Next-Generation Services Resource Planning

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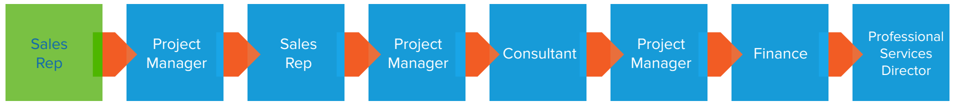
Many world economies are transitioning to service economies. In addition, product companies are beginning to offer services, while service companies are expanding their portfolios to include products. To drive business in these new paradigm shifts, organizations are revolutionizing their business processes and systems. Many are abandoning traditional installed applications that hinder their progress and are moving to more innovative solutions that are flexible and agile. This enables companies to swiftly respond to today's ever-changing, unpredictable and hyper-competitive business environment.

Despite the need for efficient management, many organizations still rely on a patchwork of uncoordinated point solutions to handle client management, project management, billing, financials and more. The downside of this approach is that each function remains siloed. Sales lacks insight into project status, services doesn't know what deals to plan for and finance is isolated from the business. The organization can't react adequately to billing issues and the IT environment becomes overly complicated.

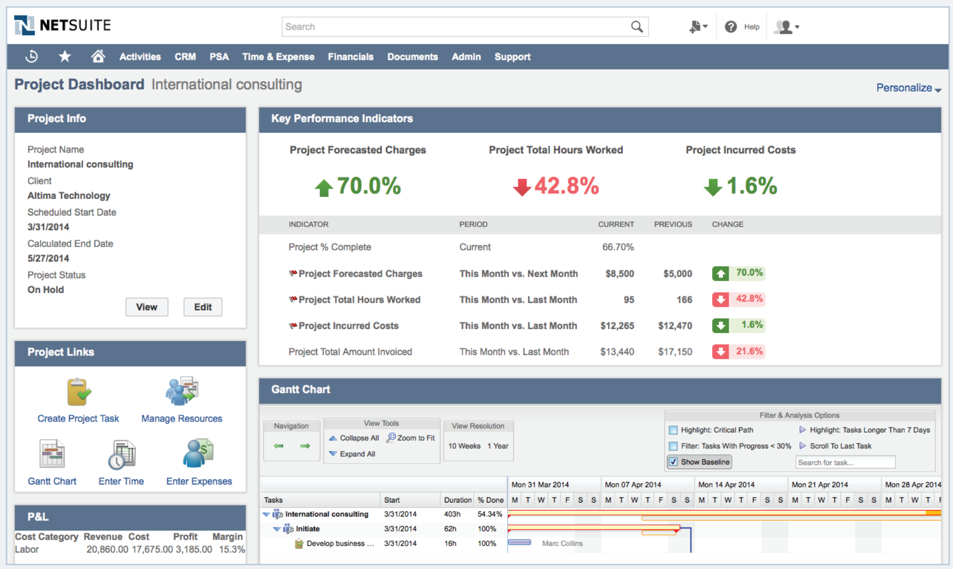
A cloud-based services resource planning system that is built on a single database structure ensures that critical information is captured once across all business functions. NetSuite's Services Resource Planning (SRP) solution is a consolidated system that handles every stage and role in the project life cycle. It supports all the requirements of a services organization from bid to bill. Since NetSuite SRP is role-based, users only see the information that is essential to do their jobs. Simultaneously, the consolidated system provides increased visibility into all aspects of the business.

This white paper illustrates how NetSuite SRP streamlines operations and drives profitability by optimizing the entire services business life cycle.

Creating Sales Leads and Opportunities

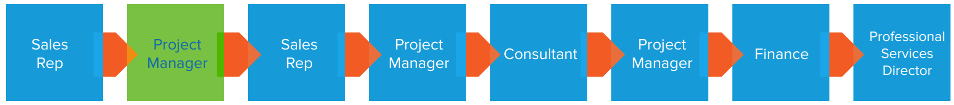


The dashboard that sales reps see provides a tactical view of leads, opportunities and forecasts. The sales person can view and drill into KPIs specific to their quotas, sales and more. Leads can be imported into NetSuite SRP and routed to sales reps, and reps can create new leads in the system.



In addition, sales reps can complete opportunity forms that link stages of the sales cycle to probabilities. When the status of a sales opportunity is changed to “needs scoping,” the information is routed to a project manager in professional services who will complete a detailed scoping.

