App playbook series

Professional services app playbook

How to advise your clients on selecting the right apps to use with Xero

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Cover image: Deb Mirisch, Biz Synergy | Xero partner
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Who the professional services apps are for

Accounting practices
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While the nature of professional services can differ greatly, two factors are common to them all:

1. **Knowledge and people are the backbone of the business**
   Each practice relies on the specific professional expertise of its staff.
2. **Time is ultimately the service**
   While the level of expertise is important, the amount of time spent working with each of the firm's clients, or on jobs for them, is the key driver of revenue and profit.

Note: This playbook does not cover financial reporting or practice management apps.

Understanding your client's business

Build a business profile

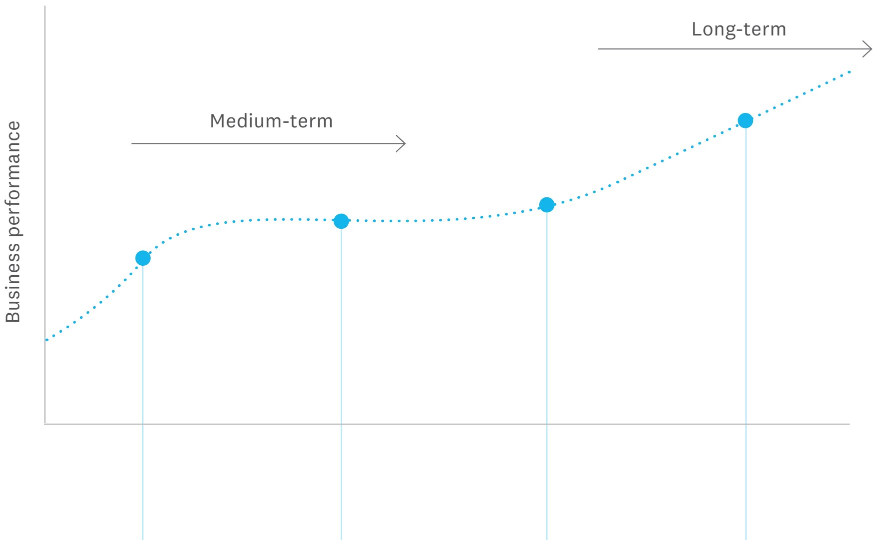
The first step to recommending the right apps for a professional services client is to learn more about their business.

We recommend building a business profile that covers these areas;

Goal	What is your client's business trying to achieve over the short and long-term? Do they want to increase efficiency, grow their business, or do both?
Pain points	Is your client looking to address a specific problem within their business? For example, tracking project time?
Financial health	Assess the current financial health of the business, if you don't already know.
Number of employees	How many employees do they have? Are they looking to grow their employee numbers or stay the same?
Job type	Do they undertake mainly high-frequency jobs, or larger project-based jobs that take longer to complete?
Current tools	Which version of Xero do they use? What apps, if any, are they using in their business today?
Technology proficiency	How experienced are they and their team with using apps and other software?

Professional services key focus areas

Below are the key areas that underpin the performance of most professional services firms. This playbook looks at each of these.



Deliver services

Achieving simplicity, efficiency and excellence day-to-day. A real-time view of what's going on, how it's going to be completed, and how that's going to turn into profit.

Realise cash flow

Ensuring healthy cash flow by realising revenue and settling bills quickly and efficiently.

Manage customers

Making sure customer relationships are managed with a focus on sustainability and growth.

Manage people

Harnessing the asset that's most critical to the current and future value of a professional services business: its people.


Shaye Thyer, BDO | Xero partner

Prioritising the key focus areas

Use the client scenarios in this table to prioritise which area to focus on first. You can then jump to the relevant section in the playbook, or if you prefer, work through the playbook end-to-end.

