MGI 360 Ratings™

The PSA Top 16 Buyer's Guide

Executive Summary

APRIL 28, 2026

The Professional Services Automation Top 16 Buyer's Guide – Executive Summary

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Executive Summary

In recent weeks, two of the top five professional services firms have demoted partners, one is slashing 10% of its audit partnerships, and another faces a fine in excess of $166 million for a failed audit. Professional services isn't entering a period of change – it's already in crisis.

Multiple firms are over-hauling their businesses, spurred on by the rise of AI and uncertainty of demand globally. Demographics and economics continue to pressure services providers – there simply are not enough graduates going into professional services and the offshore labor arbitrage game is largely played out. New avenues of productivity, efficiencies, and margin enablers need to be found. After a decade of rising valuations and service industry growth nearly double that of overall GDP, services providers need to re-imagine service delivery, operations, and core systems. At the same time, professional services firms globally continue to see above-average GDP growth, consistently delivering better outcomes for their clients, who themselves are faced with competitive pressures, a lack of specialized internal skills and resources, and mounting investor demands. For all the AI hype, professional services firms are the first place companies look for help to deal with complexity and a shortage of talent in critical edge areas of the business. Professional services continue to marshal resources at scale and routinely produce better results, faster than their clients could themselves.

AI is both a tailwind and a headwind for service providers and PSA suppliers alike. In MGI's view, AI will be an enormous growth driver for well-managed professional services firms. There is one school of thought which envisions services organization being dramatically scaled back in size, role and influence due to customer adoption of AI. We believe this viewpoint to be naïve. There is no question mainstream adoption of AI will drive a massive realignment in business priorities. There is, and will continue to be, disruption in well-established assumptions about service delivery models and economics. At the same time, practical, real-world, not-abstracted-from-chats expertise in implementing AI products and strategies is needed by nearly every meaningfully sized organization on the planet. This will mean a step-up in demand for resources from an already structurally constrained talent pool. AI will help alleviate some of the talent shortage by increasing productivity, but likely not enough in either the short- or medium-term. In response, services firms are actively rethinking deployment and staffing, accelerating use of matrixed organizational models where staff are deployed across more projects simultaneously. This shift is not without its own cost. It is pressure-testing service provider pricing and contractual models as well as the entire PSA/SaaB technology stack. Need is already apparent for extended capabilities like highly granular resource planning and tracking as well as sophisticated billing, revenue recognition, quoting and FP&A.

Key Ratings Findings

- All Rated vendors in this report receive a Neutral Analyst Outlook. Due to differing niches and modest overlap, no vendor clearly stands out or leads the overall PSA market
- Top 3 MGI Rated Vendors: Oracle NetSuite, Workday, and SAP
- Top 3 Product Scores: Certinia, Oracle NetSuite, and Workday

Key Market Findings

- PSA is a collection of solutions addressing significant niches
- Integrated suites are more attractive to buyers
- Acquisitions built this market, and that should give buyers pause. Skepticism is prudent
- AI innovation in uneven and mostly incremental in PSA
- AI is both a headwind and a tailwind for the PSA market
- Emerging pricing models are challenging PSA solutions as service providers expand their service and pricing mix

MGI Research's 2026 Professional Services Automation (PSA) Top 16 Buyer's Guide is the definitive resource for navigating this market. Drawing on months of independent research, interviews of hundreds of customers, software vendors, systems integrators, and investors, and based on MGI's quantitative research methodology, the report delivers detailed **MGI 360 Ratings™** for the top 16 PSA vendors and offers multiple **MGI MarketLenses™** mapping vendor capabilities across solution strength, go-to-market strength, agility, ability to handle configuration/pricing/quoting/sourcing/delivery complexity, and quote/system event volume. Meaningful market trends, the impact of AI, critical success factors and early warning signs of project failure, and budgeting and selection strategies are all presented in this report. For buyers, PSA vendors and partners, and institutional investors, this guide contains everything needed to understand the direction, future requirements, vendor differentiation, impact of AI, costs, and fundamentals to build a successful business case for investing in a PSA solution.

PSA Vendors Under Coverage

Analysis of sixteen vendors are contained in this report, including MGI 360 Ratings of 12 suppliers, and coverage of four more vendors receiving Honorable Mention. These are the most significant solutions and suppliers in the market today. The vendors covered in this report serve a variety of use cases, project sizes and customer profiles. This is the toughest rating scale in the PSA market. MGI 360 Ratings™ are calculated via a rigorous quantitative rating (scored 0-100). Ratings include a letter grade based on quartile rating results, as well as a qualitative Analyst Outlook (positive, neutral, or negative). No vendor in this report has received a positive analyst outlook – this should not prevent prospective buyers from evaluating/selecting a solution from this Guide.

The 12 vendors receiving full 360 Ratings™, letter grades, and Analyst Outlooks are: Accelo, BigTime, Certinia, ConnectWise, Deltek, Kantata, Oracle NetSuite, Rev.io, Rocketlane, SAP, Workday, and Wrike**.**

The four vendors receiving Honorable Mentions are: HaloPSA, Kaseya, Planview, and Scoro. MGI Research tracks approximately two dozen more vendors in this space and reserves the right to publish ratings and analyses on select vendors as deemed worthy and appropriate.

Fig. 1 – PSA Vendors Under Coverage

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Introduction

Managing a services firm of any size – and especially midsize to massive global firms – requires balancing demand creation, sales quoting and execution and the delivery of projects/services on time, on budget, and with the profit margins necessary to fund further growth. The delicate interplay of talent sourcing (recruiting and matching to appropriate projects), along with talent management (training, upskilling, career management) has traditionally been more art than science. Service businesses of all types – Professional Services, service operations inside of manufacturing or software companies, et al. – have traditionally been poorly served by the software industry. Services firms have been forced to rely on retrofits of software applications designed for a physical products business, highly customized tools, or proprietary home-grown systems that struggle to keep pace with the business. The ability to manage a modern service business with precision demands a holistic view of the business and a comprehensive set of tools and integrated functionality. The days of relying on retrofits or a patchwork of software applications covering only a portion of the core business processes are over. By 2030, the market leading firms will be able to create differentiation, maintain their competitive edge, and optimize their business for profitable growth by running on a modern PSA platform.

AI may be a key driver of this, as it will bring new pricing models, more precise operational capabilities, and the ability to optimize key capabilities like quoting, resource management, and project delivery. As this report exposes, the pace of innovation from PSA vendors is picking up, but it's uneven between suppliers and across PSA systems. A wave of new agents and Gen AI-based functionality is being released this year, with more on the way. Over time, the most productive, effective agents will gain adoption.

In MGI's view, AI will be an enormous growth driver for well-managed Professional Services firms. Some envision services organization being dramatically scaled back in size, role, and influence due to customer adoption of AI. We believe this viewpoint to be naïve. There is no question widespread adoption of AI will drive a massive realignment in business priorities across all industries. Professional Services business economics and delivery models will undoubtedly be disrupted. However, practical, real-world expertise in implementing AI products and strategies will be needed by nearly every organization in the world.

What constitutes Services and Professional Services?

Services refers to the delivery of services, both standard and custom. Services can be purely digital or hybrid, where physical products and services are involved along with a digital customer experience (e.g., the "X as a Service" business model). Examples of services industries include construction, health care, human resources, education, communication services, and hospitality.

Professional Services are a subset of Services overall. Professional services are typically custom or semi-custom, tailored to a specific client rather than standard. Examples of professional services include legal services, accounting, consulting, agencies, architecture, health care, HR, and IT services.

Key Issues for PSA

- What is the business case for PSA?
- What are the emerging PSA requirements?
- What are the best practices for improving the automation of professional services?
- What is the role of PSA in Agile Monetization?
- What is driving demand for PSA solutions?
- What are the best practices for selecting a PSA tools vendor and achieving implementation success?
- How is the market for PSA evolving?
- How will AI impact PSA solutions?
- Which suppliers will emerge as PSA leaders?

For Professional Services firms, 2026 represents a unique point in time to partner with PSA vendors who are keen to advance their Gen AI solutions and uncover the most impactful areas to increase investment. The successful Professional Services firms of 2030 will have fully shifted towards the fully automated business processes and operations similar to precision manufacturing companies. Semi-manual processes running through a web of disparate on-premise and cloud-based software applications will no longer be viable. While still imperfect, PSA solutions are getting closer to the integrated platforms that will be needed to power the service business of the future.

For PSA vendors, 2026 will begin to separate the next generation of leaders from yesterday's laggards. In Figure 2, this report provides a view into the PSA innovators and those at risk of falling behind. Forthcoming MGI research will highlight the AI-Q scores of the vendors – e.g., an assessment of each PSA vendor's opportunities, threats, and execution to date as they relate to AI. The early AI offerings will likely not perfectly hit the market, and most, if not all, will require substantial refinement and improvements. But the historical record is clear – PSA vendors and buyers alike need to be aggressively experimenting today. Those standing still or "waiting it out" risk commoditization, loss of market share, or worse.