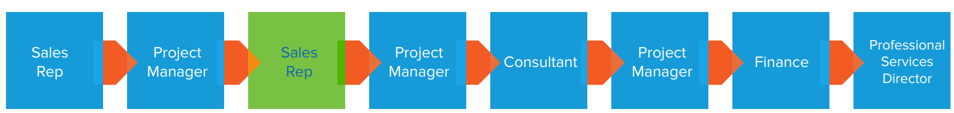
Scoping Sales Opportunities



When the project manager logs in, he or she sees tabs and a dashboard that are specific to the project management function. All aspects of professional services automation, such as project management, resource management, and time- and expense-related project financials, are accessible. On the dashboard, the project manager sees a notification of opportunities that need to be scoped. Further information is visible on the Scoping tab.

In NetSuite SRP, projects can be built out from scratch or through project templates. Project templates are an effective way to standardize the project creation process. These reusable templates provide robust starting points for projects, saving time and simplifying projects from beginning to end. Templates can include preliminary billing setup and support a variety of billing methods including fixed bid, fixed price based off a milestone, interval based, and general time and materials. When the project manager changes the status to "scoping is complete," a notification is sent to the sales rep that he or she can create an estimate for the client.

Generating Estimates and Sales Orders



The sales rep receives a notification after the scoping has been completed. Right from the opportunity, it is possible to create an estimate for the client. Since NetSuite SRP is an integrated system, it is not necessary to rekey any information. Line items are automatically brought over from the opportunity and the estimate is automatically associated to the client and project.

When it is time to create a sales order from the estimate, it is automatically created and can be sent to vendors for third-party products. For example, if a Power Edge blade server is purchased for a client project, the purchase order can automatically be sent to the vendor.

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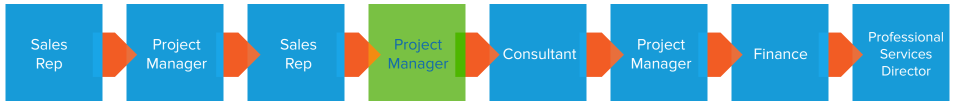
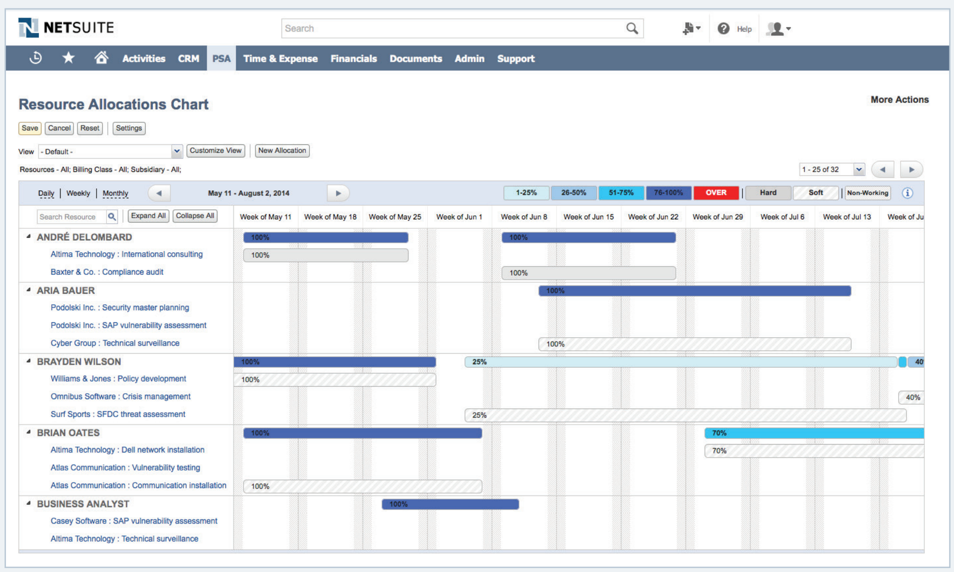
Budgeting and Allocating Resources to Projects



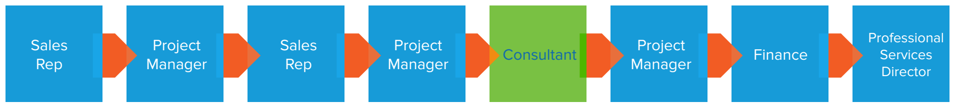
Once a sales order has been closed out, work on the project can begin. The project manager has visibility into high-level information about ongoing projects. Custom fields can be added to NetSuite SRP to accommodate whatever information organizations want to track. For each project, it is possible to click directly into tasks and see the detail.

