MASTERING
OPERATIONAL
EFFICIENCY
IN YOUR SERVICES
BUSINESS

MASTERING OPERATIONAL EFFICIENCY IN YOUR SERVICES BUSINESS

Streamlining the quote-to-cash process is crucial for any business. In this white paper, we'll focus on strategies that Managed Service Providers (MSPs) and IT Value-Added Resellers (IT VARs) can utilize to increase their operational efficiency across multiple streams of revenue. We will provide a few options to consider, depending on the other solutions you are currently using—or planning on using—like ConnectWise and ServiceNow.

NetSuite manages the back-end, including billing, purchasing, projects and reporting. Catalyst manages the order workflows as well as the sales commissions piece. ConnectWise helps MSPs with quoting, project maintenance and service(s) management. ServiceNow can be another option for service(s) management.

As a quick review, let's define some key terms:

- Quote-to-Cash Process: Includes all financial processes associated with quoting/receiving an order for a product or service, to receiving payment and recognizing revenue.

- MSP: A provider of managed services around traditional hardware and software, as well as cloud infrastructure, applications and other hosted services.

- IT VAR: A business that, traditionally, resells hardware and software and typically offers additional value-add services (i.e. implementation or consulting services) beyond fulfillment.

Streamline the Quote-to-Cash Process

Automating the quote-to-cash process can improve business performance by up to 83%.[1] As your business grows, implementing the right process flows and technology solutions to handle your quote-to-cash process can define future success. MSPs and IT VARs that improve their quote-to-cash process could see potential benefits that include increased quote win ratios, improved customer satisfaction, clear project visibility and an overall reduction in operating costs.

MSP Quote-to-Cash Process

MSPs that optimize their quote-to-cash process will see immediate benefits in terms of quote/order efficiency, billing accuracy and service delivery speed. The chart below details the ideal quote-to-cash process for today's MSP.

MSPs need to ensure that orders are moving from sales to project staffing to payment smoothly. These businesses need to closely manage their business development and solution design phase, as well as support service contracts and billing. Streamlining the front-end of the sales process that includes Statement of Work (SOW) creation and mapping that to actual service deliverables and billing is imperative.
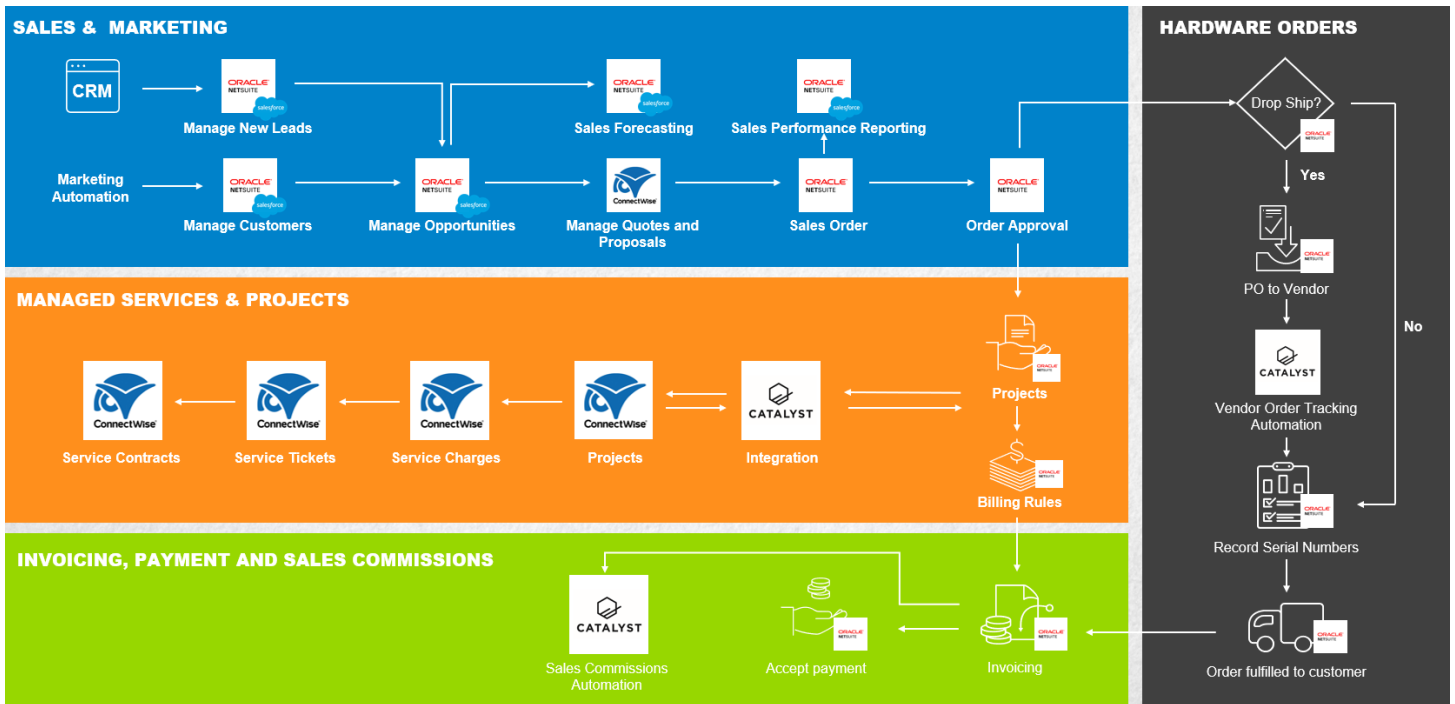
[1] IBM Institute for Business Value