This report provides Professional Services firms (buyers), PSA solution providers (suppliers), and institutional investors focused on this market with: 1) a thorough understanding of what's driving this market today, 2) the analysis and tools needed to support a comprehensive evaluation of PSA solution providers, and 3) a view into how buyers can take implement and leverage the capabilities of PSA software to materially improve the performance of their business. It contains unique analytic tools and data to understand the segmentation of the market and objectively assess the relative strengths and limitations of PSA vendors. Buyers can use this to understand their own needs and match use cases and requirements with appropriate matched solutions. The MGI 360 Ratings are particularly useful as indicators of vendor risk. Underlying this Buyers Guide is hundreds of hours of research, countless structured conversations with actual users, vendor briefings and deep-dive analysis, and a quantitative research methodology aimed at producing objective and independent data on all the key players and trends in this market.

Gen AI and Innovation in PSA

Artificial intelligence is the most discussed topic in every software market today. Within PSA, nearly every vendor has an AI story, but few have delivered meaningful innovation in production with customers, making it more difficult than ever for buyers to discern between marketing claims and tangible benefits.

Key AI Advances Today

- **Resource Management and Staffing Optimization** is the area where AI is making the most notable impact in PSA. Traditional resource allocation was a manual process where managers assign people based on availability and familiarity rather than defined skills, utilization data, or project risk profiles. By contrast, AI-powered resource engines can ingest historical project data, current capacity, skill taxonomies, and demand forecasts to recommend optimal staffing configurations before a project kicks off and flag reallocation needs as projects evolve. The ROI: shorter bench time, higher billable utilization, and reduced reliance on internal knowledge.
- **Forecasting and Financial Intelligence** represents the second major AI application domain. PSA platforms are increasingly embedding AI into margin forecasting, revenue recognition, and budget variance detection – surfacing risks that are often not visible until a quarterly review. AI models trained on historical project performance can flag projects trending toward margin erosion weeks before they breach thresholds, enabling proactive intervention rather than post-mortem analysis.
- **Automated Time Tracking and Billing Accuracy** addresses one of the most persistent operational failures in professional services: inaccurate and incomplete time tracking. AI-enabled PSA platforms are now moving away from the manual timesheet model toward systems that log contributions based on actual work activity, calendar data, and communication patterns. The downstream benefit is not just administrative efficiency. More accurate time capture translates directly into more complete billing, reduced revenue leakage, and better data for future scoping.
- **Agentic Workflow Automation** is the most nascent but highest-potential AI application area in PSA. Rather than surfacing insights for humans to act on, agentic AI systems execute tasks autonomously – handling documentation, data migration, configuration, and governance workflows without requiring human initiation. The early results are promising, but agentic AI in PSA remains largely in early adoption phases, with most enterprise buyers still in pilot or evaluation mode rather than full production deployment.
- **Generative AI for Proposals, SOWs, and Client Communication** is the fifth emerging use case, though one where PSA-specific deployment remains limited. General-purpose generative AI tools have already demonstrated meaningful productivity gains in proposal drafting, statement of work generation, and client status communications.

Several PSA vendors are beginning to embed these capabilities natively – auto-generating project update summaries, drafting change order language, and accelerating new engagement scoping – but this remains an area of active development rather than a mature offering across the market.

Which Vendors are Leaders and Laggards?

Despite the marketing volume around AI, the objective state of AI deployments in the PSA market is more incremental than transformational for most vendors. The majority of AI features in production today – smarter dashboards, utilization alerts, copilot-style assistants – improve existing workflows without fundamentally redesigning them. They make PSA easier to use; they do not yet make PSA categorically more powerful. The result is a meaningful and widening gap between the handful of vendors making credible, production-grade AI investments and the majority who are delivering incremental enhancements packaged in ambitious marketing or falling behind due to a lack of investment in innovation.

MGI Research introduces the Innovation Market Map – a map to help buyers discern who aligns with their degree of innovation (accelerating, maintaining, declining) and fits their target company size (SMB, midmarket, enterprise):

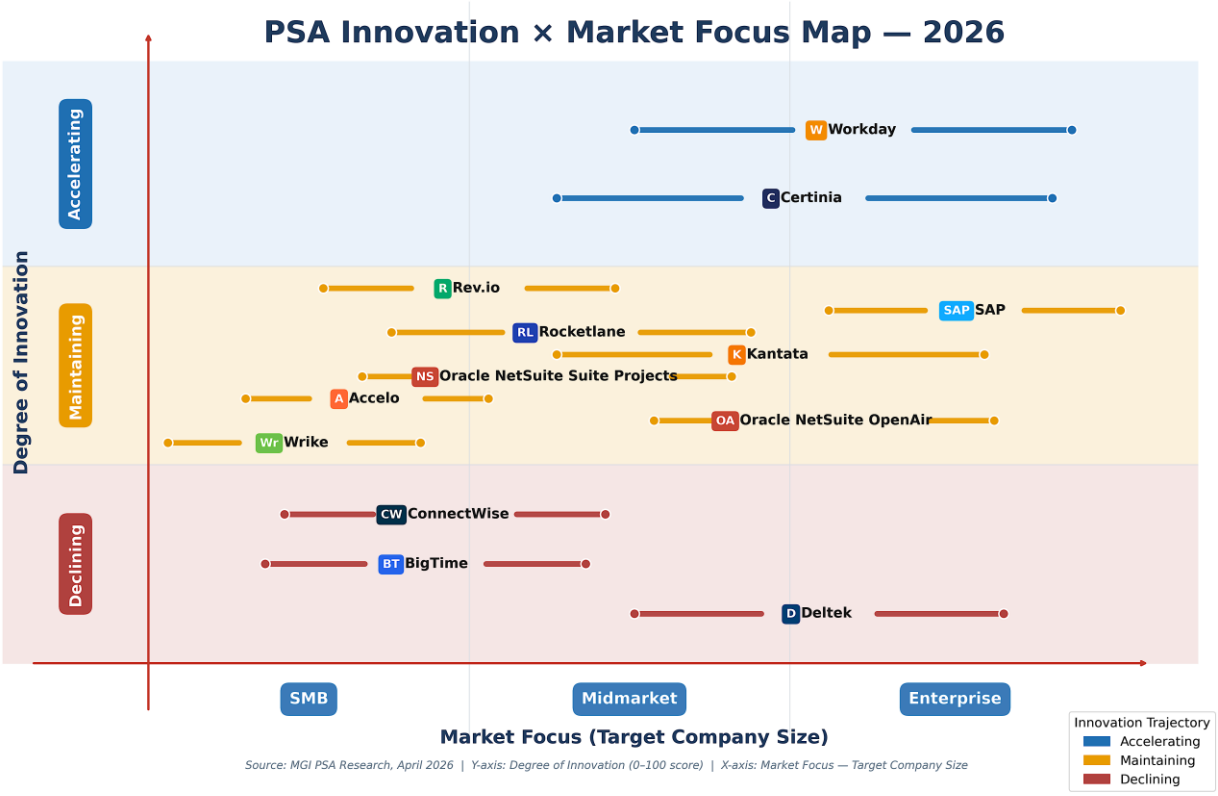

Fig. 2 – PSA Innovation x Market Focus Map 2026

MGI Research sees three key degrees of innovation for PSA vendors:

- **Accelerating: Vendors Investing Ahead of the Market**: This group is characterized by frequent, substantive product releases, AI capabilities in production rather than preview, modern cloud-native architecture enabling AI to operate across a unified data model, and an ability to monetize AI as a premium tier. These are key signals of customer willingness to pay. This category includes Workday and Certinia.

- **Maintaining: Vendors Keeping Pace Without Pulling Away**: These vendors are investing in AI at a rate sufficient to remain competitive in evaluations, but fundamentally not reshaping their product architectures or creating durable differentiation. These vendors are typically releasing AI-adjacent features: enhanced analytics, predictive utilization dashboards, and integration improvements incorporating AI from underlying platform providers (Microsoft, Salesforce, Google) rather than building proprietary AI capabilities.
- **Declining: Vendors at Risk of Falling Below Buyer Expectations:** Vendors at risk of falling behind in the PSA market are those whose product investment signals — release cadence, R&D announcements, customer review trends, and ownership structure — suggest they are managing their platforms for profitability rather than advancement. These are not necessarily bad products today. They are products built for a previous era of buyer requirements and are not keeping pace with the shift toward agentic AI, unified data models, and modern UX.

MGI defines innovation in PSA as the rate at which vendors deliver new product and support capabilities to fit the needs of their ideal customer profile. Company performance in innovation should not be directly related to other MGI metrics such as Agility, Complexity, and Volume.