Project managers can budget for labor, expenses, third-party suppliers and more at the task level. Alternatively, budget amounts can be put at the project level. In terms of resourcing a project, project managers have two alternatives. They can assign people to specific tasks or on the Resources tab, they can access the Resource Allocation Chart. The Resource Allocation Chart provides an intuitive and visual view of the workloads assigned to all resources.

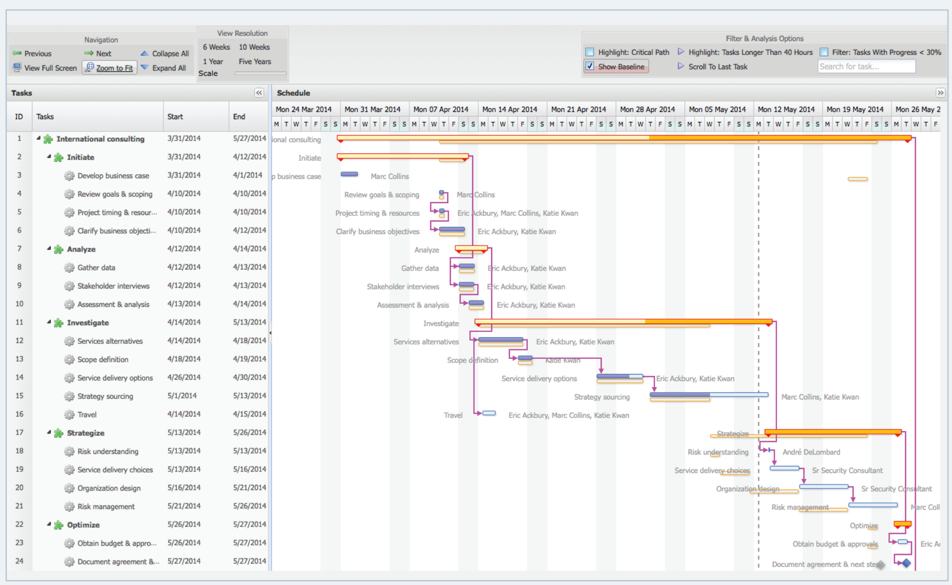


It also provides insight into the availability of different resources, so project managers can manage each person's schedule and also quickly find any double-allocations. For example, if a person is allocated more than 25% he or she will be shaded in yellow on the Resource Allocation Chart. This indicates where team members are on the bench and can be further utilized, without conflicting with other schedule commitments. In addition to the color coding, it is possible to hard or soft allocate a person. Project managers can search based on skills, demographic information, experience or work preferences, making it faster and easier to get to the right people for each project. If a resource looks promising, the project manager can view his or her resume to get more detail.

Entering Time and Expenses Against Projects

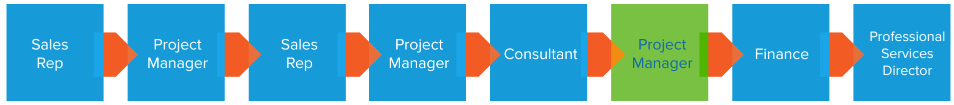


The NetSuite Project Center for consultants is clean and organized. It is designed to give consultants fast access to timesheets, expense reports, resource allocations and an area to update their skill sets. NetSuite SRP is accessible through a mobile app that enables road warriors to complete timesheets and expense reports from the road. It is possible to take photos of receipts and attach those to expense reports, and on international projects expenses can be entered in multiple currencies.



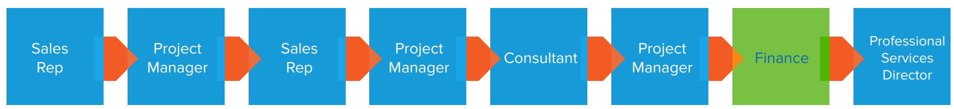
After consultants complete a timesheet or expense report and submit it, NetSuite SRP begins an approval routing and processing workflow. Consultants can always view the status of their timesheets and expense reports—whether they are open, pending approval, approved or rejected.

