

Beginner's Guide to ERP



Professional Services

Beginner's Guide to ERP

New to professional services ERP software? Learn why industry-specific ERP is the ultimate solution for architecture, engineering, and consulting firms to build a stronger, more resilient project-based business.

The success or failure of any professional services firm depends upon its ability to consistently deliver profitable and successful projects. Timely project data, strong financial oversight, project accounting, and resource management are critical.

Before an AEC firm decides to take on any new project, they need to be able to answer the following questions:

1. Are there enough resources available to take on this project?
2. Based on previous projects, what is the budget forecast for this project?
3. Are the start and end dates of this project realistic?
4. Are there sufficient reserves in the budget to account for unplanned risks and overruns?
5. Can we effectively track project costs and revenues against planning costs and milestones?
6. What role, task or milestone creates the most drag on project costs?

\$72.6B

Operating in a highly competitive market valued at US \$72.6 billion, professional services firms, such as architects, engineers, and consultants, face unique challenges that can hamper growth and profitability. ERP software designed specifically for professional services provides a powerful tool to help growing AEC firms compete and thrive.

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Unfortunately, all too often, the answers to these questions aren't readily available. Disconnected business management systems and siloed workflows result in poor project visibility, misallocated resources, project delays, and budget overruns that erode client confidence and impede growth.

As they scale, small and mid-sized professional services firms inevitably reach a point where they can no longer manage their business with generic, off-the-shelf accounting software or basic ERP tools. This is where industry-specific ERP solutions come in, providing purpose-built capabilities for professional services firms to address the unique challenges they face every day.

In this Beginner's Guide to ERP, you'll learn about the key capabilities of modern industry-specific ERP software and how it can help you move projects and your business forward. We'll also discuss the role of an experienced ERP implementation partner like NexTec Group in ensuring your ERP technology investment meets your needs and delivers lasting value.



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Challenges Facing Professional Services Firms

Doing business in a project-centric environment creates unique accounting and management challenges that growing professional services firms often struggle to address with generic software. The lack of real-time visibility into projects, costs, and progress negatively impacts project deadlines and profitability, making it difficult to delight clients and forecast for the future

Project accounting differs significantly from financial accounting. Whereas financial accounting focuses on the ongoing process of managing, recording and reporting on operational transactions using generally accepted accounting principles, project accountants must manage all resources and costs associated with a specific project. Trying to manage the health of individual projects, which are the lifeblood of your business, with software designed for financial accounting can be intensely frustrating for your staff and clients alike. Some of the main challenges include:

Insufficient Project Management Capabilities

Professional services solutions without industry-specific project management hinder the success of projects, cause delays in completion times, and impact resource utilization. Without

streamlined collaboration, project managers lack the tools to identify and resolve project issues, increasing the risk of budget overruns and delayed project completion dates.

Inadequate Financial Management

Many ERP apps offer few if any project accounting features, forcing professional services accountants to use disconnected systems and spreadsheets for project accounting, milestone billing, and deferred and recurring revenue.

Lack of Resource Visibility

Professional services firms with disconnected systems struggle to maintain a clear view of resource availability across projects and departments. This lack of visibility makes reacting to changes in scope, timelines, or client needs difficult.

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Professional Services Challenges...

Limited Reporting

Limited reporting and forecasting capabilities result in delayed and inaccurate project and company data, which creates barriers to success and leaves business leaders flying blind. Manual processes for compliance reporting increase the risk of data entry errors, security breaches, and information delays for internal stakeholders and compliance regulators.

Inadequate Client Communication

Many older platforms do not have built-in customer relationship management (CRM), leading to dissatisfied clients who cannot view project information independently. When project documents are not centrally located, storing and maintaining proposals, contracts, payments, and compliance forms becomes a burden. It's difficult to earn the trust – or repeat business – of clients who feel they are being kept in the dark.

Disconnected Systems = Disconnected Teams

Using separate systems for accounting, project management, and other aspects of professional services delivery often results in poor team communication and a lack of insights across departments. Communication challenges between field teams and administration or corporate offices often result in mistakes and bad information.

“With Acumatica and NexTec, we’ve taken a big step into the future, positioning the organization with technology that can scale with us for years to come.”

– King Miner, Controller,
ASM International

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Professional Services Challenges...



Companies implementing ERP systems experience a return of more than \$7 for every dollar spent on the ERP project.

Source: Understanding the Cost of ERP Implementation, Ultra Consultants



Guide: Overcoming Project Accounting Challenges in Professional Services

Learn how professional services ERP software simplifies and streamlines project accounting to provide the answers CFOs, project accountants, and business leaders need most.

[Further Reading »](#)

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The Role of Industry-Specific Software

As professional services firms scale their operations, the inadequacies of existing business systems and manual processes become painfully apparent. Investing in an industry-specific ERP solution allows AEC firms to address their unique challenges head-on by connecting their business from end to end.

Enterprise Resource Planning (ERP) software is a comprehensive business management tool used by many industries that connects and organizes all areas of your business. With roots going back to the 1960s, ERP solutions were first used by manufacturers, but over time, they have evolved to include modules tailored to specific industry needs including professional services.

