

## Don't simply manage work in your Professional Services business. Manage dollars and profits.

Through the integration of CRM, project management and billing systems, you can eliminate departmental data silos and increase profitability.

Professional services organizations – in consulting, technology implementation, engineering, manufacturing, and other disciplines – must track detailed time and expenses for billing to specific customers and accounting for time spent on internal projects. Yet many firms fail to capture full revenue and do not understand the profits or losses for each client or project until it's too late to make changes.

### Answer these questions:

1. Can you easily, and in real-time, determine non-performing and under-performing projects and resources?
2. Is your time and expense information prone to errors from staff data that must be re-entered from multiple systems and spreadsheets?
3. Do you know when your staff is performing out-of-scope work that should be captured for additional billing?
4. Does it take too long to compile and bill for out-of-pocket expenses?
5. Are you losing revenue by not capturing time for all work performed?
6. Are you satisfying customers with timely and accurate project reporting (that's easy to generate)?



**Reduce the number of redundant systems and create transparency across the Customer Lifecycle. Eliminate barriers to information spread across spreadsheets, applications, and custom databases. Give management access to real-time status of projects, tasks, contracts, schedules, resources and associated dollars and profits.**

For any organization seeking to streamline its business and control costs, tightening time and billing workflow is critical to get fast results. Tracking, controlling and analyzing billable and non-billable work and expenses will yield immediate gains in profit margins and productivity. Time and expense tracking will enhance operational control, reduce costs, and improve efficiency.

To achieve these gains comes from the integration of your project management system with your CRM and billing systems, according to the *Service Performance Institute*, a research firm.

Project Management within CRM will:

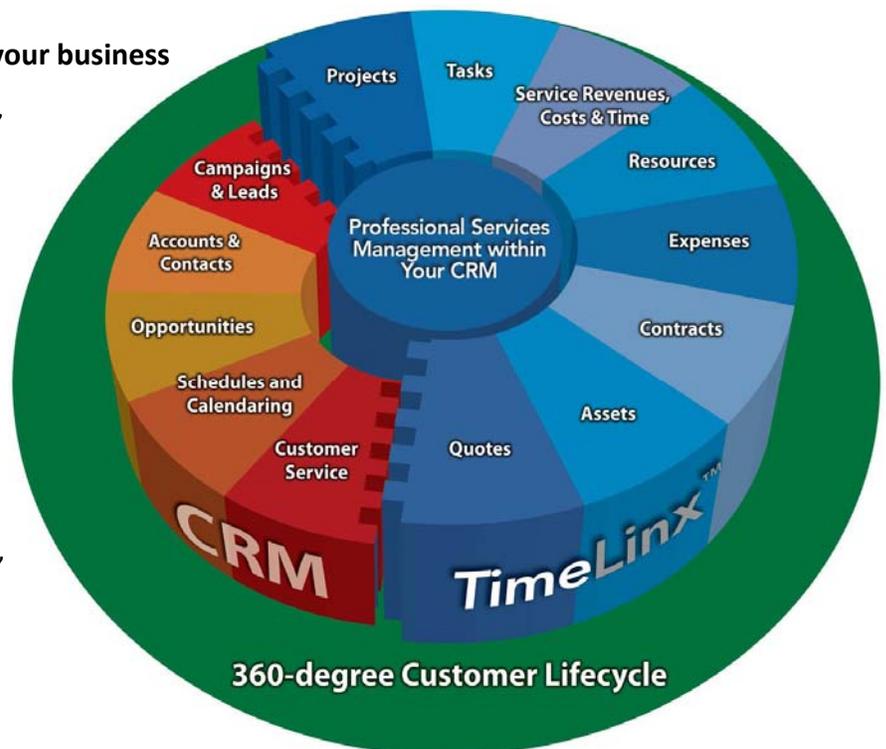
- Eliminate errors from duplicate data entry, and lower administrative overhead by combining all service delivery data with the customer information in your CRM system.
- Reduce the time to collect project data and manage timesheets.
- Proactively prevent over-budget, over-schedule and non-performing projects.
- Reduce staff time spent providing updates on project status to management and customers.
- Increase resource utilization (reduce "bench time").
- Improve margins by intelligently auto-calculating premium rate charges.
- Improve efficiency, accuracy and profitability of new projects by using historical data.