Client scenarios	Focus areas
Client is having challenges either: • tracking profitability • delivering projects on time or within budgets	**Project visibility and delivery** Achieve a real-time view of all projects, including how work will be completed and the impact it will have on the bottom line.
Client is having challenges either: • getting paid on-time • allocating costs and paying invoices	**Manage cash flow** Ensure healthy cash flow by realising revenue and settling bills quickly and efficiently.
Client wants to generate further business, either through acquiring new clients or growing existing customer revenue.	**Manage customer relationships** Make sure customer relationships are managed with a focus on sustainability and growth.
Client wants to improve their processes to attract, retain and develop the right staff.	**Manage people** Harness the asset that’s most critical to the current and future value of a professional services business: its people.

Cheat sheets

for each focus area

Project visibility and delivery

Delivering profitable projects

This section is relevant to firms who deliver their services through projects and require staff members to report billable and non-billable time.

As the main operational cost for professional services firms is time, the difference between quoted and actual time spent is critical. Effectively managing revenue requires looking at each job, and making sure the revenue captured delivers a profit on the time invested.

When estimating and charging for time, professional services firms need to know their actuals so they can quote and invoice accurately and understand the profitability of each project. This is where a project delivery tool becomes invaluable.

Identify your client's needs

This page identifies the common issues with project profitability and provides a list of questions you can ask your client to help you identify opportunities to improve their revenue and efficiency.

Pain point	Questions to ask your client	Recommendation
Overinvesting, undercharging Profitability isn’t known because there is no clear way of reconciling quotes with the actual time invested in a project.	Do you need more visibility into your business? Do you know which type of work brings in the most profit, where you’re losing money and which clients haven’t paid their invoices?	A project management app that integrates with Xero will improve your client’s visibility of project performance.
Clarity on all costs Difficulty associating expenses and bills with a specific project makes it difficult to understand the true cost of a project.	Are you confident you're capturing all of your costs? If so, how do you know?	
Outgoing cash Inefficient manual processes for managing and paying bills can incur greater costs for a business.	Do you know where your cash is going? Do you pay your bills on time? Do you like to be reminded to pay invoices? Do you ever incur late payment fees?	
Productivity Manually tracking time and costs draws time away from activities that drive revenue and customer value.	Are you spending too much time on admin? Do your staff struggle to stay on top of their timesheets?	
Accountability A lack of visibility into staff activity can mean time is used inefficiently.	How are you tracking staff time? Is anyone being underutilised?	
Time efficiency A lack of access to project information can restrict progress and efficiency.	Is it important for you and your employees to work from anywhere? Do your staff often work in the field and do they need the ability to update projects on the go?	

Identify the right app for your client

Xero has two project management software options: Xero Projects and WorkflowMax.

Both are powerful tools, fully supported by Xero, giving your clients a beautiful experience and feeding even greater insights into Xero Business Edition. But which to choose?

	Xero Projects	WorkflowMax
Best reason to use	**Perfect for simple time and cost tracking** Xero Projects is the simple way to track the time and money spent on each job. It provides visibility into your project financials from anywhere.	**Highly customisable, end-to-end project management solution** WorkflowMax is right for businesses that need to manage their workflow from quote through to invoice, while tracking time and costs. WorkflowMax helps improve project budgeting and provides critical insights into a business and its profitability.
Benefits	✔ Access everything in one place, with one Xero login. ✔ Integrates with your Xero organisation. ✔ Intuitive, simple to activate, and use from within Xero. ✔ Supports fixed price as well as time and expenses billing. ✔ Provides visibility across all jobs. ✔ Monitors budgets and job costs. ✔ Provides project overviews and simple reports.	✔ Powerful financial analysis and workflow management. ✔ Tracks time and costs from quote through to invoice. ✔ Improves project budgeting and provides critical insights into your business. ✔ Owned by Xero with real-time integration to Xero invoices and bills. ✔ Highly configurable to suit various types of professional services. ✔ Provides staff allocation and collaboration capability. ✔ Includes a suite of standard and customised reporting. ✔ Offers a tiered subscription based on the number of users. ✔ Includes extensive security permissions.
More information	Find out more about Xero Projects	Find out more about WorkflowMax