The goal of implementing a professional services ERP system is to provide a 360-degree view of your business, including project management, project accounting, resource management, time and expense management, financials and reporting, customer relationship management, service, and support.

The power of an ERP lies in its integration. An ERP system can replace all those disparate, disconnected systems that are poorly integrated with a single system that delivers a single version of the truth about the health of your business and projects.

An ERP reduces redundancies and increases efficiency by automating workflows and eliminating duplicate data entries.

Data collected by every department is fed into a central location that company leaders can use to understand past and current operations and forecast future needs. The positive impact of a professional services ERP system can be felt across the entire organization, from the back office to the field to the C-suite. More importantly, its impact will be felt by your clients, who will see marked improvements in the agility, quality, and responsiveness you provide.



“ERP is the digital nervous system of all but the smallest businesses. When the software is first installed, it almost immediately provides the traditional advantages of computerization: the partial automating and digitizing of manual, paper-based processes. But the advantages of ERP go far beyond that.”

Source: TechTarget

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Professional Services ERP Software Fundamentals

Modern cloud-based ERP software integrates all the core functions of your professional services business into a single system, including:

Project Management

Gain a complete view of project details, providing instantaneous information between your project management team, back-office workforce, and management. Easily manage and track all activities, issues, and changes, including daily field reports, actual costs, and cost projections from one central area.

Project Accounting

Easily manage AP workflows, from entering an invoice through approval routing and checks. Seamless customer billing, driven by real-time project costing, includes up-to-date labor, material, equipment, and other costs. Identify problem areas in current jobs and improve future project estimates.

Financial Management

Robust financials automate standard financial processes (GL/AP/AR) and reports. The solution should support multi-company, multicurrency, intercompany accounting, fixed assets, recurring and deferred revenue, and cash management.

Progress and Milestone Billing

Flexible progress billing by percentage of completion or by quantity reduces project owner risk. Access AP cost transactions related to progress billing lines from the pro forma side panel for timely vendor payments and increased billing accuracy. Tie revenue recognition to project milestones or deliverables.

Deferred Revenue

Automate deferred revenue calculations by assigning a schedule to any affected transaction line item or inventory component. Accurately implement and account for deferred revenues and deferred expenses through integration with other financial modules.

Recurring Revenue

Improve business performance with recurring revenue automation for billing, payments, and collections. Apply billing and revenue recognition schedules by month, quarter, year, or customized time periods.

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Professional Services ERP Software Fundamentals...

Resource Management

Ensure resource availability to allocate staff, equipment, and technology by team, department, and time frame. Assign tasks and workflows to manage project resources and tie the costs to the project budget.

Customer Relationship Management

Embedded CRM empowers professional services firms to keep detailed records of client interactions, proposals, manage contracts, payments, renewals, and compliance documents.

Payments

Automate AR processing to reduce back-office workloads and get paid faster while enhancing client convenience, efficiency, and security.

Field Reporting and Mobility

Ensure everyone has the same project data from the field or anywhere they work and remotely enter time and expense details. Access the system over any device and search for all project details from one global search box.

Time and Expense Management

Capture time and expense from any device. Time entry data flows to project accounting for costs and expenses related to projects or specific project tasks. Billable activities can be marked up depending on the project, task, employee, or activity performed.

Project Productivity and Insights

Get a quick and comprehensive view of key project data or easily drill down into relevant details on any record.

Change Management

Control cost overruns by automating project commitments and change order processes. Manage back charges or reduction in vendor commitments through the entry of a negative change order. Streamline change orders for multiple projects with unit rate changes, custom retainage, and cost-only change requests.

Project Cost and Revenue Tax Zones

Specify tax calculations directly in the project and automatically retrieve and calculate all invoices, purchase orders, subcontracts, and expenses.

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Professional Services ERP Software Fundamentals...



Professional Services ERP Evaluation Checklist

Use this handy comparative tool to guide your selection process. Evaluate solutions in five key categories: productivity, functionality, technology, value, and risk.

[View Checklist](#)

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Why We Recommend Acumatica Professional Services Edition

Purpose-built to enable growing professional services firms to scale and thrive, Acumatica's Professional Services Edition (PSE) delivers a comprehensive and easy to use solution that encompasses project accounting, deferred and recurring revenue, compliance management, AI-driven workflow automation, and embedded CRM.

Designed to help small and mid-sized AEC firms manage projects, optimize resources, and ensure accurate billing, Acumatica Professional Services Edition provides powerful industry-specific features and functionality to improve the way you work. Whether you're an architect, engineer, or consultant, you can rely on Acumatica to handle all your projects and processes in one solution, saving you time, effort and money.

Intuitive Navigation and Ease of Use

Acumatica's modern cloud and mobile interface makes it easy for less technical employees to learn with simplified navigation and robust help files to reduce employee training and new employee onboarding.

