Sales and Project/Service Delivery Alignment
for improved productivity, profitability and client satisfaction

INTRODUCTION

Companies in every market have transitioned into becoming project-based organizations (PBOs), in other words turning most, if not all work into projects. These organizations long ago began using project management to increase efficiencies and maintain cost control. But as more have taken this project focus to external customers and clients, the market has required greater integration with the sales and invoicing processes. Some examples of these project-based organizations include:

- Δ **Professional Services (PS)** – plan, sell, execute and invoice for consulting, architecture and engineering and other professional services.
- Δ **Manufacturing**– because many products have been commoditized, it is the corresponding services that help differentiate products as well as demonstrate value to the customers.
- Δ **Construction** – longtime users of project management, deliver complex projects in phases, many times using subcontractors.

Microsoft responded to this need for a holistic project focused solution and recently introduced **Microsoft Dynamics 365 for Project Service Automation (Dynamics 365 for PSA)**, a solution built on the Microsoft Dynamics Customer Relationship Management (CRM) platform, a leading Online CRM solution.

What is Microsoft Dynamics 365 for PSA?

Microsoft Dynamics 365 for PSA is an integrated suite of solutions built to enable PBOs to manage services, from sales through invoicing.

As Dynamics 365 for PSA is built on Microsoft Dynamics CRM, no integration will be required as it operates as one holistic solution. Because of this architecture, Dynamics 365 for PSA enables billable project-based organizations to manage all aspects of client facing activities, from sales through project staffing, project delivery and invoicing. The collaborative framework provided by Dynamics 365 for PSA allows team members to work together to ensure customers and clients are satisfied, as well as maintain or exceed profit margin requirements.

Dynamics 365 for PSA consists of 7 core modules that include:

1. **Opportunity management**: an integrated dashboard that provides visibility into potential opportunities, their cost, duration and projected profit. This capability enables management to better understand the organizations pipeline.
2. **Project planning**: enables sales and project managers to collaborate on the work proposed with the visualization of the cost, duration and value offered to the prospective customer or client.
3. **Resource management**: provides visibility into the resources so that the best potential fit (skills, cost, availability, etc.) can be brought in to the project work.
4. **Team collaboration**: during project execution provides a collaborative environment for team members to share information and collaborate on project deliverables.
5. **Time and expenses management**: enables individual consultants to accurately track

Figure 2: Microsoft Dynamics 365 for Project Service Automation (PSA) core modules

Source: Microsoft, October 2016

their project time and expenses related to specific tasks and deliverables to maintain cost control within the project-based work.

6. *Customer billing*: allows project managers to track, review and update and approve all project related costs followed by invoice generation and emailed to the customer. This capability is integrated with leading financial solutions.

7. *Service analytics*: interactive dashboards provide the infrastructure for management to understand all aspects of the projects delivered, their success, cost, revenue and other critical key performance indicators necessary to successfully run a project-based business.

How is Dynamics 365 for PSA different from Microsoft Project?

Microsoft Project is the leading project management solution built to support more complex project-related activities, with a project portfolio management engine to help better prioritize work. The solution is used primarily for project management for internal activities where there is no customer or client facing organization. Therefore, there has not been a need for integration with sales and billing functions. Microsoft Project is integrated with Dynamics 365 for PSA and can be used when project scope becomes complex

MICROSOFT'S TWO-PRONGED STRATEGY

Microsoft has long been a leading player in the Project Portfolio Management (PPM) market for project-driven enterprises. Professional Services

(PS), IT consulting, construction space, etc., as well as in new product development and internal IT. With its introduction of Project Service Automation, it immediately becomes a serious competitor in the customer or client facing professional services space. Microsoft will be able to create projects with Dynamics 365 for PSA both vertically and horizontally. Introducing Dynamics 365 for PSA to Microsoft Dynamics' application infrastructure will be significant. Many are already using Microsoft Project. However, in many of Microsoft's other industries, considering PSA fits nicely with new product development, internal IT, Marketing and service delivery, Dynamics 365 for PSA will help further cement Microsoft Dynamics as a preferred application vendor.

THERE IS A BIG UPSIDE TO DYNAMICS 365 FOR PSA

Microsoft already offers the world's leading project portfolio management solution, Microsoft PPM, as well as Microsoft Project online, a leading SaaS-based solution. Dynamics 365 for PSA now provides significant benefits for customer and client facing organizations involved in selling projects and services and to help them grow fast profitably.

