



EBOOK

**BUILDING A BUSINESS CASE FOR A MODERN PSA**  
**AN END-TO-END BUSINESS SOLUTION**



One thing all successful MSPs have in common is that they upgrade their technology at the right time to seize opportunities before their competitors do. While you still ponder about switching to a modern PSA system, your peers are probably already leveraging their purchase to clinch deals, cut costs and improve customer service.

Sure, we understand business decisions shouldn't be rushed, but some purchases are absolutely necessary. That's why we bring you this eBook to demonstrate the business value of investing in a modern PSA system. As you dive deeper, the tangible and measurable benefits of using one will become apparent to you.

## WHAT IS A PSA TOOL?

Around the turn of the century, the preliminary versions of PSA tools were developed to assist professional service companies with administrative and operational tasks. The latest PSA tools integrate all the administrative and operational functions into one platform. It helps streamline business processes and makes your MSP more efficient and profitable.

Imagine if you had to keep the ticketing system of your MSP separate from the financial side such as quoting, billing and invoicing. Your business would most likely suffer due to the use of fragmented tools. Here are some common drawbacks:

- MSPs lose profit margin when they use fragmented tools
- The biggest culprit of profit leakage is the difference between actual and expected hours of work spent per client
- It can be difficult for MSPs to get a complete picture of their business when they use fragmented tools, resulting in overruns on projects and services

A modern PSA solution removes these barriers and [empowers MSPs to run their IT operations confidently and efficiently](#). With the pressure and monotony of daily, mundane tasks lifted, your MSP can work on growth initiatives with greater vigor and confidence.

Alternatively, without a PSA system or an obsolete one, your clients are likely to experience poor productivity, a slow service desk and inaccurate billing — all the things that'll send your clients looking for the next MSP on the block. Before long, your MSP will be losing money faster than it is earning it.



Let's look at how PSA systems enable more streamlined workflows by offering the following core modules:

## Service desk and ticketing

The service desk feature is the top highlight of a PSA system since its quality has a direct impact on your customer relations. This point was endorsed by 66% of respondents in [the Kaseya MSP Benchmark Survey](#). It's no secret that a poor service desk is the leading cause of customer churn.

Ticketing, a core service desk function, helps technicians track the progress of IT requests raised by clients. The automated ticketing module in a PSA can prioritize tickets based on severity and complexity, so that technicians can take on business-critical challenges immediately. A modern PSA system can automatically create a ticket in response to an alert on an endpoint and even remediate simple issues without human intervention. In this regard, a PSA could be your MSP's magic wand.

With these capabilities at your fingertips, you can reduce service desk management costs significantly and cater to a growing clientele without hiring additional staff.

## Project management

Project management functions are another useful module in a modern PSA tool. An MSP's project management lifecycle begins with the opening of a [sales opportunity](#), proceeds through deal closing and business allocation, and concludes with billing, invoicing and revenue realization.

[Project management is a breeze with PSA](#). Anybody working on a project can access real-time updates and information since all project workflows and information are centralized. In this way, projects continue to move forward smoothly even when technicians with critical roles leave the company.

About [54% of organizations could not track KPIs in real time and about a third of businesses manually collated project reports due to the lack of a project management tool](#). Many projects overrun their planned costs because there is an enormous discrepancy between the time spent on each project and the time that was originally decided. Modern PSA systems capture and track all aspects of a project so that no resources are wasted throughout the process.



## Time, expense and services tracking

One of the main reasons for profit leakage is improper tracking of expenses, time and services against work completed. There is a common problem where your MSP may be spending too much time on certain clients without realizing it. Time and expense tracking in a modern PSA system provides you with a complete picture of your actual versus planned expenditures, allowing you to stay on top of your spending and pivot your business accordingly. Your business can grow faster if you are in control of your costs.