This white paper describes how to embed within CRM Project Management, resource scheduling and time and expense tracking, and how to prepare for, and deploy, such a solution in your organization.

### The Impact of time and billing on your business

Most companies use multiple systems, administrative staff, and manual processes to track time for payroll, projects and billing. To eliminate redundant data entry, implement a single system used and accessed by everyone across the organization.

By doing so, employees and subcontractors enter time once and managers approve it once. This single entry is then used for delivery, payroll, project management, planning, billing and reporting purposes.



**Company goal:** Attain a single system to efficiently and effectively support all functions across all departments – beginning with marketing campaigns and lead generation, to sales opportunities (forecasting), to project delivery, Customer Service and Support, and finally to Finance (via accounting synchronization).

Small to mid-sized companies often use spreadsheets to track work performed and expenses. The information is then re-entered or manually exported and then re-keyed again or imported into the company’s accounting, payroll and project systems. This time-consuming and error-prone process results in payroll and billing errors, delays, and lost or duplicate entries. Attempts to consolidate this data often results in conflicts and errors, difficult to identify and resolve.

Time-tracking software within your CRM system, which is integrated with accounting systems, reduces errors by enabling **point-of-entry data validation** and **policy-based approval**.

Studies have shown that eliminating duplicate systems, manual processes and entry/approval errors can save up to three percent of total payroll costs and increase billable hours by four percent.

**Here are five key areas an integrated system can impact:**

### **1. Time and Expense Reporting**

By integrating time and expense reporting into CRM, users (with permissions) gain a company-wide, real-time view of all work – billable, non-billable, internal, warranty and more.

- Executives and managers can analyze and assess resource needs more effectively, reducing overloaded staff and external consultants.
- Salespeople can build closer client relationships and up-sell customers through visibility into projects they have sold.

Especially for small services organizations, overloaded resources and poorly staffed projects can lead to thousands of dollars in extra costs and lost revenue. An integrated system provides the control, visibility, and reporting you need to avoid revenue losses, low margins, and escalated costs.

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### **2. Premium-Rate Billing**

An unsolved challenge has been billing the “best” rate for the actual work performed. Accounting systems are not designed to calculate billing rates; they simply record what is entered by an accounting department user, typically, “quantity multiplied by price”. There is no pre-processing capability to include other factors into the actual rate so that revenues can be optimized. A professional services system should enable complex billing, using rates for hourly, daily, fixed, flat charge, prorated, negotiated, skill based, and overtimes (night, Saturday, Sunday, holiday, etc.). The rates must be factored based on account, staff, consultant, project, task and more. These “premium” rates, as a part of your contract, can raise revenues substantially when the mechanism exists to capture each “situation” accurately – and without human involvement. When this data is transferred into the accounting system electronically, invoices can be populated with billing rates that have been pre-processed, using the premium rates programmed into the services system.

After all rate and cost parameters for the project have been defined by the project manager, the cost and revenue of any time, expense, or charge can be calculated immediately at point of entry. Also, rules for interval-based billing, such as “milestone billing”, should be integral to track task-level attainment, maintenance, support and other recurring billing scenarios.

