

eBook

Top Ten “Must-Haves” for Professional Services in the Era of AI



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Today, the success of a professional services organization (PSO) comes down to how well your people, finances, and projects stay connected. When you're choosing a Professional Services Automation (PSA) solution, the real value lies in finding a unified system that helps you plan smarter, work more efficiently, and turn everyday operational data into real insight.

That's where Workday stands out. With an AI-powered platform built to boost utilization, protect margins, and support exceptional client delivery, Workday gives PSOs the clarity and agility they need to grow with confidence.



Considering a new PSA solution?

The following features should be on your checklist:

- | | |
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| ☐ 1 Services CPQ
Scoping, pricing, and quoting with AI-driven effort and margin predictions | ☐ 6 Capacity management
Long-range forecasting of workforce supply vs. project demand |
| ☐ 2 Bidirectional CRM ↔ PSA integration
Unified sales–delivery alignment and more accurate sales forecasting | ☐ 7 Skills- and experience-based staffing
Skills-based staffing supported by AI-inferred skills inventory |
| ☐ 3 Complex billing and revenue recognition
Flexible billing models (T&M, fixed price, milestone, retainer, consumption, value-based) with AI-supported compliance | ☐ 8 Change order management
Controlled scope changes with AI-driven scope change prediction and pricing recommendations |
| ☐ 4 Time tracking
Accurate, compliant time capture with automated suggestions | ☐ 9 Visibility into project profitability
Real-time visibility into project-level profit levers and prescriptive options |
| ☐ 5 Resource scheduling
Centralized staffing with AI-driven recommendations for better utilization | ☐ 10 Visibility into corporate profitability and utilization
Integrated data foundation enabling accurate reporting, financial control, and enterprise-level results |

An important note.

Few PSA vendors will offer every capability discussed in this guide. Yet, that's exactly why it's valuable. These criteria represent where the industry is headed, not just where it stands. As you evaluate potential partners, look not only at what they deliver now, but also at their product roadmap and how they plan to incorporate AI capabilities over time. The right PSA solution should meet your needs today while clearly demonstrating how it will support your organization's future.

Beyond the following critical capabilities, buyers should also evaluate the overall user experience of PSA solutions. Factors such as ease of use, intuitive workflows, mobile readiness, and an adoption-friendly design are all essential components to realizing value.



1. Services CPQ (configure, price, quote).

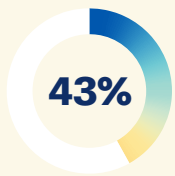
Services CPQ should be an essential component of any PSA solution you consider. Instead of juggling spreadsheets, services CPQ gives teams a governed, streamlined way to scope and price work. With AI built in, CPQ uses historical project data—things such as scope, complexity, and resource mix—to predict the right level of effort and expected margin for new proposals.

Machine learning then recommends smart pricing and the best resource mix, helping teams create quotes that aren't just competitive but profitable. The result? Sales and services teams can confidently price complex offerings and deliver accurate proposals every time.

Before you sign on the dotted line.

Before the contract is executed, services CPQ ensures that the proposed scope is:

- Properly Resourced
- Accurately Configured
- Aligned with Profitability Targets



A Workday-sponsored study reveals that 43% of professional services firms prioritize accurate services quoting and excellent delivery to enhance their competitiveness¹

2. CRM integration.

Effective coordination between sales and delivery is critical for operational excellence. A PSA solution with customer relationship management (CRM) system integration enables bidirectional data synchronization between the PSA platform—where projects are executed—and the CRM system that manages the sales pipeline.

The result is a unified, accurate view of future demand from initial opportunity through project completion, strengthening forecasting, alignment, and overall decision-making.



Spotlight on AI.

As AI evolves, it will only continue to enhance the integration of CRM and PSA by providing predictive demand signals to the services organization. By analyzing sales velocity and pipeline quality data flowing in from the CRM, AI algorithms in the PSA can forecast the required skillsets and resource load weeks or months in advance, allowing for proactive capacity management rather than reactive scrambling for resources.



3. Complex billing and revenue recognition.

A PSA solution that includes complex billing enables organizations to support virtually any contractual billing structure, including:

- Time & materials
- Fixed price
- Milestone-based billing
- Recurring retainers
- Consumption-based models
- Value-based billing
- Combinations of multiple models within a single master services agreement

By standardizing and automating these sophisticated billing scenarios, organizations not only improve accuracy and scalability but also create a stronger foundation for timely, compliant, and predictable revenue recognition.

AI further reduces errors and compliance risk, evaluating time and expense data against project rules to automatically flag billing anomalies, such as exceeding contractual hour caps or applying non-approved rates.