## Quoting

You can use a quote to communicate the value of your services and products to clients and prospects and gain their approval more quickly. The process of generating a professional quote should therefore be simple and not time-consuming. Modern PSA solutions allow you to quickly generate quotes using readily available product and pricing information. Now you don't need to copy and paste quotes and can send a customized quote out the door more quickly. After the quote is approved, you can link it directly to your services contract in PSA and start delivering your services seamlessly.

## Billing and invoicing

If you conduct your services and handle billing using separate systems, then you need to reconcile the data from both tools manually. Then, and only then, will you get a true picture of the client's environment so you can bill them accurately. However, manually reconciling your billing and invoicing details can be time-consuming and expensive. Furthermore, you risk losing customers due to this process. Due to this, many MSPs either leave money on the table or must go back and forth with clients to generate bills correctly.

Modern PSA systems eliminate this entire hassle of manually reconciling client data and give you precise details on each client account so you can facilitate accurate billing. PSA tools also accurately capture changes in costs when clients modify service plans midcycle. Having your services billed on time allows you to earn a steady stream of revenue and make better use of all your earnings. Billing accurately also boosts your MSP's credibility.



## SMART MSPs USE PSA TO OVERCOME COMMON BUSINESS CHALLENGES

Starting from the break-fix model, MSPs now play a crucial role in managing the IT infrastructure of small and medium-sized businesses (SMBs). In today's business environment, MSPs are more than just simple IT service providers. They are viewed as strategic business partners who help their clients make critical IT decisions that have a direct impact on their bottom line.

In short, there is a lot riding on the shoulders of MSPs. However, to provide seamless and superior service to their clients, MSPs must first streamline their internal business processes and workflows. This means MSPs must get a firm grasp of their business using the right technological tools, otherwise even a minor headwind could knock the entire company off course.

The most successful MSPs are adaptable and update their technology according to the needs and requirements of their clients and business seasons. They do not cling to technology that is out of sync with the requirements of the digital age.

In this regard, PSA has been a great tool for MSPs to solve some of the most common business challenges. Below are some examples:

**The limitations imposed by fragmented tools:** Smart MSPs focus on driving the business forward rather than getting caught up in running it. When the COVID-19 pandemic hit, clever MSPs quickly replaced their stack of outdated tools with a modern PSA so they could provide digital support to a growing number of clients with ease. As a result, they were able to significantly improve their efficiency and productivity, gain better integration between tools and win the trust of their clients. The all-in-one PSA solutions eliminated many of the complexities and obstacles that come with managing multiple tools.

**Business decisions:** In business, it's difficult to understand the full picture when you work with several disparate solutions. Consequently, you can't make informed business decisions. Modern PSA solutions provide you with data on all activities performed at your MSP so that you can conduct thorough audits and make effective growth plans. The right data can help you present your business case for new initiatives and projects more convincingly and confidently.



**MSP margins:** The largest culprit behind profit leakage at MSPs is the discrepancy between expected and actual hours spent per client. Outdated PSA systems aren't equipped to calculate this data point correctly. As a result, many MSPs find that, more often than not, the cost of completing their projects and services exceeds their budgets. Since they have no data to turn to, they are often at a loss, unable to pinpoint the situation affecting costs. Eventually, this trickle of outflow can become so substantial that it'll start eroding margins and shrinking profits rapidly. Using a modern PSA solution, you can bridge the discrepancy between expected and actual time spent on each client, so that your projects remain within budget and your MSP becomes more profitable.

**Cost-control measures:** When MSPs fail to upgrade outdated systems, they will sooner or later start feeling the pinch of high licensing costs for running multiple software against falling revenue. With a modern PSA system, MSPs can bid goodbye to a cost-intensive software stack and get more work done with a leaner team.

**Break out of the break-fix model:** Many of the obsolete systems that MSPs still use today were designed for break-fix models. However, these solutions, offer little value in today's digital world where companies are leveraging [artificial intelligence \(AI\) and automation capabilities](#) to succeed. With a PSA solution, your MSP can scale effortlessly in any environment and offer a full range of services to clients effortlessly. You will be able to pitch your services with more confidence and command a better price for them. Using a modern PSA will also make your technicians happier, which will boost their productivity.