### 3. Project Collaboration

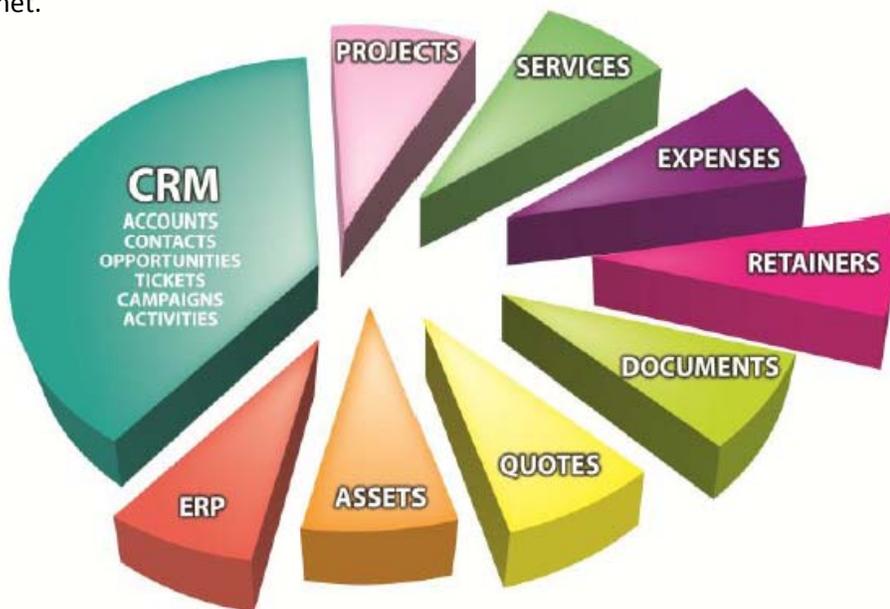
For companies that track projects, an integrated system will produce improvements through enterprise-wide collaboration:

- Achieve faster and more accurate reporting by consolidating data, moving away from spreadsheets or multiple time, expense, and project systems.
- Provide real-time analytics with instant and accurate cost and revenue information for better decisions.
- Enable managers to monitor and view complete project details from within the CRM system for customer-facing projects, manage project timelines, and ensure that target completion dates are attained.
- Link sub-projects to master projects for total engagement reporting and visibility.
- Assign work and collaborate with team members on estimated time to completion.

Remember to provide mobile and web services that enable users to access project, schedule, and customer information remotely via the internet.

### 4. Timesheets and Expense Reports

Employees and consultants will often ask payroll and finance teams for payment and reimbursement status of their submitted timesheets and expenses. An integrated system would enable end users to view the current status of their submitted time and expense data online and in real-time. Staff can see how far along their reports are in the approval process and who is currently reviewing them. This visibility will reduce inquiries, collaboration time, and administrative overhead for end users, finance, and administrative staff.



### 5. Non-Work Time

By using spreadsheets or an in-house time and billing system, work and leave-time policy enforcement is usually verified long after timesheets have been submitted.

Managers and administrative staff are the only line of defense for detecting and correcting invalid and unauthorized work or leave time while still fresh in users’ minds. Through an integrated system that encompasses all work, including internal and personal time – inaccuracies in submitted timesheets can be identified quickly. Corrected time and billing data can be protected from additional edits. Simplifying oversight of time reporting enables managers to concentrate on higher priority tasks.

**Don’t leave your organization fragmented in functional data silos. The missing link: A single project management system that provides access to all project information for every functional “slice”.**

### Preparing for a streamlined system

Of course, an organization must specify its process requirements before implementing technology. Streamlining your time and billing processes will have a large and immediate return on investment. Approach the undertaking carefully. Do not underestimate resistance to change as wholesale changes to your internal systems are likely. Implement a solution that can integrate with existing systems when possible, and can also scale as you automate more business processes related to project and service delivery.

### Learn more

For more information, or to view a demonstration showing how you can create an integrated, end-to-end system, contact TimeLinx at **978.662.1171 x1** or visit [www.timelinxsoftware.com](http://www.timelinxsoftware.com).

### About TimeLinx Software

TimeLinx Software, LLC was founded in 2001 to provide comprehensive time and project management systems. TimeLinx integrates time tracking, expense management, project management, resource scheduling, calendaring, and billing within popular CRM systems. TimeLinx customers use our solutions to manage projects within a variety of disciplines, including consulting, technology services, engineering, architectural design, insurance, field support, manufacturing, software development, accounting, and research.

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