Greater billing accuracy



Accelerated billing cycles



Higher cash realization

4. Time tracking.

Time tracking is critical to accurately capture every billable hour your team bills across each project. A study by Service Performance Insight, LLC (SPI) found that average employee billable utilization increases almost 4% with a PSA tool.² Comprehensive time-tracking functionality must include mobile access, automated policy checks, and workflow approvals, so that time entries are validated before flowing into the general ledger and client invoices, ensuring accuracy and compliance at every step.

AI will elevate time tracking even further by automating the most time-consuming steps. By interpreting calendar events, meetings, and recent work activity, it will proactively suggest accurate time entries for consultants to review. This will minimize manual effort, reduce missed or incorrect entries, and strengthen overall billable-hour compliance—ultimately improving both utilization and revenue outcomes.



We have leveraged Workday's release enhancements for time tracking and project billing. The autofill functionality in logging time saves us about \$140,000 a year.

John Bruce

Vice President, People Innovation & Technology,
OneDigital

5. Resource scheduling.

Resource scheduling is one of the most critical components of PSA because it:

- Directly affects delivery capacity, profitability, and client satisfaction
- Ensures the right people are allocated to the right projects at the right time
- Provides a centralized view of employee assignments, utilization targets, and unassigned capacity
- Gives managers the visibility needed to prioritize work effectively
- Helps staff the most profitable and strategically important projects first

AI will continue to elevate resource scheduling from basic coordination to intelligent, predictive planning. By analyzing skills, availability, and project performance data, AI has the potential to recommend the best-fit resources for each engagement.

Right people. Right projects. Real advantage.

Improves utilization and supports employee development

Alerts managers to underutilized or at-risk resources

#1

According to independent analyst firm IDC, Resource Scheduling is the number one challenge reported by professional services firms

6. Capacity management.

Capacity management is the strategic, forward-looking analysis of your workforce supply versus projected demand from the sales pipeline. It helps organizations anticipate needs and make informed decisions by:

- **Forecasting resource demand** 3, 6, 12, or even 18 months ahead
- **Aligning workforce supply** with upcoming project requirements
- **Informing hiring plans** based on predicted demand
- **Guiding training** and upskilling investments
- **Determining subcontracting** needs before capacity gaps impact delivery



7. Skills- and experience-based staffing.

While many organizations use their human capital management (HCM) systems mainly for traditional HR processes, professional services firms should treat HR data as a core operational asset. By operationalizing HCM capabilities, firms equip resource managers to search, match, and deploy employees based on validated skills, certifications, and experience—not just job titles.

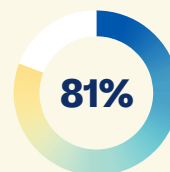
AI can help keep the skills inventory accurate and continuously updated by analyzing key data sources, including:

- Performance reviews
- Time entries and project activity
- Certifications and training records
- Project descriptions and delivery outcomes

This creates a dynamic, always-current profile of each employee's expertise, making talent identification, skills matching, and capacity growth through skills adjacency (upskilling) far more precise and efficient than relying on static self-assessments.

The skills revolution.

Professional services firms are entering a new era—one where skills, not job titles or availability, define how work gets done. The shift to skills-based resourcing is proving transformative across delivery quality, employee experience, and operational efficiency.



of business leaders believe that transitioning to a skills-based approach increases an organization's potential for economic growth³

The message is clear: organizations that harness skills intelligence gain a measurable edge in performance, retention, and agility.



We want to create experiences that allow employees to grow and learn. Leveraging [Workday] Skills Cloud was the first step in our move to a skills-based people strategy, giving us the data and insights needed to help employees set career paths, fill internal roles, reskill and promote internally, and build our talent pipeline. We want to bring transparency into career development, and Workday skills-powered solutions help us achieve this.

Dalia Kendik

Head of Digital, Human Resources,
Thomson Reuters Holdings Inc.

8. Change order management.

Change order management is the structured process for documenting, approving, and integrating any modifications to a project's scope, cost, timeline, or deliverables. It captures requests from clients or internal teams and routes them through a governed approval workflow, ensuring changes are visible, controlled, and financially accounted for.

AI will enhance this process by:

- **Predicting scope creep** based on early project indicators and the client's historical behavior, helping teams identify engagements that require closer oversight
- **Standardizing and recommending pricing** for common change types by analyzing past change orders and identifying accurate, market-aligned benchmarks

PSA solutions with change order management functionality deliver tighter control, faster approvals, and more consistent profitability across projects.



From scope creep to scope control.

Approximately 85% of projects impacted by scope creep run over budget, with average cost overruns of 27%.⁴ A disciplined change management process helps mitigate this risk by fully evaluating proposed changes before they're approved.

9. Visibility into project profitability.

When it comes to selecting the right PSA solution, visibility is everything. Organizations need real-time insight into how projects are performing financially—not after the fact, but while there's still time to act. This capability delivers comprehensive dashboards and reports that compare actual costs and revenue against the original plan.