Where the Real AI Opportunity Lies

- **Predictive Scoping and Bid Accuracy** remain largely unaddressed. Professional Services firms lose margin at the scoping stage more often than the delivery stage. In the heat of the competitive sales process, projects are underscoped, risks are underestimated, and rate assumptions are optimistic. AI trained on historical project data (actual versus estimated hours by project type, client complexity, team composition, and industry vertical) offers the potential to dramatically improve bid accuracy and protect gross margin before a project begins. No PSA vendor to date has built such capability in a way that is sufficiently mature or produced a market-wide standard.
- **Cross-Client Portfolio Intelligence** is the second major opportunity. PSA platforms sit on extraordinarily rich datasets with project outcomes, resource performance, client behavior, and margin patterns across hundreds or thousands of engagements. PSA vendors use this data narrowly to improve individual firm operations. The vendors developing the ability to generate anonymized, aggregated benchmarks from their customer base will create a data network effect that competitors struggle to replicate. Tomorrow's PSA leaders will use their own performance data as a competitive weapon.
- **AI-Native Outcome Billing** is the third frontier. As Professional Services firms shift toward outcome-based and value-based pricing models, the PSA systems that track, measure, and govern those contracts need to evolve with them. PSA vendors building AI natively into outcome measurement (e.g., tracking milestone achievement, modeling value delivered against fees charged, and flagging misalignment in real time) will be well positioned for competitive success.

Key Market Trends

PSA is a Collection of Solutions Addressing Significant Niches

While core functionality is consistent across Professional Services firms, the prominent PSA solutions each aim at sizeable market niche opportunities. For example, IT/MSP marketplace is served by a group of specialized PSA vendors (e.g., ConnectWise and Rev.io). An entirely different group of vendors serve the upper-midmarket and large enterprise consulting/Professional Services firms (e.g., Workday, SAP, Certinia). Yet another cohort of PSA solutions serve the needs of small-to-midsize consulting and digital agencies graduating from entry-level tools and spreadsheets (e.g., Accelo, Rocketlane, BigTime Software, Inc.). This segmentation of focus speaks to the absolute size of opportunities and underscores just how underserved services companies have been to date.

Integrated Suites are More Attractive

Pricing competition, client scrutiny of spend, and AI-driven efficiency expectations are all compressing margins for Professional Service and IT services firms. The suite is becoming attractive not simply because it is cheaper on a per-product basis, but because maintaining multiple point solutions is expensive. Suites reduce data integration overhead, provide a single interface/UX, and lower administrative burden. At both the high and low end of the market, buyers want a fully integrated suite. The days of the specialized point solution are numbered.

Acquisitions Built This Market – and That Should Give Buyers Pause

The narrative of PSA as a category of integrated, purpose-built platforms obscures a more complicated truth: many of the most recognized names in the market became suites through acquisition, not organic design. Deltek, Kantata, ConnectWise, Certinia, Wrike, Accelo, Workday, and Rev.io have all materially shaped their current product footprints through M&A. The implications for buyers are underappreciated. Inorganic growth rarely produces the seamless, unified platform vendors promise and buyers expect. Data models built independently tend to resist clean integration. Buyers evaluating PSA vendors should ask pointed questions about the product roadmap and investment priorities, especially when precious R&D dollars are spread across multiple products. Further, PSA vendors are increasingly PE-owned; as a result, buyers need to investigate whether their vendor is truly innovating or just squeezing the last dollar out of each license.

AI Innovation is Uneven and Mostly Incremental in PSA

Not all PSA vendors are investing equally, and the divergence is now measurable. A meaningful gap has opened between vendors actively innovating across product architecture, AI, and user experience, and those managing their platforms for margin rather than advancement. A small number of vendors have made meaningful progress toward agentic capabilities that autonomously handle resourcing decisions, flag margin risk, surface errors, and automate governance workflows without human prompting. However, the majority of the market is delivering basic AI features: smarter dashboards, copilot-style assistants, and predictive utilization nudges that are useful but not yet transformative. Without meaningful ROI, these features simply keep pace with broader market innovation and buyers don't expect to pay more. Customers expect incumbent suppliers to deliver Gen AI and agentic AI capabilities. PSA suppliers not keeping pace with innovations and agents being delivered this year will struggle to win net new deals and face the risk of customer churn.

AI is Both a Headwind and a Tailwind for the PSA Market

For the handful of PSA vendors meaningfully investing in AI, it is a tailwind today. These vendors are monetizing AI as a premium capability, increasing average contract values, and building a durable competitive edge against vendors who are not keeping pace. AI is helping these platforms win new business and justify price increases in a market that has historically been resistant to them. However, the same force creating opportunity for vendors is creating structural risk for the market as a whole. Services companies are expected to see a dramatic reduction in headcount as a result of AI. As AI agents take on tasks that previously required billable headcount (documentation, configuration, testing, data migration), the number of PSA seats those firms need to license shrinks with it. As PSA software is primarily sold on a per-seat basis, fewer consultants, project managers, and billable staff means fewer licenses. Many PSA vendors may begin re-positioning their pricing models from seat-based toward outcome-based, but this also requires a clear ROI to justify cost.

Emerging Pricing Models are Challenging PSA Solutions

New pricing models are highlighting weaknesses in PSA offerings. Billing and revenue recognition are two areas that previously were given little attention by PSA solutions. They are now coming to the fore as more services providers are selling a broader range of services with a wider mix of pricing models. The ability to quote and bill for a bundle of different pricing modalities – e.g., a one-time price, a milestone project, a subscription, and even a usage component – means PSA vendors overall need to uplevel billing and revenue recognition functionality to keep pace with today's market requirements.

SaaB – Services as a Business

SaaB is a reference model that brings together key capabilities for running any services business efficiently and effectively (see Fig. 3 below). It encompasses the business management needs of services organizations, including Professional Services as well as services teams within product companies. Crucially, it connects services delivery management with the financial and business discipline needed to ensure success. See MGI Research Note **"Introduction to Service as a Business", December 8, 2022**.

SaaB organizes the key elements needed to manage a services business in a peer-to-peer architecture tied together via an API bus. Any module can communicate with any other module at any level of granularity. The service bus carries data and control signals and events. A SaaB solution can be comprised of two or more components and built up over time in a modular fashion.

MGI Research views PSA as a subset of SaaB components. MGI defines the software categories within PSA as Automated Revenue Management (ARM), Billing, CPQ, Expense Management, Project Management, Resource Management, Skill Management, and Time Management.

Successful SaaB implementations will be characterized by systems behavior that reflects an open, service bus-like communications architecture, where key capabilities are organized into a lifelike ecosystem where any element fulfills its duties in a self-sufficient and predictable fashion while remaining connected to all other components and capable of communicating and sharing information with the entire ecosystem. In practical terms, SaaB frameworks bring together both the operational components such as, for example, project management and skills management on one end with financial disciplines such as billing, general ledger, revenue recognition, and FP&A on the other end.

MGI maintains market size forecasts and spending estimates for PSA, SaaB, and at the individual component level. Contact MGI for pricing and access details.

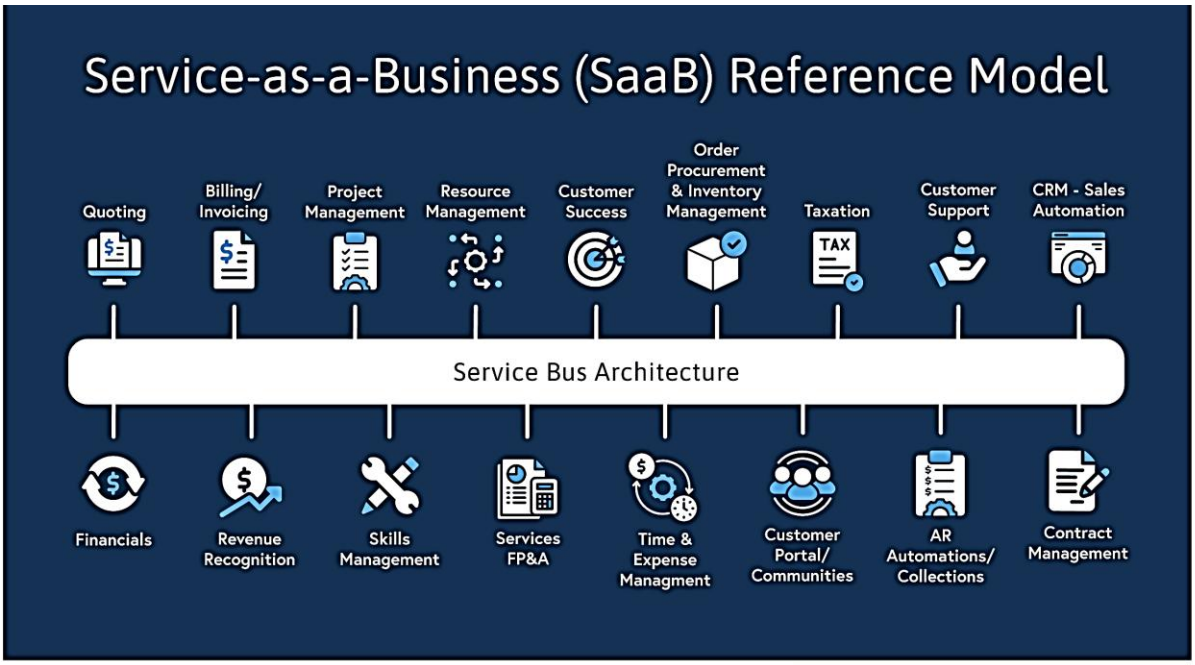

Figure 3: Service as a Business (SaaB) Reference Model

Finding the Right Vendor for Your Use Case

Where most industry reports stop at one static visualization, MGI goes further. Our research integrates both quantitative scoring and independent, contextual analysis to show the leaders, the laggards, and what each vendor's ideal customer profile is. The **MGI MarketLenses™** help buyers identify vendors whose strengths align with specific business requirements and revenue scenarios, ensuring that "top-rated" doesn't automatically mean "best fit." This clarity is particularly important in PSA, a market where vendor specialization varies considerably and use cases are becoming more nuanced and complex.

