

Industry Overview



SAP® FOR **PROFESSIONAL** **SERVICES**

THE BEST-RUN BUSINESSES RUN SAP™



DESIGNED FOR YOUR INDUSTRY. SCALED TO YOUR BUSINESS. READY FOR YOUR FUTURE.

You don't run a generic business. So why use generic solutions?

SAP® for Professional Services is a portfolio of solutions that are tailored to the specific standards, processes, and challenges of the professional services industry. So they are built to fit the way you do business. They deliver rich functionality and productivity-building tools throughout your organization. And they help you adopt best practices that we've developed in over 30 years of working with industry leaders from around the world.

Because they're modular in nature, SAP for Professional Services solutions give you the flexibility to select the building blocks you need and implement them quickly. So you can start earning a rapid return on investment.

And because they offer easy integration and virtually unlimited scalability, SAP for Professional Services solutions are an investment you can't outgrow.

SAP® FOR PROFESSIONAL SERVICES PUTS YOU FIRMLY IN THE DRIVER'S SEAT



Today's economic climate is harsh and unforgiving. Margins are down, expectations are up, and it is more important than ever to keep a tight rein on all aspects of what is a highly complex, highly competitive business: providing professional services.

SAP® for Professional Services is an industry-specific portfolio of solutions, applications, and services that provides a powerful, robust, and complete answer to the very specific needs of your organization. It enables you to effectively manage opportunities, resources, revenues, and costs – and to deliver the high-quality, on-time results your clients demand.

With SAP for Professional Services, you have the facts, figures, and functions you need to put the right people in the right place at the right time. It delivers rich capabilities for the entire life cycle – from winning new business through to billing and beyond. It enables you to build an integrated, end-to-end environment where data flows freely to where it's needed.

A COMPREHENSIVE, PROVEN PORTFOLIO OF SOLUTIONS TO MEET YOUR SPECIFIC NEEDS

With SAP for Professional Services you can:

- **Sharpen your client focus**
With client expectations increasing and competition intensifying, professional service providers must clearly differentiate themselves to survive. Savvy clients place greater emphasis on efficiency and quality of services. Professional services organizations (PSOs) must have the processes and tools to respond.
- **Cope with reduced spend**
Service spending has plunged in recent years. The resulting increase in competition and specialization in the marketplace are forcing professional services companies to market themselves and their services more aggressively. PSOs must introduce structure and process without losing the personal aspect of sales.
- **Reduce the costs of service delivery**
The need for cost reduction is driven by reduced spending and an increasing number of fixed-price engagements. PSOs must wring costs out of the business through efficiency of operations and tight control on project-related costs.
- **Manage resource pool according to demand**
The level of demand for services is constantly fluctuating. PSOs must be flexible in structuring the resource pool to ensure client satisfaction in meeting demand, but also minimize the impact on profitability when demand declines. They need visibility into demand and the tools to apply the right mix of resources.
- **Gain greater visibility into operations**
Managers at all levels must be able to get at all times a full picture of the business to identify areas of improvement, eliminate areas of waste/lost, shorten time to revenue, and focus on the most profitable areas and opportunities.

SUPPORT FOR ALL YOUR BUSINESS PROCESSES

The SAP for Professional Services industry portfolio is comprehensive, integrated, and open. It supports all your key processes, covers the full project life cycle, and gives you the degree of visibility you require to stay firmly in control – and firmly profitable – at all times.

SALES AND MARKETING

With SAP for Professional Services, you enjoy a broad range of sales and marketing tools designed to help you get results at all levels – from high-level campaigns to the definition and assessment of target groups to sophisticated market analysis. You can target both existing clients and completely new prospects, and you can evaluate and act upon leads according to their quality. Hot leads can be automatically turned into opportunities, which you can then qualify so you can focus on the most valuable ones.

You can combine and exploit all channels, including your Web site, your call center, and your client-facing staff. With high-performance analytics, you can precisely monitor the success of your sales and marketing activities and direct your efforts to where they will have most impact. At all times, you know what's happening to your sales pipeline. And thanks to the solution's seamless integration, you always have the facts and figures at your fingertips, no matter how and when your clients – or prospects – contact you.