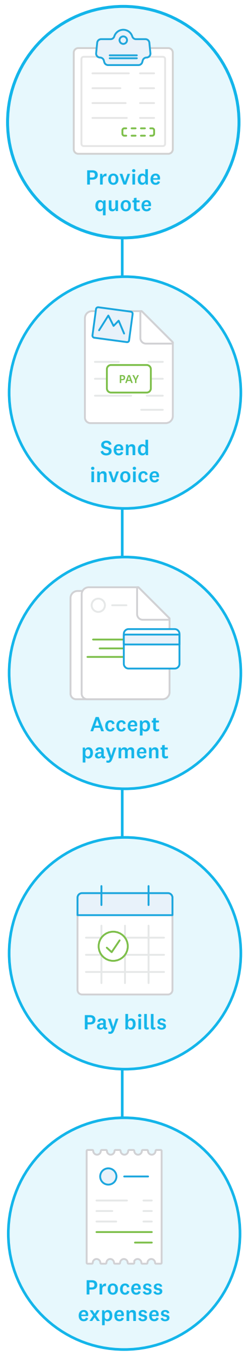
Manage cash flow

Optimising cash flow in and out

This section focuses on ways to improve your client's cash flow across their entire business operation.

Cash flow can be a big challenge for small business. Staff can be late submitting expenses, customers don't always pay on time, suppliers can have unexpected payment demands, and it can be easy to put off doing the necessary (but dreaded) admin.

Optimising cash flow requires attention at each stage of your client's cash flow cycle.



Money in: from quote to invoice to payment

Generating an invoice in Xero Business Edition, Xero Projects or WorkflowMax is simple.

Once a customer has accepted a quote, an invoice is automatically generated. The table below shows how these tools can help your clients overcome common invoicing pain points.

Pain point	Recommendation
Customers don't pay invoices on time	The client can use email reminders in Xero Business Edition to automatically chase payment for submitted invoices.
Invoices are not being assigned to the correct project	If your client is using Xero Projects, create either a deposit invoice, a task invoice or a project invoice from within the invoicing or project screen. If your client is using WorkflowMax, either create a quoted invoice or an actuals invoice directly from WorkflowMax.
Creating invoices is time consuming	For clients who don't typically deliver their service via a project, Xero Business Edition is great for creating professional invoices.
Unnecessary delays receiving revenue due to inability to take immediate payment	For clients who don't typically deliver their service via a project, payment services are a good way to optimise cash flow by allowing clients to take immediate payment for their services.

Payment services: comparison of apps

	PayPal	stripe	GOCARDLESS
	Paypal	Stripe	GoCardless
Availability	See availability here	See availability here	UK, AU, NZ
Onboarding and support	✔ Set up direct from Xero invoice ✔ Online help centre ✔ Phone support	✔ Set up direct from Xero invoice ✔ Online help centre ✔ Phone support (24/7)	✔ Set up direct from Xero invoice ✔ Online help centre ✔ Phone support
Overview	Accept wallet-to-wallet payments as well as credit and debit cards	Accept credit and debit card payments as well as other online payments such as Apple Pay	Get your invoices paid automatically via direct debit with GoCardless
More information	Find out more about PayPal	Find out more about Stripe	Find out more about GoCardless

	PayPal	Stripe	GoCardless
Invoice 'pay now'	✔	✔	✔
Debit card	✔	✔	
Credit card	✔	✔	
ACH^		✔	
Direct debit			✔
Bank account	✔		✔
Paypal account	✔		
Apple Pay		✔	
Create client surcharge*		✔	
Currency options	✔ All major global currencies**	✔ All major global currencies**	✔ GBP, EUR, AUD, NZD
Create standalone fee account in Xero	✔	✔	✔
Auto match for reconciliation with Xero	✔	✔	✔

* Not available in UK and US / ** Check with provider for full list / ^ ACH only

Money out: bills and expenses

Bills and expenses also require close management, but they can be harder to track. You can use Xero Projects and WorkflowMax with Xero Business Edition to address the common pain points outlined in the table below.