MGI MarketLenses™ include several distinct perspectives:

MGI MarketLens - Overall MGI 360 Ratings Focused

Go-to-Market Strength vs. Solution Strength: How does a supplier's functional breadth and depth compare to its ability to bring the product to market, scale up its adoption, and successfully grow its customer base?

MGI MarketLens - Product Focused

Agility vs. Complexity: How does a product's agility compare to its ability to handle complex project, pricing, and/or service scenarios?
Volume vs. Agility: How does a product's ability to handle large volumes of projects or tickets compare to its agility?
Complexity vs. Volume: How does a product's ability to handle complex project, pricing, and/or service scenarios compare to its ability to handle large volumes of projects or tickets?

Fig. 4 – MarketLens™ Perspectives in PSA

Organizations looking for additional support in conducting a shorter, higher-resolution and lower-risk evaluation strategy from an independent assessment of suppliers should contact insights@mgiresearch.com.

PSA Solution Selection Strategies & Best Practices

The market for PSA solutions covers a wide range of user requirements and use cases – from basic project management, cost tracking, and resource management for small teams and emerging growth companies, to very sophisticated solutions serving the needs of services shops with thousands or tens of thousands (+) consultants working around the world. One of the most common mistakes is failing to align requirements with appropriate solutions. Buyers either under-invest and end up with a solution that very quickly is incapable of handling the complex revenue recognition or multi-entity billing needs of the business, for example. In this scenario, the buyer fails to match current and three-year future state requirements with appropriate solutions and often ends up suffering through a costly and time-consuming re-implementation effort. Or, conversely, buyers over-invest and buy a heavyweight – and costly – solution that struggles to gain user adoption and locks the business into a rigid system unable to cost-effectively support the agility of the business. The biggest selection mistake, by far, is to go down the DIY path. All too often, a services firm elects to build their own system, confident in their software development and maintenance skills and blind to the reality of the market today. Without a doubt, the services market was poorly served by ill-fitting solutions twenty years ago. And services firms could justify building their solution based on the uniqueness of their business. This is no longer the case. PSA vendors see far more use cases and are able to bring best practices into their solutions much, much faster than a services firm acting as its own software vendor with a single customer. For the vast majority of cases, a build-it-yourself approach ends up punishing the business. Not uniquely because costs end up exceeding expectations by a wide margin, but due to the organization's inability to continually innovate on the homegrown system and serve the evolving needs of the business.

Start with Use Cases:

A successful PSA solutions evaluation and selection process begins with gathering requirements and documenting primary use cases. This exercise demands focus on both current and future use cases and requirements. There is a temptation to place too much emphasis on current needs and avoid the painful but critical step of envisioning where the business will be in three to five years. In the absence of clear leadership or vision, the need for agility is a decent substitute. Well documented use cases are the foundation of a good eval process. These artifacts serve multiple purposes. First, they begin to galvanize support around a future state, engage users, and can ignite organizational momentum behind new processes and tooling. Second, they force users and management to focus on what really differentiates the business and open new ways to think about re-engineering or automating away friction-laden current processes. Third, a strong grasp of requirements and crisply documented use cases communicate to potential suppliers the seriousness of intent. This, in turn, helps ensure a prospective buyer receives serious attention from suppliers.

Be prepared for trade-offs:

Every PSA solution has inherent strengths and weaknesses. Certain areas of the business may end up relatively more or less satisfied with a given choice. Making the trade-offs explicit early in the evaluation process mitigates business disappointment and low system adoption later in implementation/go-live phases.

Understand technical, architectural, and functional choices and limitations:

For example, performance at scale can degrade. Run stress tests with realistic data volumes (e.g., where volumes are expected to be in 2-4 years, not just today's volume). There is a wide gap in resource management when requirements and volumes shift from dozens of projects to hundreds or thousands of complex, multi-service line, multi-year projects.

Data model flexibility matters:

Tightly coupled applications with rigid entity structures (projects, resources, time-sheets, billing, etc.) make it hard to adapt or change specific workflows, especially once they are underway. Leading service organizations tend to put a higher weighting on data model flexibility and solution agility over absolute functionality. Deep functionality encoded in an inflexible data architecture can shackle the growth and competitiveness of a business.

Innovation has outsized importance today:

The software industry is constantly under pressure to innovate. This is especially true today. We are entering an intense period of technological innovation. The era of AI is here. Like past tech transitions, new leaders will emerge and clear losers will be determined. PSA vendors will have to innovate in their offerings while simultaneously re-building their monetization engine and more broadly bringing AI into the core of their business. Not all suppliers will have the resources, leadership, and vision to manage this transition and be relevant in three years.

Size matters:

Finding the right cultural fit for the buyer can be as important as assessing functionality. Smaller vendors are often more accommodating and may be capable of delivering results faster. Conversely, larger suppliers with established systems integration relationships and a broader relationship with the buyer can be a better fit for organizations needing external resources, support building and maintaining project momentum, and keeping implementation effort on track.

PSA Success vs. Failure

PSA is not a difficult category to fail in. The combination of broad functional scope, deep integration requirements, and the need for firm-wide behavioral change makes PSA one of the more demanding enterprise software implementations a Professional Services organization will undertake. The firms getting the most value from PSA do so not uniquely because they selected a better product, but because they were more deliberate at each stage. What follows is a practical framework for navigating that process.

How to Manage for PSA Success

Define Your Use Cases Before Vendor Evaluations: The single most common cause of PSA failure is beginning the vendor evaluation with requirements that are too broad. "We need better resource visibility" and "we need to automate billing" are objectives, not use cases. Before engaging any vendor, organizations should be able to answer the following with specificity: What are your primary service delivery models (time and materials, fixed fee, retainer, milestone, usage-based, outcome-based) and how are they likely to evolve over the next 18-24 months? What does your current project lifecycle look like, and where are the specific failure points? What is your ERP and CRM stack, and how tightly does the PSA system need to integrate with each? What does your billing complexity look like — single currency, single entity, or multi-entity, multi-currency? Contact MGI Research analysts for assistance with defining use cases and reviewing detailed requirements.

Build your Use Case Scenarios: MGI recommends against developing long-form RFPs as these tend to be fed by vendors into LLMs and the answers are mostly generated by LLMs. There is potential loss of confidential data, and the responses may not be meaningful or differentiated. Instead, ask prospective suppliers to demonstrate how they handle specific use case scenarios and multi-step changes to process flows.

Match Vendors to Vertical and ICP Fit, Not Just Feature Lists: Investing time and resources in a detailed vendor evaluation process can save millions, literally. PSA is a market where vertical fit matters significantly. A platform purpose-built for government contracting (Deltek) will handle compliance, cost accounting, and DCAA requirements in ways that a platform designed for CSPs and MSPs (Rev.io, Connectwise) will not – and vice versa. Select your prospective suppliers based on how well they match to your use case and how well they can demonstrate support for your use case scenarios. Some vendors will do this for free, and some will ask for modest amounts of money. If a product is the wrong fit, ultimate costs can be in millions. Talk to reference accounts in depth and ask industry analysts for input.

Use AI and Vendor Review Sites Judiciously and Cautiously: An estimated 70–80% of software buyers now use AI tools as part of their vendor research. The pros of AI are its ability to quickly synthesizes a broad vendor landscape, provide comparative feature analysis, and help buyers develop a shortlist of suppliers with no manual labor. Used at this early stage, AI is a legitimate and efficient starting point. However, buyers must be wary that AI-generated vendor analysis pulls from a wide range of internet sources that vary significantly in accuracy, recency, and intent. As a result, AI outputs can reflect a vendor's marketing narrative more than its operational reality. Review sites (G2, Gartner Peer Insights, Capterra) carry many of the same limitations. They are useful for surfacing sentiment patterns around implementation complexity, support quality, and UI intuitiveness, but the reviews almost always lack the context that makes them actionable. A five-star review from a 50-person digital agency carries minimal value for a 100,000 Professional Services firm evaluating the same platform. As a result, AI and review sites can be used to inform the first cut, but customers (especially those with complex use cases) should plan to do their own homework – researching the website, scheduling demos, and speaking to references.

Match Systems Integrator to Use Case and to Software Vendor: Organizations routinely spend months selecting a PSA vendor, then two days selecting a systems integrator. This is a costly mistake. For any midmarket or enterprise PSA implementation, he cost of the SI can be two to three times more than the first-year software license fees. Selecting the wrong SI – one without PSA expertise in your industry, lacking domain expertise or the ability to help improve/optimize processes, or without sufficient experience with a selected PSA software supplier – leads to dramatically negative outcomes. Ask

prospective SIs for demonstrated capability in PSA in your industry and stage of development, interview key technical and project management people, and most importantly, ask for references.