RESOURCE MANAGEMENT

SAP has created an array of functions especially tailored to the resource management needs of the professional services industry. SAP for Professional Services gives you visibility and control of your global workforce – allowing you to assign the right people to the right task at the right time. Sophisticated search engines allow you to find the human resources best suited to specific project roles, taking into account individual qualifications, avail-

ability, and organizational assignments. Resource planners can access profiles on all permanent employees and hired freelancers, and check their skills and resumes. You can soft-book consultants for projects before the client has signed the contract and then hard-book them when the deal is won. What's more, appointments scheduled by the resource planner are entered automatically into each consultant's groupware calendar so everyone is informed and everyone is ready to go.

And when your own resources are stretched, you can find and vet external contractors. Supervisors can track the current status of tasks and projects, and consultants can enter their times and expenses online via the Web or offline via their laptops. What's more, long-term analysis of your project pipeline gives you an early insight into future skills requirements. With this knowledge, you can set up and run training programs, including e-learning, and effectively manage recruitment drives, from advertising to interviews to employment contracts.

PRICING AND CONTRACTS

SAP for Professional Services helps you define base rates, but you can also adopt contract- or client-specific discounts and markups. The solution supports the rapid production of watertight quotations and bids plus the specification of service-level agreements (SLAs) and contract hierarchies based on client needs and service histories. Authorized users throughout your enterprise can access contract and pricing information with point-and-click simplicity.

SAP for Professional Services supports both fixed-price and time-and-materials billing. You can invoice by milestone, periodically, or according to predefined thresholds, ensuring an even revenue stream and transparency for both sides of the business relationship at all times.

PROJECT EXECUTION AND MANAGEMENT

SAP delivers wide-ranging capabilities for planning, executing, managing, and analyzing your projects from end to end. SAP for Professional Services allows you to define all key parameters: phases, milestones, tasks, roles, and responsibilities. You can assign people, documents, checklists, and other resources, and you can monitor progress with pinpoint precision. Search engines enable you to find the human resources each project demands, based on skills, availability, and current assignments.

At all stages, workflow keeps things moving swiftly along without manual intervention. Automation and integration let you make the best possible use of precious time and do away with the laborious, error-prone reentry of data common with many stand-alone solutions.

Recording time and expenses is vital to your business. Here, too, SAP for Professional Services helps you achieve greater accuracy and speed. Employees can enter details while on the move, via the Web or even from a handheld device or offline using their laptops with subsequent synchronization. Once approved by project managers, these figures are routed straight into your project management and financial accounting systems, keeping your decision makers informed and your cash flow healthy.

SAP for Professional Services helps you budget with accuracy and keep a close eye on the development of costs across all projects and clients. The solution automatically transfers data to your back-end systems, allowing you to invoice your services in a timely, accurate manner and giving you the statistics needed for analysis, statutory financial reporting, long-term strategy development, and much more.

KNOWLEDGE MANAGEMENT

Knowledge is the lifeblood of your business; your skills are what you sell and what place you apart from your rivals. SAP for Professional Services helps you nurture, capture, distribute, and exploit your experience and expertise.

SAP for Professional Services gives you easy access to that knowledge. With a few clicks of your mouse, you can access complete histories of clients, projects, and contracts. You can scrutinize your operations, your competitors, your employees, and you can compare and contrast, look at the big picture, or drill down to the details.

SAP for Professional Services enables you to establish what knowledge your organization already possesses, how to make it available to those who need it, and how best to develop new capabilities. You can also encourage efficient, state-of-the-art forms of collaboration and knowledge transfer, for instance, by creating online discussion forums and virtual chat rooms.

REPORTING AND ANALYTICS

As a portfolio of integrated, end-to-end solutions, applications, and services, SAP for Professional Services lends itself to analysis and reporting like no patchwork of systems ever can. Data can be collected and shared throughout your enterprise. What's more, SAP provides powerful, proven business intelligence tools that allow you to explore facts and figures from a variety of perspectives.

