fall into the trap of simply selecting a system that supports the way you work today. If you do, you might miss the opportunity to improve operations by adopting industry best practices embedded in PSA solutions.

User experience: A user-friendly interface encourages adoption across the organisation. Your team's ability to quickly understand and utilise the system will directly impact its effectiveness. Adoption and uptake are key to success and ROI.

PSA vendor: This is a long-term commitment. You need a supplier who is responsive and supportive



and helps you get maximum value from their solution.

Given the variety of PSAs available, it's important to take care in selection and be appropriately informed. Do your research, talk to businesses that have used different systems. And if you need external support, invest in it – whether that's with Garwood or someone else.

Selection criteria

- Functional fit/alignment
- Usability & adoption
- Solution performance
- Security architecture
- Product strategy & path
- Support & service
- Customer base
- Supplier credibility
- Total cost of ownership

Integration criteria

- CRM
- Document storage
- HR
- Finance

As well as important selection and integration criteria, decisions need to be made as to scope: Which existing IT systems to you want and need to replace and which do you want to keep? Do you go for a fully-integrated enterprise product or a "best of breed" approach that will give you sufficient functionality to meet business needs and sit comfortably alongside other systems?

Perhaps most importantly, it's crucial to involve key stakeholders in the selection process to ensure the system meets the whole firm's specific needs.



Chapter 5

Making implementation a success

Successfully implementing a PSA solution requires careful planning and execution. Here are five actionable steps for a smooth transition:

**1**

Define clear objectives

Make sure you're crystal clear on what you want to achieve with PSA. Whether you want to improve project efficiency, enhance reporting or streamline billing – or do it all – make sure you set clear objectives and know how you'll measure success.

2

Business engagement

Get buy-in from both leadership and staff. Ensure leadership is on board and takes an active role in communicating the benefits to your team. This will encourage adoption across the organisation. Involve key business stakeholders from all key roles throughout the implementation process.

3

Choose a dedicated implementation team

Designate a cross-functional team to be responsible for ensuring the success of the PSA implementation. Include people from sales, delivery, HR/people, operations, finance and IT.



4 **Business change**

Implementing PSA is not a technology project – it's a business project. Plan for it accordingly. To get maximum value from your new solution, you'll almost certainly want to change the way you work. You'll be asking people to do things differently, and they'll need support through the changes. Be sure to include business-led testing to get on the front foot and avoid nasty surprises.

5 **Provide training & ongoing support**

Comprehensive training is essential to ensure all team members can use the system effectively. Continued support after implementation is key to long-term success.

By following these actionable steps and maintaining a holistic, business-first approach, your organisation will be well positioned to unlock the full potential of a PSA solution, driving efficiency, collaboration, and sustained growth.

Implementing a PSA solution is not just a technical undertaking but a transformative business initiative. Avoiding the common pitfalls shown on the next page will help set your organisation up for success.

Common pitfalls

We have to migrate all historic data



Not knowing your business priorities

All singing all dancing must be the best?



It's largely a back office system

Suppliers just say 'yes'



'Owned' by finance

Platform should drive the decision



Let's put it in quickly & decide best use later

Things to get right



Define your 'To Be' processes beforehand



Document the most common business scenarios to test business 'fit'



Be clear on the key IT ecosystem boundaries, process flows & decisions



Get ownership & engagement from leadership & across the whole business



Keep continuity in your implementation team throughout the process



Keep it simple



Adoption is key to success – focus on it at all times

Chapter 6

Measuring PSA success: Metrics that matter

Once your PSA system is implemented, it's important to track key performance metrics to assess its effectiveness. In our experience, the following metrics can be useful in evaluating a PSA solution's success:

1 Project profitability

Track how the PSA helps improve profitability by measuring revenue capture, project costs, project margin and predictability of all three.

2 Utilisation rates

Measure how well you're meeting company and individual targets for billable utilisation and non-billable work. Constantly work to improve accuracy of utilisation forecasting – a key driver of profitability.

3 Project timelines & profitability

Assess whether projects are being completed on time and with the expected margin, with real-time tracking available through your PSA.

4

Billing efficiency & collections

Assess how much unbilled inventory ("WIP") you have at any point. Work to reduce the time it takes to bill the work you've done and collect payment.

5

Client satisfaction

Use feedback tools within your PSA to gauge client satisfaction, helping you refine service delivery and spot future opportunities.

ROI: Real outcomes

In our experience, firms that fully embrace PSA's potential and deploy systems well can and do improve EBITDA by up to 8%. A successful deployment yields strong ROI in months, not years.

Of course, results will vary. Unfortunately, some businesses see minimal benefits and or even end up adding costs. Occasionally, we've seen the software being removed or having to be redeployed.

When that happens, it's often the software that gets the blame. But in reality, poor outcomes almost always result from poor business readiness, inappropriate product selection, inadequate leadership engagement or insufficient focus on business change and adoption.

Conclusion

Creating your strategic advantage with PSA

Professional services automation is not just a software tool. It is a strategic enabler for consulting firms aiming to optimise their operations, improve business performance and enhance client satisfaction.

By carefully selecting, implementing and measuring the effectiveness of the right PSA solution, your firm can gain a competitive advantage, improve profitability and drive long-term growth.

We hope this eBook has helped you understand:

- What PSA is about and its potential benefits
- How to decide when PSA might be right for your firm
- Things to consider when selecting a system
- How to succeed with implementation
- How to measure your success

If you have questions, please feel free to reach out. We're happy to help and wish you much success!



About us

Working with Garwood Growth

At Garwood Growth, we advise professional services leaders and investors on growth, operational improvement and value realisation.

PSA advice and implementation services have been a core part of our business since our founding in 2018 as Garwood Solutions. You won't often hear us boast, but it's fair to say we know the PSA market better than anyone else.

Here are some of the reasons our clients choose us:

Unmatched experience

- We've helped 25+ clients choose, implement and successfully use PSA solutions.
- Alas, we've also helped some firms fix implementations that didn't go to plan. There are valuable lessons there, too.
- Our experience covers firms of 20 staff and 20,000 – in single offices and across Europe.

Independent & informed

- We give impartial advice based on an up-to-date, comprehensive view of the PSA solutions market.
- We have deep knowledge of different solutions' strengths, weaknesses and potential fit with firms' varied needs.



Business-focused approach

- You'll never get a stock answer from us. We give practical advice that's tailored to your business' ways of working and needs.
- Our implementation approach focuses on the result that matter: strong adoption, improved business performance and achievement of target ROI.

End-to-end support

- We offer expertise at every stage: from requirements definition, product selection and procurement all the way through to implementation and adoption.
- We help you identify and implement changes that will deliver measurable business improvement.

Please feel free to connect with our PSA experts us to unlock your PSA's potential and drive sustainable growth.



Simon England



Rob Garner



John Howard





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garwoodgrowth.com

