

The Future of Professional Services: From Project-Focused to Customer-Focused Solutions



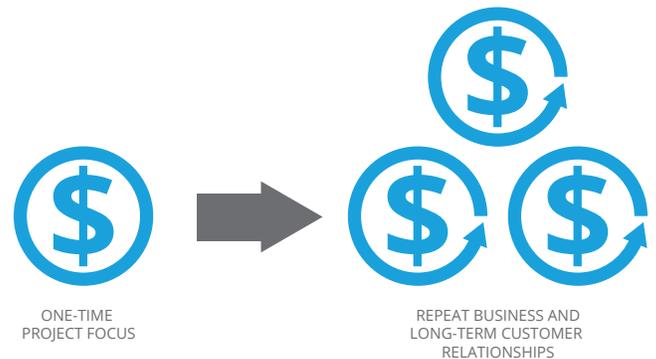
Professional Services organizations today are under increasing revenue pressure, but many are still seeing projects fail because of things like poor scoping, misaligned expectations between company and client, ineffective resource planning, and more.

What the Future Holds for Professional Services Organizations

Historically, organizations have attempted to solve these problems by focusing solely on the projects themselves, and implementing handfuls of siloed tools such as automated billing, time and expense tracking, status reporting, spreadsheets and other manual tracking tools, and in some cases resource planning tools that come primarily from an ERP provider. Even those organizations who have implemented more robust professional services automation (PSA) solutions are largely using ones that are focused on solving back-office, project-based problems, rather than creating front-office solutions that foster better customer experiences.

But the professional services organization (PSO) landscape is changing—employees are harder to recruit and retain, a globalized marketplace increases competition for clients, clients want more for less, and management can no longer afford to be focused on short-term firefighting instead of long-term strategy.

In order for Services organizations to succeed and build profit in this changing landscape, the very nature of these organizations and the way they operate needs to adapt as well. Of course, project-related issues will always be a concern for services businesses. But by shifting their mindset from a one-time project-focus, to a focus on repeat business and building long-term customer relationships, services businesses can address problems surrounding projects using PSA tools that are designed with customer success in mind. This will be the key to building long-term customer relationships and revenue success as we move into the future of the PSO landscape.





Many Problems Facing Services Organizations Today Are Still Project-Related Issues

Project planning and visibility continue to be two of the biggest issues that cause trials for professional services organizations worldwide:

Project Planning

The ability to accurately estimate a project's costs, necessary resources, and completion date is critical to both the organization's growth and the customer's satisfaction. Still, effective project planning is prioritized less often than it should be, and is only made more difficult by new challenges emerging in the professional services space.

Part of the problem with poor project planning is that Sales and Services teams are often operating independently of one another, using different tools and applications that don't communicate with each other effectively. The result is poorly scoped projects that don't meet the client's expectations.

Another common project planning issue involves resource planning. PSOs are oftentimes balancing sourcing new projects with effective project delivery, which is why resourcing is so important. If an organization doesn't anticipate an influx of projects, then they won't have time to acquire enough resources and adequately prepare for the increased workload.

Project Visibility

Project visibility is an ongoing issue for many PSOs. If a project diverges from its initial estimate, it's better to warn clients of delays or cost overruns well before they happen. However, it's easy to miss the warning signs if a business can't track the status of projects in real-time. Inadequate data is a large concern as well. For example, if an organization can only see the bottom line of how time was spent, and not the details behind it, then chances are the little project visibility they have won't be that useful to them or to their client.

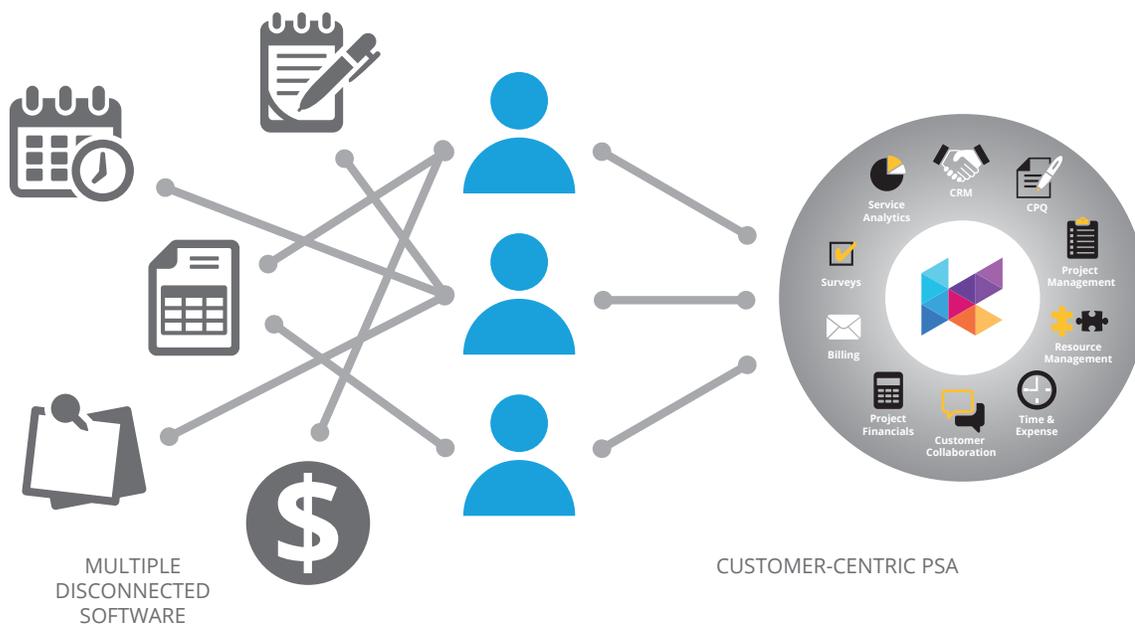
While no one can predict every challenge or setback that might occur down the line, failure to note patterns and anticipate highly likely setbacks can hinder an organization's ability to successfully manage customer expectations. And, without systems in place to collect and review in-progress project data, it's almost impossible to do so.