IT VAR Quote-to-Cash Process

Like MSPs, IT VARs that optimize their quote-to-cash process will also see immediate benefits in terms of quote/order efficiency, invoicing accuracy and project speed. One of the key differences between the order process of an MSP and an IT VAR is that an IT VAR often has hardware and third-party software components to manage. The hardware component adds an extra level of complexity for VARs because the items must be delivered in conjunction with the project timeline. Any delay to hardware delivery will directly affect the project timeline. Furthermore, IT VARs often must be able to produce a high volume of accurate quotes to their clients, ensuring that the quote-to-order conversion remains relatively steady. Without a proper quote-to-cash process, IT VARs can lose out on business due to inaccurate quoting and their conversion of quotes to orders would certainly suffer. Finally, once an IT VAR has

won a project, the next step is managing the hardware and software implementation project, as well as break/fix issues. Unlike MSPs that run on contracts, IT VARs that use the break/fix approach work on an 'as-needed' basis. Without proper visibility into break/fix issues, IT VARs struggle to keep clients satisfied with their newly implemented solution.

IT VARs need insight into each step of their quote-to-cash process to ensure on-time project delivery. Since hardware is often drop shipped from a remote warehouse location (Ingram Micro, Tech Data, Synnex), having insight into where your hardware is and when it will be delivered is critical. IT VARs that have a clear picture of their quote-to-cash process can better predict project metrics, including time to completion, resource costs and overall project profitability, with and without associated hardware and software.

Additional Options

Services companies of all shapes and sizes have different needs when it comes to the quote-to-cash process. IT VARs and MSPs are similar in many ways, but their quote-to-cash workflows differ significantly because of how each type of business interacts with its end-users. NetSuite is well-positioned to support your team as it looks to optimize operations and implement a best-in-class quote-to-cash workflow. NetSuite offers a complete solution with the help of best-of-breed solutions for specific business applications. Taking the graphic one step further, here is a recap of what to expect from NetSuite, Catalyst and ConnectWise:
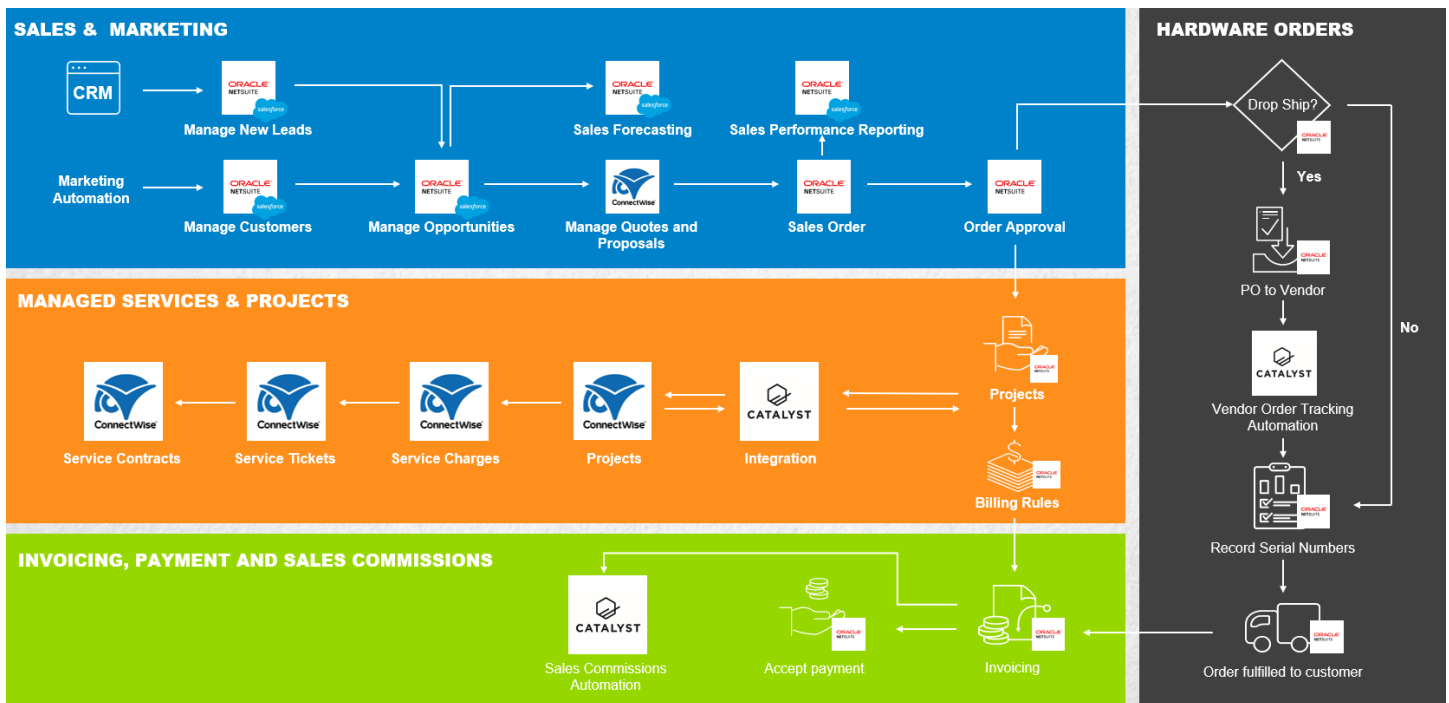
- NetSuite manages CRM, purchasing, projects, billing and reporting.