Approving Project Time and Expenses



When project managers log in, they see notifications about timesheets and expense reports that are waiting for approval. After drilling in to see more detail, the project manager can accept or reject individual line items in a timesheet or expense report. Alternatively, the project manager can accept timesheets and expense reports in their entirety.

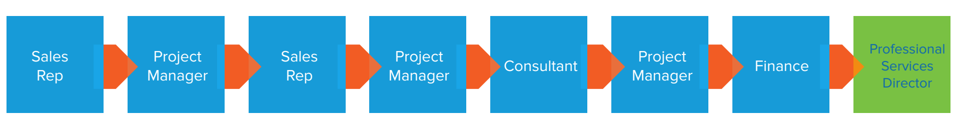
Billing and Invoicing the Client



After a project is finished, the finance team bills and invoices the client. With NetSuite SRP's role-based permissions, it is possible to restrict who has access to the Financial tab in the system. Some people may not see the tab, some may have read-only access and others may be able to enter and edit financial information.

NetSuite SRP supports mixed billing use cases for a single project. Organizations can create fixed fee rules and time-based rules and then the system generates charges on a daily basis. Directly from a sales order, Finance can bill for products that are resold to customers and include the waiver. This could be useful in cases where server and database server software are resold to a client. The system makes it possible to invoice for everything from one spot. In addition, organizations have full flexibility to design their invoice layout. They can add their logo, change terminology, add and remove columns and more.

Monitoring and Analyzing Project Performance



To maximize profits and optimize operations, service organizations need clear visibility into team and project performance. NetSuite provides robust dashboards, reporting and analytic tools that provide a real-time view into services organizations.

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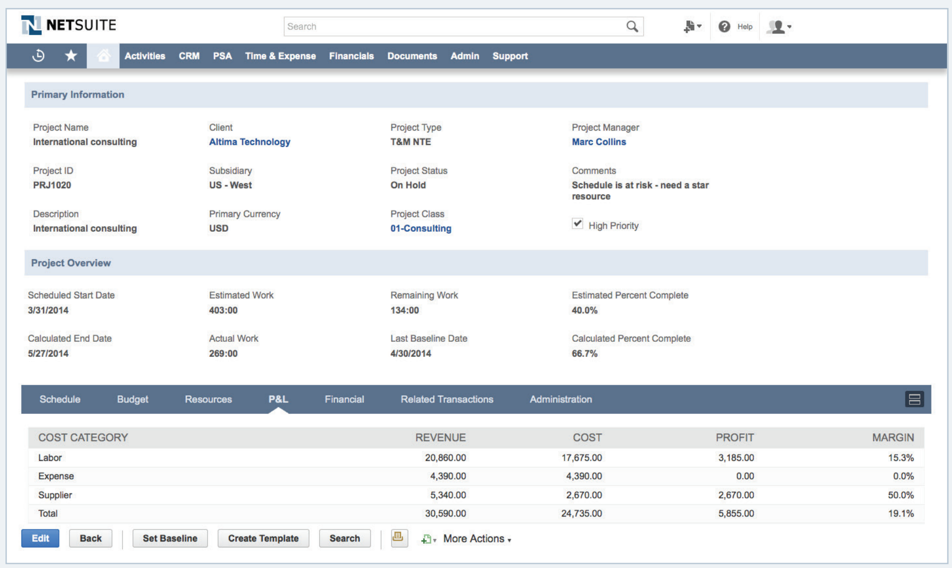
NetSuite's dashboards and reporting solutions enable professional services directors to monitor, report and analyze overall project performance in real time, including resource utilization, profit margins, project budgets versus actuals and more. Every stakeholder from executives to project managers can instantly see personalized reports with the metrics that matter most.

On the project dashboard, for example, the professional services director can see on a Gantt chart what has been accomplished on projects. High-level project profitability reports provide metrics for projects across the organization. Detail reports show labor costs. Labor data comes from journal entries based on time entered into the system, as well as revenues from invoices. To get more detail, it is possible to drill into source transactions in the report. Other reports include budget versus actuals and utilization.



Conclusion

NetSuite SRP supports the way services teams work. With a common database, the system provides a single source of the truth and enhances productivity across every stage of the project lifecycle. With role-based views for all the key stakeholders, visibility across the organization grows. The result is higher revenue yields per employee and per consultant and higher levels of net income and profitability for the business.