**Achieving flexibility and agility:** Flexibility is one of the key features of PSA tools. You can create multiple workflows and change them according to the needs of your business and clients. This means you no longer need additional scripting or third-party experts to help you customize workflows since any of your technicians can do it with a modern PSA. You can even create personalized workflows for different clients, providing exceptional customer service that is sure to win you repeat business and high ratings.



**Taking advantage of integration:** In the absence of readily available documentation, IT tickets take twice as long to resolve. This usually happens with outdated systems that do not support seamless integration. Modern PSA solutions seamlessly integrate with critical business tools like RMM and IT documentation so that technicians can access vital information and access necessary actions from the same interface. With easy access to documentation tools, technicians do not have to spend time looking for crucial information and can instead focus on resolving the issues at hand.

**Better billing:** Billing errors cost MSPs money, trust and customers. For an MSP, billing can often be the biggest drain on time. This is a tedious process that involves syncing device, user and licensing counts, ensuring that all products and services are captured accurately, and then selecting the appropriate invoice to be sent to the correct company. Not only is it time consuming, but by not capturing all aspects about a customer's profile and unique suite of services, you might be leaving money on the table. A PSA solution can help in this regard so make the switch today.

## **MSPs THAT STICK TO THE STATUS QUO LOSE OUT**

Traditional service delivery tools are incompatible with modern IT environments due to which you risk missing out on opportunities. But why do MSPs continue to work with outdated systems despite knowing this? It's because they are apprehensive about migrating to a modern system, falsely believing that it might cause disruptions in their existing process and negatively impact their clients. This is far from true.

If you continue using obsolete systems, you are likely to incur escalating maintenance and operations costs, capacity limitations and an inability to integrate with more modern solutions. As a result, inefficiencies and errors will increase, resulting in revenue leakage. Moreover, you won't be able to compete with your peers who have modernized, resulting in your customers perceiving your brand unfavorably. The damage to your reputation will be difficult to repair.

Instead of letting things spiral out of control, invest in a modern PSA today. The process of modernizing your MSP with a new PSA system will allow you to make significant process improvements to remain competitive in this ever-changing IT landscape.

## READY TO MAKE THE SWITCH? LET'S LOOK AT THE COST OF OWNERSHIP AND FUTURE NEEDS

A number of PSA solutions are available on the market. Here are some costs and future needs to consider when picking one that will best meet your requirements.

### The cost of PSA implementation, which includes:

- Initial implementation cost
- Migration cost
- Per-user cost
- Integration cost
- Module cost

### Ongoing maintenance cost:

- Cost required to change:
  - Business models
  - Business process
- Cost required to extend configurations to meet future requirements:
  - Add new business unit
  - Add new business offerings
  - Mergers and acquisitions

**Keep in mind:** If there is a need to build custom code or involve a third-party consultant as your business processes and models change, then the ongoing maintenance costs will also be higher. Additionally, if additional functionality and integrations are not included in the per user cost, then your costs could skyrocket if your business model, processes or tools change.



## Return on investment on a modern PSA

Once your business migrates to a PSA, you will immediately reap some of the following benefits:

**Better business operations:** A modern PSA system will allow your business to operate like a well-oiled machine and not like a complex entity that isn't well integrated. When you have complete visibility across your organization, you can make better business decisions. You can also track results in real time and see how parts of your business are affected or influenced by one another as you make changes. By leveraging these capabilities, you will be able to identify practices that positively influence customer satisfaction and revenue.

**Consistently meet your SLAs:** A service level agreement (SLA) makes sure that the quality of your service stays consistently good. Accountability can be achieved by setting clear goals and creating service standards for technicians to strive towards. Formalized business processes and standard operating procedures (SOPs) lead to more predictable service, promoting confidence for you and your clients.