Price to win in a complex organization

Dynamics 365 for PSA helps organizations to create competitive bids with resources from around the company, and with a solid understanding of the skills required, their cost, and the time to complete the work. This way, the organization can price bids to meet margin requirements, but also to improve the probability of them being accepted.

Figure 2: Microsoft Dynamics 365 for Project Service Automation (PSA) Dashboard

Source: Microsoft, October 2016

Quick-turnaround on project estimates

Dynamics 365 for PSA offers project templates to enable organizations to more easily, and in much less time, create bids and reduce the cost of sales. It also helps provide customers and clients with a schedule that allows for a higher probability of on-time project delivery.

Assign the best available resources

One of Dynamics 365 for PSA's greatest strengths is that of enabling organizations to find the right individuals, with the right availability and cost to begin project-based work when required. This capability helps drive higher levels of billable utilization, which is one of the most critical components of profitability. This capability also extends to subcontractors and other third-party partners, which typically accounts for between 10% - 15% of all billable resources.

Engage and develop professionals

Dynamics' PSA's architecture enables consultants and other billable employees to view upcoming project-based work, which allows them to

potentially bid on the work. This capability will help reduce attrition in project-based organizations, which is one of the most important areas HR directors are focused.

Simplify timesheets and approvals

Dynamics 365 for PSA offers intuitive calendar-based tracking and mobile application to improve the tedious task of maintaining project time and cost. It helps reduce overhead by increasing efficiency and can also improve employee satisfaction. An important feature of this is its integration with leading calendar solutions, including Microsoft Office.

Invoice-as-agreed

Because Dynamics 365 for PSA enables employees to record time and expenses through the solution or in the mobile app, it ensures that when invoices are generated, they will be transparent and accurate, increasing client satisfaction and reducing the potential for rejected invoices. Rejected invoices can significantly delay payment, which increases days' sales outstanding (DSO).

PSA IS PART OF THE MICROSOFT DYNAMICS FAMILY

One of the benefits of all Microsoft Dynamics products is their integration with the Microsoft Dynamics 365 Office suite, the global leading business productivity application suite. Microsoft touts the integration comes on several fronts, some of which include:

- Δ **Microsoft Project (client) integration**: Links MS Project with its robust project scheduling and management capabilities to PSA's real-time resource management and project economics to help improve project estimation to completion process.
- Δ **Scheduling Unification**: A consolidated scheduling experience that leverages resource availability and skillsets from multiple modes of service to help optimize assignments and improve utilization across cases, work orders or projects.
- Δ **Exchange Booking integration**: A consolidated view of personal appointments and project work assignments on exchange calendar, and ability to capture personal appointments in PSA work calendar, helps increase employee efficiency and streamlines time reporting.
- Δ **Unified contracts and billing with Field Service**: A consolidated customer contract to manage the sales and invoicing processes across Field Service and PSA, and the related actuals integration with Dynamics 365 for Operations, enables a centralized and consolidated customer service delivery model.
- Δ **Collaborative Portals**: Customer and partner visibility to project-related tasks, status, resources and invoices including approval of quotes helps enhance project productivity.

CONCLUSIONS

Dynamics Project Service Automation (PSA) enables PBO's to more efficiently and effectively sell projects to external customers and clients with greater knowledge toward beginning dates, duration and ultimate cost. The solution allows the project or service delivery arm of the organization to better understand the work sold, and its cost and due date. With this knowledge, the organization can better staff and manage its professionals to achieve revenue and satisfaction targets. And obviously, with rich integration and alignment between sales and project delivery, the organization can grow faster and more profitably.

Dynamics Project Service Automation (PSA) provides a collaborative environment for PBOs to complete work more efficiently, insuring on-time and on-budget delivery. Every team member will have visibility and access to their specific obligations, making it much easier to complete work. This environment will reduce risk (staff, schedule, financial, etc.) as everyone will work with the same information as to effort, cost and duration – improving financial governance throughout.

Project Service Automation is great addition to the Microsoft Dynamics family. The fact that it is developed on Microsoft Dynamics platform makes it a clear choice for those project-based organizations that desire greater sales and service delivery alignment. The fact that it is integrated with the other Microsoft products, including Microsoft Office 365, enhances PBOs ability to plan, sell, and execute project-based services.