



We Help Services Organizations  
Get Better At What They Do

# Achieve Success with PSA Investment... Remember the Three 'R's

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## The Evolution of Professional Services Automation

Professional Services Automation (PSA) has evolved quite a bit in the last five years. Depending on the survey you look at and the type of organization you are, PSA adoption rates range from 55% to as high as 75%. This shift has been propelled by professional services organizations (PSOs) evolving away from stop-gap tools or home grown solutions driven by a need to reduce costs and improve project performance and quality. Adding to the adoption trend are PSOs who have realized they need true professional services automation capabilities tuned to the needs of a professional services team (vs. making the best of their company's CRM or ERP systems.)

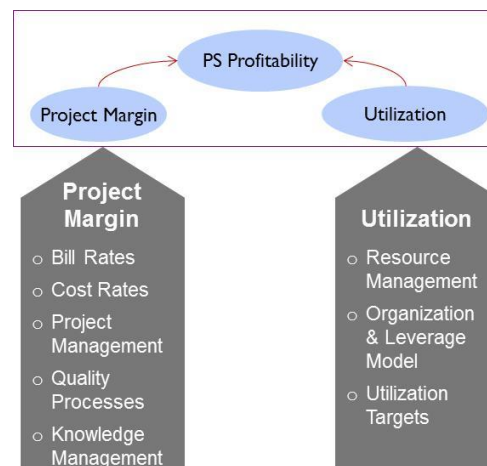
This growth has been very positive for the industry contributing to improved margins and greater efficiencies for delivery organizations. Recent research indicates, however, a high degree of dissatisfaction among delivery leaders with their current PS automation capabilities. Why is this? Typical sentiment of dissatisfied PSA users reflect that their solution is not meeting expectations and not bringing the level of benefits that were expected. In defense of PSA vendors, this dissatisfaction is not usually the result of poor functionality or product capability. Rather, it comes from PSOs not focusing on the three 'R's when implementing and using their solutions.

### The Three 'R's

The three 'R's (reading, writing and arithmetic) have been around as a concept for two centuries and have provided a core foundation for educational focus. I chose to use this analog to highlight three 'R's for implementing and using PSA applications to emphasize some core tenets for success when automating professional services.

As the following diagram shows, services delivery is not very complicated in concept. Execute your projects as planned while meeting your utilization targets and you should reach, or exceed, your profit targets. But we all know it is not this simple.

A successfully deployed PSA solution helps to manage the complexity. Just implementing a solution, however, will not eliminate it. Leveraging the right capability and focusing on aligning your business with the solution will lead to higher degrees of success.



In order to accomplish this, focus on the following three 'R's:

1. **R**esource-Centric Capability
2. **R**eal-Time Information
3. **R**ealignment of Processes

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By increasing your emphasis in these areas, you will increase the benefits of your investment and overall satisfaction with your solution.

### **Resource-Centric Capability**

PS automation has been around for years, but historically, functionality has been more focused on project management than resource management. PPM (Project /Portfolio Management) solutions pre-date PSAs and were the more established platforms for all forms of project management. Early on, PSOs simply adopted these tools. This has changed significantly over the last few years. PSA solutions have brought greater depth of functionality for managing resources, and PPMs and ERPs have a new acronym, SRP (Services Resource Planning) to shore up their bona fides for RM.

The resource management functionality is there, but ask yourself, how Resource-Centric is *your* solution? Can you support the following?

- An active, up-to-date skills inventory for all delivery resources, relevant to the service areas of the current and future business.
- All resource assignments and schedule are known centrally, allowing current and projected views into work load and availability for any dimension of the organization.
- Capacity planning and forecasting performed at the resource, role and skill level.
- Expand and contract capacity based on actual resource needs versus plan.

If you said yes to all of these capabilities, congratulations. For those who cannot do this, the resulting operational challenges are typically 1) inconsistent achievement of utilization targets, 2) reactionary staffing, and 3) limited ability to plan for future needs and changes. Any of these sound familiar?

People (resources) are a PSOs single largest expense item. It is imperative to leverage your PSA to its fullest in managing this dynamic asset.