<table>
<tr><th>Pain point</th><th>Recommendation</th></tr>
<tr><td>Referring back to purchase orders that don’t have a clear business owner or reason</td><td>Make sure the client is clear on how to create purchase orders in Xero Business Edition. This is key to ensuring they are clear on what money is going out of the business.</td></tr>
<tr><td>Bills are received, yet often no action is taken to pay the bill, which incurs additional costs</td><td>Ensure that your client is clear on how to keep on track of the next steps for payment.</td></tr>
<tr><td>Bills administration is time consuming, costly, and takes valuable resources away from revenue-generating activities</td><td>If entering, approving or chasing bills is an issue within the business, then bill automation (supported by apps that integrate with Xero) offers numerous opportunities to improve.</td></tr>
<tr><td>Expenses appear without a clear business owner or reason</td><td rowspan="3">If your client isn’t doing it already, using Xero Expenses* with Xero Business Edition is an easy way to improve expense processing. It makes submitting and approving expenses easy, and staff can use it day-to-day with the Xero mobile app.

If your client requires a tool to manage expenses at scale, or they have specific requirements for individual workflows or suppliers, Xero-integrated apps can help improve performance even further.</td></tr>
<tr><td>Expenses are claimed outside the financial period in which they were incurred</td></tr>
<tr><td>Managing expenses is a long process and detracts from revenue-generating activities</td></tr>
</table>

*Xero Expenses is being released to replace expenses in Xero, in mid 2018.

Bill and expense automation

When clients use Xero Business Edition together with Xero Expenses or Xero-integrated apps, many parts of the bill and expenses process can be automated, meaning better efficiency, reduced errors and ultimately better outcomes for the business. See the table below to identify where to focus your efforts.

Business process	Managing bills	Expense submission	Expense approval and reimbursement
Benefits	• Automatically upload bills and receipts into Xero. • Upload invoices and receipts via a mobile application. • Automatically publish invoices from email inbox to Xero. • Remove the need to manually input relevant data with line item extraction. • Apply specialist rules to automate approvals or remove the requirement for approval all together. • Submit files from third party apps such as Dropbox. • Post files straight into the Xero account. • Automatic currency exchange.	• Remove the need for individual submissions, with automatic import for any expense incurred on personal or company cards. • Remove the need to enter expense information, with automatic extraction of line data.	• Approvers: Remove the need to review every transaction by creating an automatic flag for expenses that require approval. • HR and hiring: Reimburse job applicant expenses through a bespoke process with real-time entry of information and expense details. • Travel policies: Automatic integration with leading travel management providers, to ensure compliance where required. • Travel providers: Automatic integration with leading travel service providers to achieve a seamless experience for employees.

Kurt Sawatzki, Devlin & Co | Xero partner

Bill automation: comparison of apps

This matrix will help you compare bill automation apps that integrate with Xero so you can make the right choice.

	Xero	Hubdoc	Dext Prepare	AutoEntry	Datamolino	ApprovalMax
Type and availabilty	Online accounting Available worldwide	Bill automation AU, UK, IRE, US, CA, SA, SGP, HK	Bill & expense automation NZ, AU, UK, IRE, US, CA, SA, SGP, HK	Bill automation NZ, AU, UK, IRE, US, CA, SA, SGP, HK	Bill automation AU, UK, IRE, US, CA, SA, SGP, HK	Approval management AU, NZ, US, CA, UK, IRE, SA, HK, SGP
Onboarding and support	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Phone support ✔ Video tutorials	✔ Online help centre ✔ Email support ✔ Phone support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Phone support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Phone support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Phone support ✔ Video tutorials ✔ Partner training available
Overview	Brings all data together in one place. Includes invoice entry and automated integration with leading automation providers.	Works across cloud storage and mobile devices. Imports scanned documents.	Works across cloud storage, mobile devices and even physical invoices to bring fully automated invoice uploads into Xero, including a live feed to Xero HQ.	Automates invoice extraction to Xero using a mobile phone, email or scanning.	Works across mobile devices. Imports scanned documents.	Advanced spend control and approval workflows.
More information	Find out more about Xero	Find out more about Hubdoc	Find out more about Dext Prepare	Find out more about AutoEntry	Find out more about Datamolino	Find out more about ApprovalMax