Define Clear Metrics and Monitoring Indicators: This is an important element in overall success of a PSA solution implementation and operation. *Table 1* below outlines examples of Key Success Benchmarks and Warning Signs of Failure.

Success Benchmarks	Failure Warning Signs
• On-time project delivery rate increases • Improved resource/staff management • Reduction in timesheet errors • Improved alignment of staff skills to project needs • Ability to forecast revenue and margins on projects and services • Improved customer experience • Gain in referenceable customers • Faster invoice cycle times • Higher invoice accuracy • Decreased revenue leakage • Greater business visibility • Improvement in gross margin • Improvement in operating margin • Improved staff utilization • Increase in repeat business • Growth in average engagement value • Increasing ability to monetize change management	• Spreadsheets still used in parallel with PSA systems • PSA tool is siloed from CRM and ERP (manual entries required) • No governance or defined owner of PSA • No improvement in resource allocation and visibility • Low adoption • No reduction in invoice cycle time • No improvement on time tracking/billables • Manual invoice reconciliation by finance • Downstream breakage (invoices rejected by ERP/billing) • No reduction in revenue leakage • No improvement on margin visibility • Low standardization of practices • Inability to report on basic metrics

Table 1 – PSA Success Benchmarks vs. Failure Warning Signs

Areas of Opportunity & Unmet Needs

End-to-end Service as a Business (SaaB) platform functionality:
Buyers consistently report PSA platform fragmentation across the broader services lifecycle, particularly in project quoting, customer success, and renewals. This results in disconnected workflows between sales, delivery, and post-delivery teams, leading to revenue leakage, poor forecasting accuracy, and inconsistent customer experiences. Further, organizations increasingly seek to consolidate systems and want a platform unifying project and resource management with billing, CPQ, automated revenue management, financials, and FP&A. There is a clear opportunity for vendors to deliver a unified operating model providing a single source of truth. Certinia, Oracle NetSuite, and Workday, among others, have made progress in this area, and we expect continued momentum for platform offerings.

Advanced resource intelligence and capacity optimization:
Resource management remains one of the most critical yet underdeveloped areas of PSA. Customers frequently cite challenges with accurately forecasting demand, aligning skills to project needs, and optimizing utilization across distributed teams. While most platforms provide basic scheduling and utilization reporting, few deliver true predictive or prescriptive capabilities. There is significant opportunity for vendors to innovate in areas such as skills-based staffing, forward-looking capacity planning, scenario modeling, and dynamic resource optimization that can materially improve margins and delivery outcomes. Kantata has historically stood out in the market for its resource management capabilities, though no vendor, including Kantata, has leaned in meaningfully on innovation in this area.

Flexible financial modeling for modern services businesses:
As services organizations adopt more complex business models (hybrid project and recurring revenue, outcome-based pricing, and bundled services), PSA systems are struggling to keep pace. Buyers report limitations in handling flexible billing structures, revenue recognition, and contract changes without significant customization. Vendors that can natively

support modern pricing models, co-terming, multi-entity billing, and real-time margin visibility will be better positioned to address evolving financial requirements and reduce reliance on external systems or manual workarounds.

Actionable, embedded AI within core delivery workflows:
While AI is increasingly present across PSA vendor roadmaps, buyers report that many implementations remain superficial or disconnected from day-to-day operations. There is a clear opportunity for vendors to move beyond dashboards and copilots toward embedded, workflow-native AI that can actively assist with staffing decisions, risk identification, project planning, and operational optimization. However, similar to other enterprise systems, customers emphasize the need for transparency, control, and auditability. High-value use cases will be those that augment human decision-making with explainable recommendations rather than fully autonomous execution.

Building a Business Case for PSA

Within most services businesses, the idea of investing into a PSA solution is often met with skepticism, being perceived as expensive, complex to implement, and low priority. Many organizations feel that a stepwise strategy where specific PSA functions are automated (e.g. project management only) is the least risky approach. However, this mindset ignores critical issues of change management, compounding complexity, and exponentially growing automation costs. While software costs for a $1 Billion and $10 Billion services organization are relatively close, the implementation time and cost can be 10X apart. Larger services businesses have more complexity and more legacy processes and data; as a result, re-engineering of these issues takes more time and capital, carrying far greater risk. Thus, the strategy of waiting for Godot is not a strategy at all. Services businesses do not grow out of complexity – it compounds exponentially with every year of growth.

Professional services businesses operate at the intersection of variable demand, finite talent supply, and unforgiving margin economics. Without unified tooling, the consequences are predictable: chaotic project staffing, reactive bench management, eroding margins on fixed-price engagements, and a structural inability to scale profitably. This is not uniquely a people or resource management problem. It is a data and process problem. The absence of clear pipeline visibility, standardized cost controls, and real-time delivery oversight forces organizations into a perpetual struggle: over-staffed in slow periods, scrambling for capacity during peaks, and losing margin to scope creep throughout delivery.

A rational business case for PSA needs to address the elimination of costs across both efficiency and opportunity spectrums. It should be conservative to the core and reflect both opportunities and costs over a five-year period. Lastly, the IRR of savings must be compared to any other potential investment for final decision-making. The core elements supporting a business case for investment in PSA software:

Top-Line Growth: Faster, more accurate proposals convert at higher rates. Integrated pipeline visibility gives delivery leaders early sight of upcoming demand, enabling proactive skills planning that directly supports revenue capture.

Gross Margin Improvement: Standardized quoting, real-time cost tracking, and delivery controls close the margin leakage that accumulates in ad hoc project management. As a result, organizations gain clear upfront visibility into margin.

Business Balance & Resilience: Matching talent supply to demand in near-real-time reduces structural bench costs and enables proactive reskilling. The result is an organization that absorbs demand variation without the financial whipsaw that often defines poorly managed services businesses.

Workforce Quality & Retention: Professionals leave organizations where utilization is opaque, and project assignments feel arbitrary. PSA platforms that surface skills data, optimize deployment, and create clear development pathways reduce attrition and strengthen the organization's recruitment proposition.

Utilization & Bench Optimization: Accurate, data-backed quoting aligns staffing to realistic project scopes. Reduced bench time and tighter resource scheduling directly translate to higher billable utilization, which is the single most elastic margin lever in a services P&L.

Competitive Differentiation: Speed and accuracy of proposal creation are measurable purchasing criteria for enterprise buyers. Delivery analytics like on-time, on-budget, within-scope outcomes support premium pricing and higher win rates.

Project Control & Customer Satisfaction: Real-time delivery dashboards and change-order controls shift project management from reactive crisis management to disciplined execution, producing higher satisfaction and lower cost-to-serve.

Recruitment & Staff Retention: Clear skills mapping, optimized deployment, and visible development pathways reduce attrition, creating a compounding workforce quality advantage over time.

Budget & Resources

Given the wide range of solutions, price points, and total cost of ownership, a convenient way to think about budgeting and planning for PSA evaluation, implementation, and on-going operations is by creating three tiers of typical projects/implementations. Each tier has fundamentally different cost and complexity profiles and arguably can be further sub-divided into more granular use cases/project needs.

SMB: The first tier is an SMB/work group with 5-100 licensed users, a SaaS delivery/consumption model, and integrations are predominately pre-built connectors and low code/no code add-ons. The typical license costs range from $250-$500/user/year. Total costs (including internal staff costs, license costs, and implementation consulting) for year one range from $30K-$150K and time to go live is 5-12 weeks.

Midmarket: Tier Two is a midmarket project/company with 25-500 licensed users, has moderate customization/integration work with some unique workflows, custom fields, more sophisticated APIs and middleware involved (e.g., Zapier, Boomi, MuleSoft, agentic integrations), and the typical license costs range from $500/user/year to $2000/user/year. Total costs in year one are $150K-$600K and time to go-live is 3-9 months. At the upper end, Tier Two can stretch to 1,000+ licensed users, require an additional core platform (e.g., Salesforce or NetSuite), have higher integration needs/associated costs. The total year one costs range from $500K-$1.5 million and time to go live is 6-12 months.

Enterprise: Tier Three projects serve organizations with at least 1,000+ employees and typically have hundreds to thousands (even 10K+) licensed user counts. These projects involve large regional (e.g., European, North American, Asian) and global services organizations with high complexity requiring significant amounts of customization and integrations. The typical license cost is $2K-$4.5K/user/year, and the total first year cost starts around $1.5 million (going up to $3 million - $6 million+). Implementation times are measured in years.

It is important to note the cost cliff between tiers can be steep. Moving from Tier One product/project scope to Tier Two can be a 4-8x jump in costs, primarily due to increased functionality, more workflows being impacted/upgraded, and more intensity of external SI resources and internal staff time necessary for organizational adoption and use. Moving from Tier Two to Tier Three can be another 5-10x step change in costs. The most underestimated costs are a) internal staff costs and b) customizations and integrations.

The need for end user and overall organizational buy-in cannot be underestimated. In the early days of end-user adoption, there is a strong tendency to resort to spreadsheets and homegrown systems – even while they are leaking revenue and holding back the business. A strong organizational commitment backed up by C-level executive sponsorship are necessary ingredients for implementation and on-going success.

