The Challenge of Automation for Home Service Businesses

Unlike most businesses, home service providers, have made little progress towards gaining efficiency by deploying software to automate businesses processes. Although the number of options for home service businesses is still small, home service management and planning (HSMP) solutions, a new category of software, promises to solve the problem.

For the last 25 years, most mid-sized to large businesses have streamlined their business processes through the deployment of software. Businesses have used software for much longer than 25 years, but they deployed software that was designed to streamline only a particular process, such as accounting, human resources, etc. In the last 25 years, particularly manufactures and retailers have started to make use of software that addresses the entire value chain. These enterprise resource planning (ERP) solutions have been at the source of much of the productivity gains that businesses have experienced in the last decades. Forrester Research cites a ROI of 103% and time savings of 12% for the ERP implementations it studied. Big retailers and manufacturers have automated to the point that they don't have employees key data into an invoicing system when much of the data was already processed when the purchase order was received. Likewise, no manufacturer would type up a delivery order with information that already resides in a computer system. Every big business expects that these routine tasks are fully automated and don't require manual data entry.

For small businesses, particularly home service businesses (businesses who send employees to a customer's home to provide a service, such as cleaning, child care, patient care, etc.), the situation is different. For home service businesses, manually entering data into disjointed software applications is not the exception but routine practice, if those businesses are automated at all. Just like big manufactures, home service businesses have a need to streamline their operations. However, the products that are available to them don't suite their needs and the major ERP providers are not interested in servicing this industry. The emergence of home service management and planning (HSMP) products, a new product category, promises to remedy this situation.

Small service businesses have the same need as large corporations: they need software that makes them more efficient and more competitive. Routine tasks, like storing customer information, creating contracts and scheduling employees need to be done with a few key strokes and mouse clicks. Even better, some tasks should be anticipated and completed by the software without requiring user intervention. A manufacturer doesn't create an invoice after shipping goods; the ERP does that automatically. Similarly, a small home service provider shouldn't have to create an invoice after the service is delivered; the computer system should do so automatically.

The Challenge of Automation for Home Service Businesses

Free software solutions come with strings attached.

For small businesses it is tempting to address automation needs by using free products. And why wouldn't frugal business owners do so? The problem, of course, is that good tools are rarely free. In many cases, using a product such as Google Drive, Microsoft One Drive or Evernote, which are free for consumers, are not free for businesses. Signing up for one of these products as a consumer and using it for business purposes is a violation of the terms of use.

In other cases, some software vendors don't charge businesses for the usage of their products, but in that case, the business is the product that is being sold to advertisers. As consumers, we may find the tradeoff of receiving targeted advertising from using Gmail or Facebook acceptable. Business owners, however, must be more careful. It may seem harmless if customers receive spam because a service business uses a free tool, but it would hardly be fair. Businesses that accept that their customers are subject to advertising from their software vendors will never earn the trust of those customers, nor should they.

Do a Google search for free business tools and you will get many hits. Many of these tools are very good at what they do, even if they are probably not entirely free as explained in the preceding paragraphs. There is still one big problem that none of these products are address. These products don't work together. Evernote is a good tool for taking notes; Google Drive is great for storing documents;

and there are dozens of address books available. The problem is that these products don't work together, not even the products from the same vendor. For example, Gmail comes with an address book, and Google Drive allows you to store your contracts. Looking up a customer's information in Gmail is easy enough, but if you want to review the contract for that customer, you have to go to Google Drive and search for that contract instead of being able to access it directly from Gmail.

ERP vendors don't serve small service businesses.

Producing ERP solutions for manufacturers and retailers is a complicated endeavor that takes years to accomplish at the expense of millions of dollars. If the ERP software is good and sells well, the endeavor is worth it. The vast number of potential customer provides for a large enough market to make a handsome profit. However, the processes and workflows for home service companies have little in common with those for manufacturers and retailers. As a result, current ERP solutions would have to be customized to match what the home service industry needs. Customizations would not only be costly but would also require the ERP vendor to change its business focus and invest money and resources to support the home service market. from servicing its existing customers. This type of investment may be challenging for large ERP vendors and difficult to justify, since the home care industry is relatively small compared to manufacturing and retail.