		App features					
		Xero	Hubdoc	Dext Prepare	AutoEntry	Datamolino	ApprovalMax
Submit	Send documents to Xero	✔	✔	✔	✔	✔	
	View side by side in Xero	✔	✔	✔	✔	✔	
	Send data directly to Xero	✔	✔	✔	✔	✔	
	Email submission to Xero	✔	✔	✔	✔	✔	
	Automatically submit documents to Xero		✔	✔	✔	✔	
	Source bills directly from common suppliers		✔	✔			
	Source bills directly from bank statements	✔	✔	✔			
	PDF	✔	✔	✔	✔	✔	
	Other files***		✔	✔	✔	✔	
Extract	Line item extraction*		✔	✔	✔	✔	
	Advanced line item extraction**	✔	✔	✔	✔	✔	
	Auto currency exchange	✔		✔	✔	✔	
Practice management	Single approval workflow	✔	✔	✔	✔	✔	✔
	Auto-locate bank statement information		✔	✔			
	Bespoke payment approval process						✔
	Client communication			✔ ^			
	HQ Integration	✔	✔	✔	✔	✔	
	Auto archive		✔	✔	✔	✔	

		App features					
		Xero	Hubdoc	Dext Prepare	AutoEntry	Datamolino	ApprovalMax
Practice management	Auto archive to leading storage providers		✔	✔			
	Archive reporting	✔	✔	✔	✔	✔	✔
	Team efficiency/workload analysis			✔ ^			
Client management	Create and approve purchase orders	✔					✔
	Purchase order sync	✔	✔	✔	✔		✔
	Mobile application	✔	✔	✔	✔	✔	✔
	Submit and upload bills on the move	✔	✔	✔	✔	✔	
	Submit and review purchase orders on the move						✔
	Submission reminders			✔			✔
	Bespoke approval processes (multi-step, multi-approval)						✔
	Exception handling (delegation, forced approval)						✔
	Fraud detection policy management						✔

* Basic line item extraction includes total, date and supplier

** Advanced line item extraction includes additional information.

*** Other files include scanned paper documents, PDFs, and photos sent through email (including HTML receipts), web, or app

^ Available on selected plans only

Expense automation: comparison of apps

This matrix will help you compare expense apps that integrate with Xero so you can make the right choice.

	Xero Expenses	Expensify
Type and availabilty	Expense claims and management within Xero Available worldwide	Expense management NZ, AU, UK, US, CA, SA, SGP, HK
Onboarding and support	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available
Overview	Easily track, claim and manage expenses.	Fully automate expense approvals, including mileage.
More information	Find out more about Xero Expenses	Find out more about Expensify

		App features	
		Xero Expenses	Expensify
Submit	Submit report via a scan (desktop)	✔	✔
	Submit report via a mobile app	✔	✔
	Allocate to billable time within Xero Projects	✔	
	Automatically create an expense via postal mail	✔	✔
	Auto-import from leading business travel service providers (eg, Uber)		✔
	Auto-import from leading business travel management providers		✔
	Automatically import expenses from company or personal cards		✔
	Extraction of vendor, date and currency	✔	✔
	Full line-item extraction*		✔
Manage	Create an expense account code within Xero	✔	✔
	Multi-user permissions	✔	✔
	Multi-currency conversion	✔	✔
	Expense approval directly within Xero	✔	✔
	Expense reporting	✔	✔
	Immediate job applicant reimbursement		✔
	Automatically archive an expense via a third party storage solution		✔
	Create approval rules to remove unnecessary delays and admin		✔
	Integration with Xero HQ		✔

Choice of profiled apps based on Xero App Store data on the volume of connections to Xero, supported by the strength and number of community reviews.