Some of the most common areas of under-budgeting and causes for PSA project cost increases are the following: 1) data cleanliness and migration, 2) integration scope creep, 3) under-investment in change management, and 4) post-go-live stabilization (this includes the cost of running parallel systems for too long).

Associated platform costs (e.g. NetSuite, Certinia, SAP, and Workday) can be subjected to cost creep due to unexpected costs tied to the core enterprise application platform (e.g., Salesforce Force.com, Oracle-NetSuite Suite platform). While these platforms bring certain benefits, they can also be the source of unexpected price increases.

TAM Forecast (2022-2026) for Professional Services Automation

The PSA software market is growing rapidly. In 2026, the estimated global market for cloud-based PSA software within publicly traded companies is expected to grow to approximately **$31.72 billion** in 2026 from a five-year CAGR of **21.7%**. For deeper information, contact MGI Research at insights@mgiresearch.com. For more on this forecast, see MGI Forecasts: Professional Services Automation TAM 2022-2026. Updated forecasts are forthcoming and subject to change.

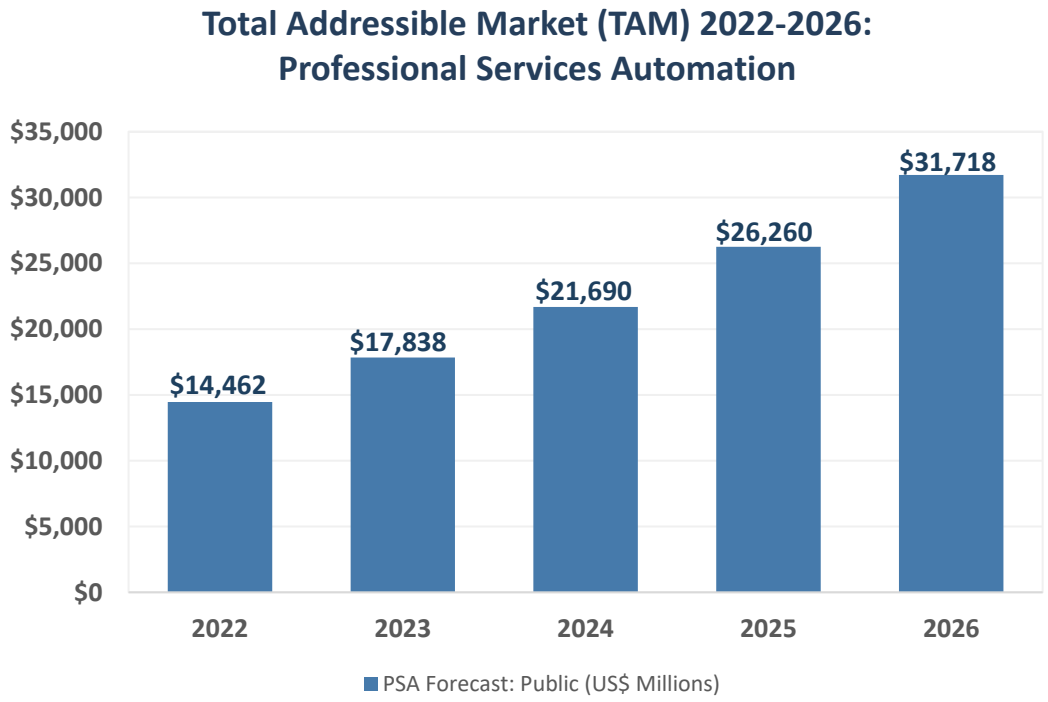

Fig. 5 – PSA Total Addressable Market for Public Companies 2022-2026

MGI MarketLens™ Charts and Definitions

PSA solutions may look similarly capable on the surface, however they often address completely different use cases. MGI MarketLens™ charts shed light on the variations among solutions in each market by plotting and comparing a group of suppliers using a pair of key coordinates. This helps prospective buyers, investors, and partners see where products align relative to core requirements. MGI Research defines agility, complexity, and volume in PSA as follows:

Agility

PSA Agility describes the flexibility to quickly configure projects, price books, resources, and quote/invoice elements as new business needs arise. The ability to adjust resource allocation rules, pricing models (overall or customer-specific), or quote parameters and formats must be handled with agility to enable success. PSA tools must ensure the complexity of setup, maintenance, and change management do not overwhelm teams and negate the goal of efficiency, accuracy, and efficacy gains. PSA Agility is measured by analyzing the answers to questions such as:

- **Business Agility:** How fast are changes in business practices reflected within the PSA system?
- **Pricing Agility:** Is the PSA system capable of incorporating handling of new types of business and pricing models without reliance on IT resources?
- **Adaptation Agility:** How does the PSA system handle change?
- **Implementation Cycle Agility:** Is the implementation cycle measured in hours, days, weeks, or months?
- **Integration Agility:** How easily does the PSA system integrate with other core enterprise systems (e.g., CRM, core financials, HCM, order mgmt., and inventory mgmt.) or does it necessitate manual loading and processing of batch data?
- **Project Agility:** Can the PSA system import project data to quickly identify and provision necessary physical or human capital? Is the process automated, or manually driven?

Complexity

PSA Complexity refers to the range of needs that a business faces when planning, invoicing, executing, or adjusting to projects with varying requirements (both resource and scope) across time. While this range differs across industries and use cases, relative scores are calculated based on numerous factors including, but not limited to, the following requirements:

- **Service and Delivery Complexity:** How complex are typical services provided? This includes multi-service line, physical vs. digital product mix, standard vs. custom product mixes, and whether Inventory Management Interfaces needed for most invoices. Are projects multi-year? Are there multiple incompatible systems for sales management, CPQ, contract management, order management, billing, revenue recognition, and general ledger? Are workflow and complex API-driven processing required?
- **Quote-to-Cash Complexity:** How complex are the pricing models, quoting needs, and invoice processes – e.g., how many variables, data sources, and prerequisite, corequisite, and anti-requisite conditions? Will there be downstream issues as invoices grow in complexity? Are invoiced line items amendable over the duration of the project?
- **Resource Management Complexity:** Do offered services require specialized resource/staff allocation? Are physical capital and human capital scarce? Can the business quickly onboard or upskill existing assets to meet demand? Will new staff need to be hired?
- **Time and Expense Complexity:** How much granularity is required for T&E? Are resources dedicated to one project at a time? Across how many channels is T&E expected to be tracked?
- **Customer Complexity:** Are most customers large enterprises with complex organizational hierarchy? How complex are their needs (MSP and IT service vs. management consulting)?
- **Talent Complexity:** How well does the system handle finding, growing, retraining, and retaining talent?
- **Business Rate of Change (BRC) Complexity:** How much systemic change is present in the business – how often do service lines, packaging, and pricing models get modified, extensions added, etc.?
- **Data Complexity:** Is some of the data (e.g., pricing) subject to change in real time or near real time?
- **Geographic Complexity:** Is multi-currency handling a requirement for invoicing? Support for local languages in projects?

Volume

PSA Volume is measured in terms of typical number of users/projects/revenue volume/quote volume/invoice volume/system events handled per month. The vast majority of PSA implementations today still have a relatively modest set of volume requirements (e.g., less than a few thousand active users per month and hundreds to low-thousands of active projects). Volumes vary by industry. MGI classifies PSA Volume in three major categories:

- **Enterprise:** >5K billable staff and/or >50K system events per month
- **MidMarket:** 500-5K billable staff and/or 5K-50K system events per month
- **SmallBiz:** <500 billable staff and/or <5K system events per month

While many PSA suppliers can provide examples of Enterprise customer references, evaluators should look at the project scope, typical services, and resource requirements/pricing model of the companies that make up the bulk of the customer base. Overall, determining volume and agility requirements can be relatively straightforward. Complexity may require more thought, as most organizations have a range of complexity requirements from very simple to very complex.

Fig. 6 – Agility, Complexity, Volume Definitions in PSA

MGI MarketLens™: Go-to-Market Strength vs. Solution Strength

This MarketLens™ measures **go-to-market strength** (a composite of the management, channel, strategy, and finance scores) against **solution strength** (product score). Please see the individual pillar scores on pgs. 24-28 of the full report.