AI enhances this insight by providing intelligent alerts and prescriptive recommendations. Rather than simply indicating a project is trending over budget, AI can forecast when the budget will be exhausted and recommend specific interventions, such as reallocating hours from non-critical tasks or initiating a change order.



Our big ROI from Workday PSA comes from better pricing and billing insights because we can see project profitability.

John Kogan

Chief Financial Officer & Partner,
Armanino Advisory LLC

10. Visibility into corporate profitability and utilization.

Last but not least, any PSA solution you consider must have seamless integration with your core HCM and enterprise resource planning (ERP) data to ensure healthy margins at the corporate level. Project profitability means little if the firm isn't profitable overall. For example, each project could be profitable on a stand-alone basis but the overall utilization of all resources is below target, (resulting in lower margins at the corporate level).

Constant, real-time synchronization between PSA, HCM, and financial data ensures a complete, accurate view of both project performance and firmwide financial health.



Spotlight on AI.

Unification isn't just an architectural preference—it is the foundation for effective AI. By running PSA, HCM, and ERP on a unified platform, Workday creates a consistent, high-quality data environment that powers machine learning. This enables AI to perform cross-functional analysis—such as correlating compensation data with project profitability—capabilities that siloed, legacy systems simply can't deliver.



Aurecon is essentially a professional services business, so our people, project, and financial data is vital as we innovate. Workday brings all that data together into an integrated platform, so we can make informed decisions that guide us to achieve our purpose.

Carl Duckinson

Chief Information Officer,
Aurecon Australasia Pty Ltd



Turning PSA capabilities into your strategic advantage.

Ultimately, the capabilities outlined throughout this guide converge on a single goal: equipping professional services organizations with the metrics and insights that drive true business optimization—not just operational tracking.

Together, these capabilities transform PSA from a set of tools into a strategic engine—one that empowers leaders to forecast confidently, operate efficiently, and scale profitably in an increasingly competitive professional services landscape.

Ready to see how Workday PSA brings it all together?

Workday brings together people, finance, and projects in one AI platform. This removes the handoffs, gaps, and reconciliation steps that slow down other PSA tools and, instead, creates real-time visibility and accuracy across the entire services lifecycle.

Here's how Workday maps to each of the 10 key requirements:

1 Services CPQ

Workday tightly integrates quoting, scoping, and contracting so project initiation is immediate and accurate. No manual handoffs and no loss of scope or pricing fidelity.

2 CRM integration

Deep, bidirectional integration with systems such as Salesforce ensures pipeline data instantly informs forecasting, giving teams a real-time, end-to-end view of demand.

3 Complex billing and revenue recognition

A single finance engine supports all contract types without custom code, enabling accurate, automated revenue recognition and invoicing.

4 Time tracking

Native, intuitive time and expense entry—on any device—ensures compliance with labor laws and rate cards while reducing billing leakage and audit risk.

5 Resource scheduling

Workday provides a holistic, organization-wide view of all resources—supported by analytics that optimize allocation and drive higher utilization.

6 Capacity management

By unifying people, finance and project data, Workday gives companies visibility into both demand and talent supply. Workday Illuminate, our AI, helps teams make strategic decisions on resource investments by providing visibility to long range resource demand and modeling supply vs. demand scenarios.

7 Skills- and experience-based staffing

Because PSA runs on Workday HCM, resource managers can leverage Workday Skills Cloud, an AI-driven skills inventory, to match talent to projects based on real, verified skills and career goals.

8 Change order management

Workday is actively building a change order management solution to document and integrate changes to scope, cost, timeline, etc. We are also expanding our Workday Contract Intelligence (aka Evisort) capabilities to streamline, automate, recommend and capture document details in Workday.

9 Visibility into project profitability

With people, finance, and project data unified, Workday provides real-time margin and cost visibility at any level—allowing leaders to take corrective action before issues escalate.

10 Visibility into corporate profitability and utilization

Workday is inherently an AI platform for HR, finance, and planning. This unified data model removes costly integrations and ensures every PSA transaction is accurate, timely, and connected.

Ready to explore a unified AI platform designed to elevate utilization, protect margin, and strengthen every stage of the services lifecycle? [Get in touch](#) with our team to find out how [Workday PSA](#) can support your strategic goals.

Sources

¹ [IDC, “Create Competitive Advantage for Professional Services by Leveraging Technology and Workflow Automation”; sponsored by Workday; 2023.](#)

² [Managed Services Journal, “5 Fun Facts About Professional Services Automation”; 2025.](#)

³ [Workday, “The Global State of Skills”; 2025.](#)

⁴ [Ravetree, “7 Essential Steps for Effective Project Cost Tracking & Management”; 2025.](#)