*Available at additional charge

Manage customer relationships

Customer relationship management

Effectively managing customer relationships is key to the sustainability and growth of your client's business.

Customer relationship management (CRM) systems help to manage these important relationships effectively, while giving your clients more time to spend on revenue-generating activities.

Here are the four key stages of customer relationship management:

Attract	Drive and optimise leads coming into the business, and manage prospective customers as a potential source of revenue.
Convert	Ensure the right focus and resources are in place to make sales and secure additional revenue.
Retain and grow	Maintain consistent levels of service to retain your clients and expand the spend of the right clients.
Assess	Use customer data to identify opportunities and focus on the ones that will achieve the business's goals.

Identify your client’s CRM needs

The table below identifies the common client scenarios and provides a list of questions you can ask your client, to help you identify which area to focus on first. Then check out the following comparison matrix to compare various Xero-integrated apps.

Client scenario	Questions to ask your client	Recommendation
Client wants to attract potential customers	Do you have a clear and accurate view of how many potential customers come to your business each month? Do you know how much this equates to in potential revenue? Do you retain contact information for both won and lost business? Do you continue to engage with lost and previous customers? Are your staff responsible for bringing customers into the business? Do you have a marketing department?	A customer relationship management app that integrates with Xero will improve your client’s visibility of prospects and leads.
Client wants to convert potential customers into paying customers	How do you currently track lead conversion? Are you able to monitor what potential business has been followed up (and converted into new business)?	
Client wants to retain and grow existing customers	Do you have a regular communication plan to update your customers on the status of their projects? Do you have a consistent way to keep in touch with customers who have used your services? Do you have a plan to grow revenue from regular customers?	
Client wants to assess existing and potential business opportunities	Do you know which customers bring you the highest revenue? Do you know which type of work or project delivers you the most revenue? Do you retain and review information relating to lost customers? Do you develop an annual revenue and profitability plan based on insights from the previous year?	

Cornerstone HK | Xero partner

CRM: comparison of apps

This matrix will help you compare customer relationship management apps that integrate with Xero so you can make the right choice.

	WorkflowMax	Insightly	Hubspot
Type and availabilty	Project management NZ, AU, UK, IRE, US, CA, SA, SGP, HK, MY	Customer relationship Management or Customer Management NZ, AU, UK, US	Customer relationship management. All regions
Onboarding and support	✔ Free webinar with Q&A ✔ Online courses ✔ Online help center ✔ Email support	✔ Mass contact upload ✔ Webinars and resources ✔ Community forum ✔ Dedicated training programs* ✔ Tailored support packages*	✔ Mass contact upload ✔ Webinars and resources ✔ Community forum ✔ Dedicated training programs* ✔ Tailored support packages*
Overview	Manage leads and clients as well as projects directly from WorkflowMax.	Create an end-to-end view of the customer base and projected sales.	Xero and HubSpot integrate together for end-to-end visibility into your customers journey, from stranger to paid customer invoice, all in one place
More information	Find out more about WorkflowMax	Find out more about Insightly	Find out more about Hubspot

		App features		
		WorkflowMax	Insightly	Hubspot
Attract	Lead capture (including web links)	✔	✔	✔
	Lead routing for specialist business		✔	✔
	Marketing tool integration	✔	✔	✔
Convert	Bid task management	✔	✔	✔
	Workflow automation		Professional/ Enterprise plan	✔
	Automatic bid progress updates		✔	✔
Retain	Email synchronisation		✔	✔
	Automated email templates		✔	✔
Assess	Pipeline reporting	✔	✔	✔
	Revenue contribution reporting	✔	✔	✔
Supporting functions	App integrations	✔	✔	✔
	Mobile app	✔	✔	✔
	Bespoke access permissions	✔	✔	✔

Choice of profiled apps based on Xero App Store data on the volume of connections to Xero, supported by the strength and number of community reviews. *Available at additional charge

Manage people

Human resource management

People are crucial to any business, but for professional services firms they're often the most important asset.