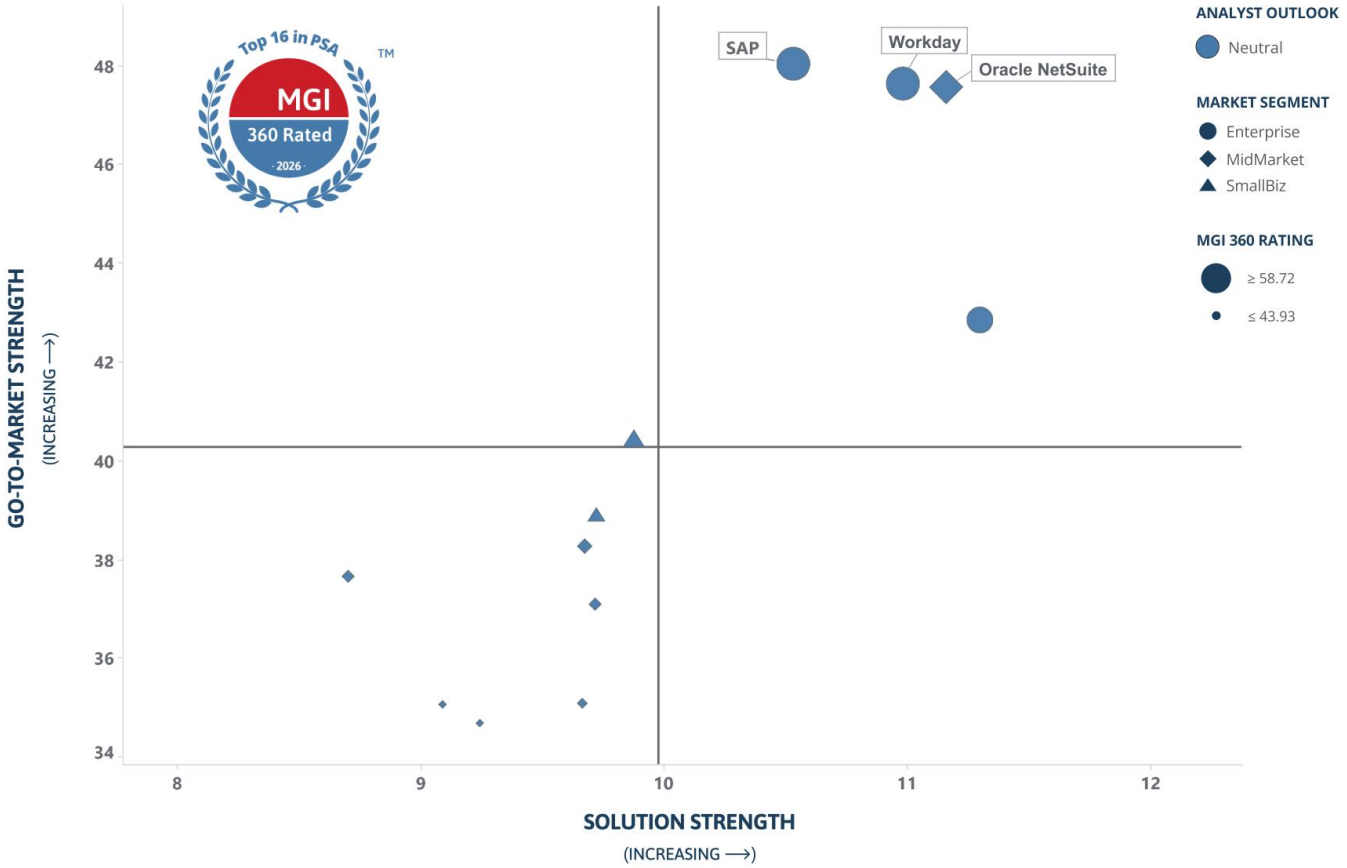

Fig. 7 – PSA Go-to-Market Strength vs. Solution Strength

KEY TAKEAWAYS

- **Certinia, Oracle NetSuite,** and **Workday** earn the Top 3 Solution Strength scores
- **SAP, Workday,** and **Oracle NetSuite** earn the Top 3 Go-to-Market Strength scores

Overall MGI 360 Ratings for PSA

The 12 MGI 360 Rated™ PSA suppliers are listed below from highest to lowest **Overall** score (a composite of the product, management, channel, strategy and finance pillar scores) on a scale of 0 to 100. Please see pgs. 24-28 of the full report for a breakdown of each pillar along with Key Takeaways.

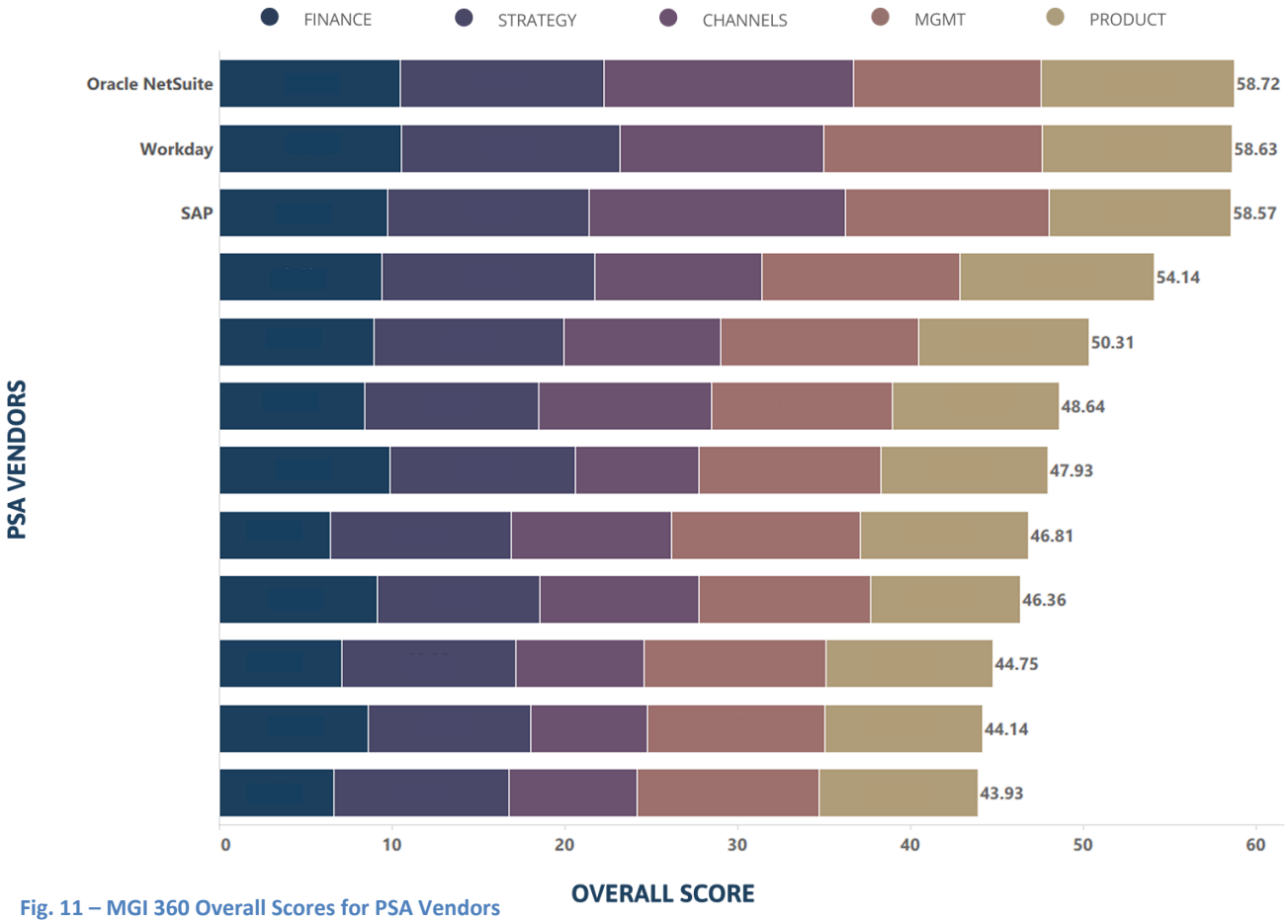

Fig. 11 – MGI 360 Overall Scores for PSA Vendors

KEY TAKEAWAYS

- The Top 3 Overall PSA vendors: **Oracle NetSuite**, **Workday**, and **SAP**

APPENDIX A – Glossary

AGILE MONETIZATION PLATFORM: MGI Research is credited with having created the concept of an Agile Monetization Platform. This concept is comprised of processes, tools, and human resources and describes the business enablement of monetization. Monetization is defined as how market demand is created and then translated into revenues, profits, and business differentiation. A core process that is supported by the AMP concept is P2D – Prospect to Disclosure. Historically, the Quote to Cash process was viewed as the essential element of monetization. Today, the serial notion of Quote to Cash no longer accurately captures the continuous and multi-faceted nature of how an enterprise monetizes. Within AMP, there are twelve areas that are commonly supported by business applications. Contract Lifecycle Management is one of these product areas. As packaged solutions mature, it is expected that software vendors will evolve towards offering more comprehensive packages that encompass more than one AMP product discipline, a trend that has already begun.

PROFESSIONAL SERVICES AUTOMATION: A category of enterprise software purpose-built to support the end-to-end operational and financial management of project-based, people-intensive businesses. PSA platforms serve as the system of record for the core business processes of professional services organizations, operating as independent firms or as embedded services units within product-led enterprises. At its core, PSA software integrates and automates the functional domains that define the services delivery lifecycle:

- Resource Management: competency-based staffing, capacity planning, utilization optimization, and workforce scheduling
- Project Management: project initiation, planning, execution tracking, milestone management, and delivery governance
- Time & Expense Management: time capture, expense reporting, policy enforcement, and audit compliance
- Project Accounting & Billing: contract management, revenue recognition, billing rules engines, invoicing, and margin analysis
- Opportunity-to-Cash (OtC) Workflow: pipeline-to-delivery continuity, SOW management, and downstream financial close
- Analytics & Business Intelligence: real-time KPI visibility across utilization, backlog, revenue, and profitability

PSA is architecturally distinct from general-purpose ERP, project management tools, or CRM systems. It is defined by its native orientation toward billable work, people as inventory, and project economics — the operational realities generic horizontal platforms address poorly or not at all.