The Challenge of Automation for Home Service Businesses

Like any manufacturer or service provider, software vendors make money by selling their ware, i. e, licensing their software, or charging their customers to access their software. Actually, that is only part of the story. As anybody who ever worked in an IT department of a medium-sized or large company can attest to, once the enterprise software is licensed, there are more costs to the customer. Probably the vendor offers implementation and training services for a substantial fee. And then there are conferences which the customers are urged to attend or, even better, attend and sponsor. Forrester Research calculated the licensing fee for ERP software accounts for a little more than 25% of the total costs while the businesses spend 75% on their ERP budgets on maintenance and related services (training, implementation, etc.) For small businesses, paying for training, conferences, etc. is not an option. Small businesses have neither the time nor the money for that. The big software vendors, of course, know that they will not be able to milk small businesses the way they do with bigger ones. As a result, smaller businesses are usuallyoverlooked and aren't the targeted market for large software vendors.

The gradual trend of replacing licensed software that runs in a business' data center with cloud software is making it easier for small home service businesses to use business productivity software. But still, existing ERP software, even if they are deployed with the SaaS model, require too much overhead. For reasons explained above, ERP vendors target mid-sized or big companies. These companies usually have entrenched business processes that the new software needs to support. Consequently, setting up and running the software is more complicated than it needs to be. Heavy weight software like SAP usually requires that a dedicated team in the company supports that software. Even supposedly light-weight software like Salesforce typically require at least one dedicated resource who knows how to configure the software so that the superfluous functionality doesn't get in the way of getting work done. Of course, no small business can assign a resource to struggle with software that is supposed to make life easier.

Home Service Management and Planning (HSMP) software allows home service businesses to automate

Neither ERP solutions no free software services address the needs of home service businesses. A new category of business software, HSMP solutions promise to fill this void. HSMP software targets the home service industry and aims to automate their most common business processes, like ERP solutions automate business processes for manufactures. An example of a workflow that is improved through a HSMP product is the scheduling-to-invoicing process. A good HSMP product allows the home service business to schedule a service at the customer's home, validate the schedule, create the invoice and receive the payment, all with no manual intervention once the schedule is created.

The Challenge of Automation for Home Service Businesses

The majority of the home service industry consists of small businesses. These small businesses don't have an IT department that can take ownership of installing and maintaining software solutions, nor do these businesses have the budget to invest heavily in training. Small businesses expect that software solutions are easy to use, reliable and maintenance-free, just as a consumer would expect. Despite these limitations, HSMP solutions need to automate business processes and be reliable, as businesses depend on them.

Good HSMP solutions must meet several criteria

HSMP software needs to function like consumer software while delivering the value of a business solution. Not many software solutions manage to square the circle and deliver on both ends which explains why the HSMP market is new and has a very limited number of vendors.

Thanks to the popularity of Apple products, we have all come to expect that software we are using is user-friendly. Software for businesses, traditionally, is neither easy to use nor pretty to look at. It may be possible to look beyond the aesthetics of the software, but ease of use is a must. Small businesses, by their very nature, are always understaffed, with neither the resources nor the inclination of spending time and effort on learning a new software tool. Intuitive design and user-friendliness for this market is not a nice to have but a must.

As we discussed above, many needs of small home service businesses can be addressed through free software, but, as we also, discussed, "free" software is neither free nor is it a complete solution. The scheduling-to-invoicing process mentioned above can be accomplished entirely with free tools. The user can create a schedule using a calendar, communicate the schedule using email, collect timesheets via email (or fax), and enter the collected information into an accounts receivable system. Among small service businesses, doing business in this way is as inefficient as it is common. An HSMP solution needs to eliminate these labor-intensive manual steps, and it needs to do so for all home service business processes. No ERP solution would be accepted in the market place if the purchase order process failed to integrate with the shipping process. Small home service businesses should demand no less.

CoActiveSoft's Proiaso product is the solution for the home service industry.

One vendor that delivers a product with promise is CoActiveSoft. CoActiveSoft's team of ERP veterans came up with a product that is worth being consideration by any home service business.

To address the shortcomings of existing solutions, CoActiveSoft create Proiaso, the first HSMP product that truly provides value to the home service industry. Proiaso is a SaaS product, built with the latest technology. Users can access Proiaso online from any computing device, as long as it is connected to the internet.

The Challenge of Automation for Home Service Businesses

Proiaso provides a complete end-to-end solution for the home service industry by addressing all business processes, including accounts receivables, accounts payables, contract management, customer management, etc.

Proiaso was designed with users in mind. It's user interface is centered around users and customers instead of around business processes. A user selects the appropriate profile, and Proiaso makes it easy to complete the appropriate business process. By turning things around and centering everything around people, Proiaso manages to make working on business processes much more natural than competitive products, thereby virtually eliminating any learning curve.