- Catalyst helps improve order management, attack complicated commission structures, and manages integration between NetSuite and ConnectWise.

- ConnectWise Sell handles quote/SOW/proposal creation and delivery.

- ConnectWise Manage improves the service delivery components of your workflow including service contracts/ tickets/charges.

There are many options to consider when looking to improve your quote-to-cash process. Often, service providers already have a workflow management tool in place, like ServiceNow. Like with ConnectWise, NetSuite can integrate with ServiceNow to improve your quote-to-cash workflow. Our graphic below details the relationship if your team selects ServiceNow (instead of ConnectWise) for the service delivery component:
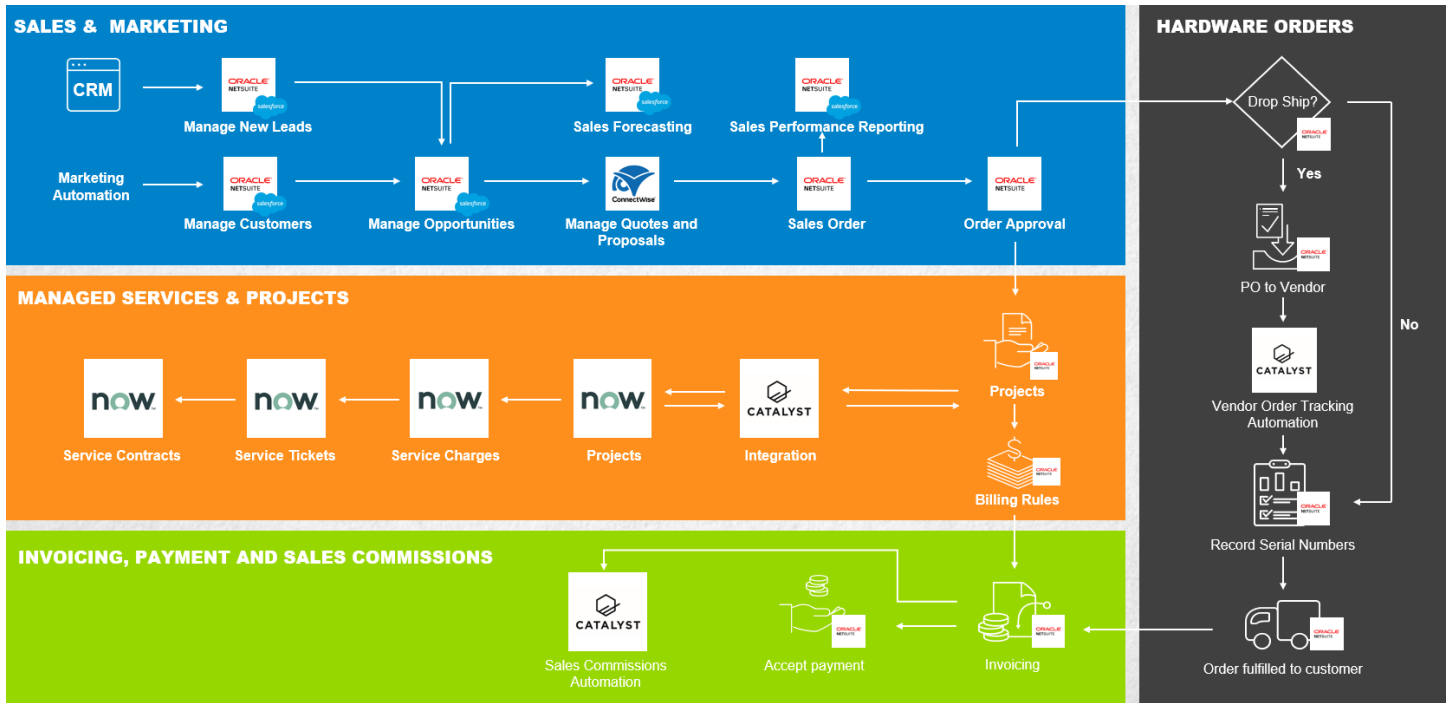
- NetSuite manages CRM, purchasing, projects, billing and reporting.

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- ConnectWise Sell handles quote/SOW/proposal creation and delivery.

- ServiceNow improves the service delivery components of your workflow including service contracts/tickets/charges.

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