But Solving Project-Related Problems Without Using Customer-Focused Solutions Is No Longer Enough

While there are many project-related problems that services organizations will always need to address, the best success stories in the future of professional services will lie in the hands of those who can address project-based issues using tools that focus on building long-term customer success, rather than creating quick solutions to project issues that are short-sighted and fail to deliver the most positive customer experiences.

Attempting to solve project planning and visibility issues with things like spreadsheets, automated billing tools, or basic time and expense software has its limitations, and provide little value for the end-customer. And, if your sales team is operating in a customer relationship management (CRM) tool, while your services team is using disparate applications and software, you're bound to run into poorly scoped projects and misaligned expectations between your company and the client. Plus, if you're still attempting to provide project visibility using spreadsheets, your data will often be poor, not up to date, and show little insight into the client's satisfaction of the project.



Instead, customer-focused solutions such as a Customer-Centric PSA, allow services organizations to manage project planning and visibility issues in a way that meets client expectations, and encourages long-term customer relationships



Bringing Services and Sales Together

Bringing Services and Sales closer is a way of empowering Sales to sell more easily and efficiently by equipping them to better scope projects and manage customer expectations before the service delivery stage kicks off.

Your company and your customers require an optimized collaboration between Sales and Services. Having dedicated services sales and/or services sales support (such as a proposal team, a bid desk, a solutioning function, a services sales engineering group) are proven best practices, but may not work in all circumstances. Regardless of the tactic, the strategic need for better cooperation and synchronicity between Sales and Service is evident in providing a seamless transition for the customer from the sales stage through to the delivery stage of their project.

When a project has been well-scoped in the sales cycle, it allows for better planning on the services side, which means more aligned customer expectations and better project outcomes.

By ensuring your Sales and Services teams are equipped with Configure, price and quote (CPQ) functionality, you offer Services the ability to assist Sales with putting together flexible and complex pricing based on a range of products and services, including those based on subscription or other recurring revenue, ensuring accurate customer quotes. This includes the ability to support contract amendments, moves, terminations, renewals, etc.

The Subscription Economy

According to TSIA (Technology Services Industry Association), new subscription-based and recurring-revenue business models are being launched every week in nearly every industry. Gartner estimates that, by 2022, more than 90% of software providers alone will have migrated to a subscription-based business model.

However, as the industry transforms and more businesses become “as-a-service” companies, accelerating customer time to value increases in importance. Getting customers to see value in your solution quickly and effectively starts with customer onboarding and professional services.

New services recurring revenue models such as retainers and managed services have become critical to supporting these changing customer demands with a focus on speed to adoption and customer success.

Introducing surveys and project feedback enables service organizations to engage with customers on their terms, helping drive a positive customer experience, and critical learnings and insights for future engagements.



Why You Need A Customer-Centric Professional Services Automation (PSA) Tool

The time is now for PSOs to shift towards a customer-centric model by implementing PSA tools designed with customers at the center, and providing a way for the organization to work hand in hand with customers across the entire span of the relationship, from sale through service delivery.

Ideally, these tools should:

- Support Sales, Services, and the client working hand in hand together from the initial scope and estimate, through project implementation, through repeat business and expansion.
- Support keeping the project team and the client completely in sync, with all parties having real-time access to not only project status and activities but also visibility into all back and forth communication between teams.
- Ensure that the project team has many ways to track customer success and sentiment including direct feedback from the client at any point in the project.

A customer-centric PSA accomplishes this by creating and supporting complete customer visibility across the entire customer relationship, providing fully transparent communication between the project team and the client to ensure that both teams are fully aligned. It will also work seamlessly with a CRM tool so that sales and services teams are fully in sync as well.

A PSA that is built with a customer-focus will also offer integrated customer feedback to ensure the project team understands how the customer is feeling and can take action if the client is unhappy at any point throughout the project. Plus, real-time integration capabilities with existing back-office systems will ensure that billing and accounting information is always up to date and client's will know exactly what they're being invoiced for.

Last but not least, forecasting and reporting functionality in a customer-centric PSA allows for informed decision-making that will empower management to develop a business strategy that will keep customers satisfied for years to come. Whereas a project-focused services business is likely to make decisions for the future based on what has happened historically, or at best what is currently happening, a customer-focused service business will put emphasis into projecting what is likely to happen next, using customer feedback and data about project management to make predictions for the future.