MGI Research recognizes PSA as a strategically critical platform category for any organization deriving a material portion of its revenue from the delivery of expertise, outcomes, or managed engagements. The maturity of a firm's PSA capability is a leading indicator of its capacity to scale services revenue profitably, manage delivery risk, and meet the compliance demands of modern revenue accounting standards such as ASC 606 and IFRS 15.

GICS®: Global Industry Classification Standard: an industry taxonomy created by MSCI and S&P; it organizes all major public companies into 11 sectors, 24 industry groups, 69 industries and 158 sub-industries; this is one of the four taxonomies MGI Research uses in its TAM and market sizing research.

SAAB: SaaB is a reference model that brings together key capabilities for running any services business efficiently and effectively. It encompasses the business management needs of services organizations, including Professional Services as well as services teams within product companies. Crucially, it connects services delivery management with the financial and business discipline needed to ensure success. It organizes the key elements needed to manage a services business in a peer-to-peer architecture tied together via an API bus. Any module can communicate with any other module at any level of granularity. The service bus carries data and control signals and events. A SaaB solution can be comprised of two or more components and built up over time in a modular fashion.

APPENDIX B – About MGI Research

MGI Research is a vendor agnostic research and advisory firm serving business, finance, and IT executives, technology leaders, and institutional investors. The firm was founded in 2008 by a group of senior analysts and executives from Gartner, Soundview, and Morgan Stanley. MGI Research analysts bring with them over 25 years of tech industry experience as IT and/or supplier executives, Wall Street professionals, management consultants, or academics. Through its research, ratings, advisory engagements, industry studies, and conferences, MGI Research helps clients make informed and timely strategy choices, optimize core business processes, manage supplier evaluations, and improve monetization capabilities.

MGI Research pioneered the concept of an Agile Monetization Platform (AMP)™ and hosts the Monetize forums and Monetize conferences. MGI also leads Best Practices groups for finance, business, and IT executives. MGI's sister company, **MGI Verified**, is an independent entity that helps accelerate B2B sales by digitizing the reference check process.

MGI Research emphasizes application of highly quantitative and structured methods in creating decision-support frameworks for its clients. MGI produces a number of proprietary industry metrics, benchmarks, and indices such as the **MGI MarketLens™**, **MGI Use Case Notes™**, **MGI Cloud30 Index™**, and **MGI 360 Ratings™**. MGI Research also maintains a proprietary market forecasting analytics model and publishes bottom-up **Total Addressable Market (TAM) Forecasts**.

MGI MarketLens™ reports dissect a given universe of suppliers and plot how a select group of suppliers compare using a pair of key coordinates. They shed light on the variations among solutions in a given market, and help prospective buyers, investors, and partners see where products align relative to core requirements.

The **MGI Use Case Note™** describes the ideal customer profile for a given solution. It helps prospective buyers understand the best fit for a product or service. The aim is to help prospective buyers quickly and confidently narrow the list of suppliers that could meet a particular use case.

MGI 360 Ratings™ are comprehensive, quantitative analysis of a vendor/solution. Using a scale of 0-100, suppliers and solutions are assessed in five areas – Product, Management, Channels, Strategy, and Finance – and assigned an analyst outlook (Positive, Neutral, or Negative).

For additional information, call +1 888 801-3644 or visit **www.mgiresearch.com**.

The best ideas happen at The Margin – sign up for the MGI Research newsletter **here**.

Follow MGI Research on **LinkedIn**, **Facebook**, and **X**.

APPENDIX C – About MGI 360 Ratings

MGI 360 Ratings™ is a comprehensive company evaluation and rating methodology that scores companies on a scale of 1 to 100 (100=Best) in a specific market. Additionally, an Analyst Outlook is assigned for each company:

- Positive - we expect company prospects to improve
- Negative - we expect company prospects to decline
- Neutral - we expect company prospects to remain unchanged
- Under Review – no opinion is formed as of yet

MGI Research assigns a letter grade of A, B+, B, or B- to all 360 Rated™ suppliers. Letter grades are assigned by dividing the firms receiving 360 Rating™ scores into four quartiles. The top-performing quartile receives an A grade, the second-highest rated quartile receives a B+, the third quartile receives a B, and the lowest-rated quartile of PSA suppliers receive a B-.

MGI 360 Ratings™ and analyst outlook are compiled for a specific market. When we rate a sufficient number of companies in a given market, we publish a Market Rating Report to reflect peer group average scores.

MGI 360 Ratings™ impose the same evaluation standard on each rated company - public or private, large or small; all are held to the same exact standard. Although ratings are comparable across markets to an extent, the numerical scores provided by MGI 360 are the most applicable within a given market. The overall score is comprised of five equally weighted major categories that account for up to 20 points in the following areas:

- **Product** – Product Breadth and Depth / Implementation/Support
- **Management** – Management Team / Board of Directors / Overall Company Talent
- **Strategy** – Strategy and Marketing
- **Channel** – Sales and Distribution Channels
- **Finance** – Financial Health

Fig. 17 – Dimensions of MGI 360 Ratings

A company with a high score in each category will be a firm whose products are positioned to dominate its sector, whose management has the relevant experience and track record for success, whose strategy is scalable and realistic, that has the sales channels with the right focus and size to generate success in the marketplace, and which is sufficiently healthy financially to support its customers, invest into products, and withstand economic adversity.

Each of five major categories is divided into five to seven subcategories and then into three to ten inputs. In total, over 149 unique data points comprise the overall MGI 360 Rating™ score. In addition to referencing the overall rating, users should consider the individual category ratings as well. For example, users making a tactical purchase may be less concerned with the Finance score and more interested in comparing Product scores. Conversely, for a strategic purchase in which considerable internal resources will be dedicated, users may place more emphasis on the financial viability and management team with the understanding that the user will be working collaboratively with the supplier to craft a unique solution, thereby rendering the current product rating less meaningful to the decision criteria.

The ratings process is highly structured and curated by MGI Research senior analysts. The MGI 360 Rating™ team typically interviews supplier company management and, in some cases, reaches board members and/or key investors as part of the process. During these interviews, MGI analysts follow a highly structured set of standard questions, with the answers then translated into specific scores in each evaluation area. The ratings team also interviews customers and partners and solicits input from a variety of industry sources not provided by the supplier. The MGI 360 Ratings™ teams are comprised of highly-trained analysts with deep experience in technology business and typically with a prior track record of at least 20+ years as an IT practitioner, industry analyst, or an IT executive.

The 360 Ratings™ process is continuous, and we update the results on an ongoing basis as new information about a supplier company becomes available. A company that operates in several markets is likely to have individual ratings for each market covered by MGI Research. Companies can have multiple scores – one for each market, as well as a history of scores.

MGI 360 Ratings™ help organizations make more informed purchasing and strategy decisions for new and existing technology suppliers, minimize risks, save money, and save time. MGI 360 provides concrete scores that clearly demonstrate differences among suppliers.

MGI 360 Rating™ system is comprehensive but is not meant to be a predictor of company solvency, liquidity, absence of accounting fraud, or stock performance. It is not under any circumstances a recommendation or an offering to buy any securities of any supplier reviewed, nor is it an endorsement. Rating research includes but is not limited to interviews with company executives, customers, investors, partners, competitors, product demos, site visits, etc. All MGI 360 Ratings™ undergo highly critical internal peer reviews.

APPENDIX D – PSA Top 16: Why These Companies?

Amid the rapid evolution of the PSA market overall, these vendors are, in our view, among the most consequential PSA suppliers and merit the attention of buyers, partners, and investors. The MGI 360 Rating™ methodology is quantitative in nature with a tough, non-linear grading scale. Any vendor among the 12 rated suppliers is important and impactful, regardless of the absolute score. The criteria for coverage include one or more of the following:

- **Market visibility:** The company has one or more of these characteristics: achieves above-average growth, is often included in longlists and shortlists of buyer evaluations, possesses large installed base, has demonstrated material disruption, and/or most MGI clients express interest in the company or mention them in analyst calls.
- **Innovation:** The product has unique capabilities and the potential to disrupt the market – buyers should be aware of this product/company, even if it is not a fit today.
- **Solution strength:** Breadth and depth of solution, support for various business models and use cases, and the supplier's ability to help customers implement and gain value from the solution.
- **Demonstrated success:** Most, but not all, vendors covered are able to provide MGI with referenceable customers and partners to interview. Independent of the provision (or lack thereof) of vendor references, MGI conducts its own interviews and field research on customers, partners, and investors.

There are many dozens of PSA software providers around the world offering products. Vendors are not excluded uniquely based on size (e.g., revenue or customer count below any threshold) or willingness to participate in the research process.

Inclusion in the 2026 PSA Top 16 Buyer's Guide does not represent an endorsement or an outright recommendation to purchase a product. Conversely, exclusion of a supplier from this report is not a recommendation to exempt it from consideration. Organizations should evaluate potential suppliers on merits and on their fit to specific use cases.