**Business optimization:** Growing your MSP business requires streamlining your operations and running your processes efficiently. In order to achieve your business objectives, you must first identify the problematic areas in your company so you can stay on top of them and pivot quickly if necessary. One of the greatest advantages of moving to a modern PSA is that it provides a wealth of information that can be used to optimize business operations. Your data from your PSA system will provide you with a deeper understanding of how your day-to-day activities are impacting your business goals, which you can leverage to make intelligent business decisions and present a strong business case for running lucrative IT initiatives.

**Scalability:** Operating the service desk will become increasingly complex as your MSP grows. Time-tracking, billing on time, managing resources, hiring the right people with the right skills and delivering projects on time come to mind. Using a modern PSA to automate tasks previously performed manually – like data entry, reconciliations, billing and invoicing – can help an organization scale without the additional overhead that comes with it.



**Create and track new business models:** Modern PSA systems allow you to offer customized packages to your customers instead of a one-size-fits-all model. Clients today prefer this approach. To [simplify your service desk](#), you can also automate workflows that are granular enough to fit your unique business requirements, based on the stage of your organization or where the industry is headed.

**Positive cash flow and strong bottom-line growth:** Knowing your business well and automating things that only take time when done manually will boost service margins, improve revenue visibility and ensure better cash flow, which will result in a stronger bottom line.

**Greater customer satisfaction:** Every MSP who desires success strives to achieve this goal. When an MSP becomes proficient at customer service, revenue and profits will automatically follow. By upgrading your PSA system, you will be closer to achieving this goal. Through faster ticket resolution and streamlined billing and invoicing processes, you can have more meaningful conversations with your customers instead of engaging in unproductive and time-consuming back and forth over tickets and invoice management.

## EXPECTED ROI METRICS

The following ROI metrics are based on a typical PSA implementation with five technicians. Results may vary.

Metric	Expected ROI
Technician efficiency	Increase in efficiency by 30%
Technician utilization	Increase in utilization by 20%
Ticket resolution time	Decrease in ticket resolution time by 20%
Streamlined business processes	Increase in business operational efficiency by 10%
Consultant cost	Decrease in consultant costs by 80%
Billing accuracy	Increase in billing accuracy by 45%
Billing time	Decrease in billing time by 50%
Administrative time	Decrease in administrative time by 40%

## BMS – YOUR ONE-STOP PSA SOLUTION

Understanding your current challenges will help you build an effective business case for a modern PSA. Once you've done that, you need to outline the current challenges, the impact of the status quo and how a modern PSA will transform your service desk and business.

BMS can solve your problem. [Kaseya BMS](#) is an all-in-one PSA solution that gives MSPs everything they need to quote, ticket and bill their clients from a single pane of glass. Technicians can crush tickets in record time with a documentation-first service desk, accelerating MSP productivity. Furthermore, the automated billing engine eliminates billing errors and inefficiencies in an instant.

It doesn't end there though. BMS offers open integration with major accounting, payments and distributor solutions. Since [Kaseya BMS also has the most affordable terms available](#), you can invest your savings back into your business for further growth and customer retention.

Would you like to see what BMS can do for your business?

**Request a demo now!**





#### About Kaseya

Kaseya® is the leading provider of complete IT infrastructure management solutions for managed service providers (MSPs) and internal IT organizations. Through its open platform and customer-centric approach, Kaseya delivers best in breed technologies that allow organizations to efficiently manage, secure, automate and backup IT. Kaseya IT Complete is the most comprehensive, integrated IT management platform comprised of industry leading solutions from Kaseya, Unitrends, Rapidfire Tools, Spanning Cloud Apps, IT Glue and ID Agent. The platform empowers businesses to: command all of IT centrally; easily manage remote and distributed environments; simplify backup and disaster recovery; safeguard against cybersecurity attacks; effectively manage compliance and network assets; streamline IT documentation; and automate across IT management functions. Headquartered in Dublin, Ireland, Kaseya is privately held with a presence in over 20 countries. To learn more, visit [www.kaseya.com](http://www.kaseya.com).

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