The solution helps you to analyze your client relations – to spot opportunities, identify trends, and assess the profitability of individual accounts. It also gives you a complete overview of your project portfolio, allowing you to check at a glance project profitability, timelines, and resource allocation. You can easily identify those that are over budget, out of time, unprofitable, or tie down too many resources. SAP for Professional Services also delivers key figures that allow you to align projects more closely with your overall company strategy.

MORE THAN JUST A SOFTWARE PACKAGE

With SAP for Professional Services, you get more than an off-the-shelf software package; you get a portfolio of solutions, applications, and services that is open to custom software, third-party software, and enhancements. The portfolio is flexible, scalable, and innovative. And it comes with the global services and support of the world's leader in business software.

BEST PRACTICES FOR SAP FOR PROFESSIONAL SERVICES

SAP® Best Practices is a preconfigured template that helps you implement the SAP for Professional Services portfolio at higher speed and at lower cost. It delivers functionality engineered to your specific business processes, and it ensures a rapid return on your investment.

THE PORTFOLIO: COMPLETE, FLEXIBLE, AND INNOVATIVE

There are lots of software products available for professional service providers, but none is as complete, as flexible, as integrated as SAP for Professional Services – an industry portfolio that is open to your custom and third-party systems.

For more information, go to our Web site at:
www.sap.com/solutions/industry



COMPARE FEATURES AND BENEFITS AND YOU'LL CHOOSE SAP FOR PROFESSIONAL SERVICES

FEATURE	ADVANTAGE
Powerful, end-to-end solution	<ul style="list-style-type: none"> ■ Supports the entire life cycle, from winning new business through billing
Full integration with other mySAP™ Business Suite applications	<ul style="list-style-type: none"> ■ Reduces the number of interfaces ■ Eliminates the need to reenter data ■ Enables data to be collected and shared enterprise-wide ■ Makes it easy to assess all aspects of your operations and to look at the big picture
Sales and marketing	<ul style="list-style-type: none"> ■ Focuses your efforts on the best leads while eliminating unnecessary distractions ■ Prevents scarce resources from being committed to bad projects ■ Helps the services director focus on the most valuable opportunities and turn them into future projects ■ Makes possible dramatic reductions in cost of sales through better assessment of opportunities ■ Delivers greater visibility into future demand for more accurate forecasting and planning
Resource management	<ul style="list-style-type: none"> ■ Facilitates decision making on project assignments by ensuring information on resources is accurate and up-to-date ■ Allows project managers to search for suitable resources based on skills and availability increasing capacity utilization ■ Prevents resource hoarding by individual business units ■ Ensures the right people are deployed in the right place at the right time ■ Boosts client satisfaction by improving skill-to-assignment matching
Pricing and contracts	<ul style="list-style-type: none"> ■ Gives services directors the flexibility to price competitively based on customer requirements ■ Reduces contract complexity ■ Enables companies to recognize revenue when services are delivered independently of invoicing or collections ■ Supports flexible billing methods, such as fixed-price billing, time-and-materials billing, and billing plans
Project execution and management	<ul style="list-style-type: none"> ■ Provides the tools needed for thorough planning – the essential first step toward successful execution ■ Streamlines the planning, setup, and delivery of complex projects ■ Enables accurate, timely reporting of time and expenses ■ Provides sophisticated and flexible project accounting
Knowledge management	<ul style="list-style-type: none"> ■ Provides a repository that makes valuable operational data available to the entire organization ■ Enables employees to draw on the collective skills and experience of their peers ■ Facilitates the reuse of previous work
Reporting and analytics	<ul style="list-style-type: none"> ■ Provides relevant information from different systems adapted to the needs of each role ■ Provides a complete view of business operations and information, enabling more informed decision making ■ Helps managers to analyze projects in terms of costs, revenues, progress, resources, and strategic fit

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