Look at your client's HR and payroll processes so you can identify how they can be improved to retain and nurture staff. Refer to the four key areas of HR management below:

Payroll and leave	Ensure payroll and employee leave management is accurate, compliant and easy for your staff to understand.
Track	Gain a clear understanding of where employee's time is invested.
Connect	Share key information and enhance a collaborative culture with easy staff communication.
Nurture	Achieve a clear view of who the top performers are within the firm, with a clear path for development.

Identify your client’s HR management needs

The table below identifies common client scenarios and provides a list of questions you can ask your client to help you identify which area to focus on first.

Client scenario	Questions to ask your client	Recommendation
Client has difficulty managing payroll and leave, either spending a lot of time on manual processing or incurring a high error rate	Do you have a tool in place to manage payroll and leave accrued by your staff? Do you have an easy way to submit compliance-related information? Do you often come across errors in customers getting paid? Do managers have an easy way to approve leave (without accessing personal information)? Do your employees have a clear place to access their payroll and leave information?	The client can use Xero Business Edition to manage payroll and leave, while creating an easy experience for their staff.
Client does not have a clear view of an employee's contribution or deliverables	Do you have a clear way of tracking the contribution of each of your employees? Do you wish to track what people deliver?	The client would benefit from integrating an HR app with Xero Business Edition.
Client is struggling with internal communications	Do you have an efficient method in place for communicating with your staff? Do you feel that your staff are highly engaged in the the business (as well as in project-specific matters)?	
Client does not have a clear view of training and performance	Do you have a structure or tool in place to conduct and track performance reviews? Do you have a way to plan and allocate training?	

Shaye Thyer, BDO | Xero partner

Human resource management: comparison of apps

This matrix will help you compare payroll and expense apps that integrate with Xero so you can make the right choice.

	Xero Payroll	Deputy
Type and availabilty	Payroll processing NZ, AU, UK, US (35+ states)	HR & scheduling NZ, AU, UK, US, CA, SA, SGP, HK
Onboarding and support	✔ Online help centre ✔ Email support ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Partner training available
Overview	Easy-to-use payroll software and online accounting, you can organise all your business information in one easy place	Workforce management software that allows you to effectively manage your team and schedule
More information	Find out more about Xero Payroll	Find out more about Deputy

		App features	
		Xero Payroll	Deputy
Payroll and leave	Pay employees direct from Xero	✔	
	Customisable pay run	✔	
	Automatic tax and leave calculation	✔	✔**
	Regional legislative compliance, including document upload	✔	
	Multi-employee approval	✔	
	Collaborate with payroll admin/consultant	✔	
	Employee app to view and submit information	✔	
	Auto sync with Xero payroll	N/A	✔**
	Benefits integration (including medical)		
Schedule	Integration with leading POS systems		✔
	Onsite clock-In		✔
	Timesheet management		✔
	Availability dashboard		✔
Connect and educate	Recruitment and onboarding workflow		
	SMS and email communication		✔
	Internal social media platform		✔*
	Single app to use for all HR and communication		✔
	Document management (including e-sign)		
Nurture	Employee performance plans		✔*
	Employee training plans		✔*

Choice of profiled apps based on Xero App Store data on the volume of connections to Xero, supported by the strength and number of community reviews.
*Available at additional charge / **Dependent on region and needs to be checked ahead of integration


Future Kings | Xero customer

www.xero.com