Anywhere Access

Professional services businesses rarely operate from one location. Acumatica's robust cloud-native design and mobile apps power work forward for teleworkers and project staff, regardless of location. Give your team mobile access to critical business tools whether they are at home, on site, in the office or on the road. Business leaders can monitor multiple job sites with mobile notifications.

True Cloud-Native Platform

Acumatica's native cloud design minimizes IT investment for database and operating system licenses, expensive servers, and system administration. Acumatica's SaaS model ensures reliability and security and will give you the assurance that your data is managed appropriately and in compliance with all applicable regulations.

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Acumatica Professional Services Edition...

Connect office and remote workers in real-time with cloud and mobile professional services and accounting software.



Competitive Pricing

Acumatica's unique unlimited user licensing empowers every back office, job site, and remote employee with access to role-based workspaces and information to collaborate freely without exorbitant fees. Growth-friendly licensing empowers everyone with personalized workspaces, configurable workflows, and project insights. Pay only for what you use, not for how many users you have.

Strong Integration Capabilities

Acumatica seamlessly integrates with hundreds of commonly used applications, including Office 365, Salesforce, Magento, Power BI, Box, HubSpot, DocuSign, Tableau, and many more. The Professional Services Edition further integrates with leading solutions such as Procore, ProEst, Velixo, and Avalara. An ever-expanding marketplace of ISV solutions allows you to add certified plug-and-play applications.

Acumatica Professional Services Edition...

Customization Flexibility

Acumatica's Marketplace includes hundreds of product extensions for workforce management, equipment rentals, estimating, remote time tracking, and more. Implement project-centric capabilities with no need for costly customizations or one-off integrations.

Regular Updates and Improvements

Acumatica improves the underlying platform with each product release, ensuring that their investments keep pace with technology advancements. Acumatica Professional Services Edition users drive enhancements with popular requests added to the product roadmap.

200%

On average, companies implementing modern cloud-based ERP achieved a positive return on investment in just 16 months with a 200% ROI.

Source: ERP pays for itself – fast,
Nucleus Research

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Why Choose NexTec as Your Acumatica Partner

We Deliver

At NexTec, we take a holistic approach to integrating the many moving parts of your professional services business to support your key initiatives and improve your ROI.

Implementation Excellence

With a proven implementation methodology, deep Acumatica product knowledge, and unmatched project management and end user training capabilities, whether working remote or site, we'll get you live on Acumatica on time and on budget.

Technical Knowledge Depth

With expert consultants from coast to coast, and a deep technical bench, we can leverage internal expertise across teams to address virtually any challenge, including the most complex system customizations and integrations. Our in-house development resources and focus on process improvements and industry best practices ensure that our clients get the most out of their ERP investment.

Responsive Problem Resolution

We take a solution-oriented approach to rapidly respond to issues. One thing you will never hear from our team is, "This can't be done." We love solving complex technical challenges. We'll dig in and work closely with you and Acumatica until the issue is resolved to your satisfaction.

A Trusted Partner and Advocate

We take the time to listen and understand your business at a deep level. We build lasting partnerships with our clients that result in long-term value. You can trust us to be your liaison with Acumatica and a strong customer advocate to proactively resolve any issues.

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Why Choose NexTec as Your Acumatica Partner

NexTec Group is a gold-certified Acumatica implementation partner that has been serving clients in professional services, construction, and field services for nearly thirty years. Given NexTec's deep industry experience and track record with professional services clients and project-based businesses, it's no surprise that Acumatica relied on our team's expertise when developing the Professional Services Edition (PSE).

Winner of the 2024 Acumatica Construction Excellence Award, NexTec is one of North America's largest and most experienced Acumatica consulting teams. Our consultants bring deep technical expertise combined with strong implementation capabilities. Their wisdom and industry knowledge are invaluable in avoiding common pitfalls, ensuring a smooth implementation, training staff, customizing and integrating the ERP system to match your needs, and providing ongoing support to improve long-term ROI.

That's why leading professional services and AEC firms trust NexTec. Our **over 90% customer retention rate** is a testament to the lasting, impactful relationships we build with our clients.



Manage Your Businesses
Better with Acumatica Cloud ERP

Schedule a Demo

Why Choose NexTec as Your Acumatica Partner



“NexTec’s deep knowledge of the software and their familiarity with our operations, combined with our team’s skill and commitment, led to success. It was truly a collaborative approach with plenty of honesty and trust among the players.”

– King Miner, Controller, [ASM International](#)



Connect with NexTec expert to explore how a modern ERP can improve your business.

Let's Talk

Contact Us

844-466-8477

info@nextecgroup.com

NextecGroup.com



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NexTec Group is one of North America's largest and most experienced technology consulting firms, specializing in industry-specific solutions for mid-sized organizations. For thirty years, NexTec has been a trusted partner to businesses, delivering, implementing, and supporting the core Enterprise Resource Planning (ERP) and Business Intelligence (BI) solutions they need to scale and grow. With seasoned consultants from coast to coast, and a premium portfolio of innovative business management solutions including Acumatica and Sage X3, we help you get the most out of your technology investments.