### **Real-Time Information**

PS leaders have always had to deal with the ‘managing in the rear view mirror’ syndrome.



The PS business revolves around cycles. Monthly invoicing, monthly/weekly time capture, weekly status reporting and weekly sales meetings are some common cadences. By the time reports are generated and meetings conducted, the data can be 2-3 weeks old, and the issues have already inflicted damage. PSA solutions have made significant improvements to addressing real time capabilities in two areas: 1) Inputs of information and 2) Processing of information.

***Inputs of Information:*** Consider the following are ‘must haves’ to accelerate the capture of useful information in real time.

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- **Mobile Time & Expense** – A game changer. Time entry compliance has always been an issue. Managers are soft on it due to the complaints they get from the field. Mobile time entry removes usability and access issues. Now daily time entry can be performed with minimal strain resulting in more timely and accurate billing, and more accurate and timely inputs to the resource management function. Expense capture paradigms are also broken when consultants can log the expense (and receipt images) as they incur the expense. This capability can reduce admin time by 10-15 minutes per week for each employee, increase compliance and have very positive impacts to employee morale.
- **CRM Integration** – Remove the guesswork and disconnect on inbound opportunities by strong CRM integration. Yes, sales data is always a little suspect, but actual sales data is better than a manually interpreted shadow sales outlook manufactured by PS. PSOs with good CRM integration have more accurate forecasting resulting in shorter project mobilization intervals and better resource capacity planning.

**Processing of Information:** Are you leveraging the real-time accessibility to data?

- **Dashboards & Reporting** – The wave of big data has not been missed on the PS landscape. The reporting and real-time access to operational data gives more leverage and tools to managers. Dimensional views into the project portfolio, resource schedule & availability and organizational metrics such as utilization and forecast should be a click away.
- **Forecasting** – I consistently see nightmarish revenue and resource forecasting processes. Traditionally this is a very manual and time consuming process. With the project portfolio, new opportunities, and resource plans all in one place, forecasting should be highly automated and not as cyclical.
- **Project Status** – With improved real-time inputs and integration of project plans and resource schedules, the ability to monitor projects near real-time continues to improve. Many PSOs focus on how to get the most project planning ability from their PSA. I recommend more focus on how to make project information and status as real-time and accessible (internally and externally) as possible to maintain high degree of visibility and management.

The days of lagging performance indicators and information are numbered. PS leaders should learn from past trends, but manage in the present and future.

### **Realignment of Processes**

The relationship of process improvement and PS automation usually plays out in one of three ways:

- Let's just adopt the PSA way of doing things ... it must be the best way
- We are not going to change the way we do things ... let's automate what we do
- Let's hurry up and get the system up and running and we can change our processes over time

While I have seen clients adopt the first two approaches, I think we can all agree it is not advisable to choose such a short sighted path. Let's focus more on the third, and most common, rationalization for why PSOs do not tackle the challenge of improving processes along with their PSA implementation.

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If not now, when? This ancient phrase is my challenge to PS Leaders. I would argue that postponing process realignment is the largest contributor to PSO dissatisfaction with their PSA solutions. But the issue is self-inflicted as PS leaders bypass doing the work in the initial implementation phases. The result is not substantially improving the way the organization and consultants do their work. This, in turn, dilutes the ROI of the new solution for the organization. Most importantly, it impacts change management and adoption by the organization.



Where to start? The following are some suggested process areas to tackle.

- **Forecasting** – As I mentioned above, this process is typically very cumbersome. The process almost always pre-dates integrated automation. PSA integrated with your CRM and ERP/Financial systems should drive you to streamline the process for Revenue Forecasting, and integrate similar flows for Resource Forecasting.
- **Invoicing** – From day one, we have had to find a way to bill for our work. Invoicing processes evolve over time, and in many cases, are not optimal. This is a process where I hear the refrain “if it’s not broken, don’t fix it.” Fixing it won’t bring more revenue, but it will open up new ways in which you can contract with your client and reduce processing time.
- **Resource Management** – Are you centralized or decentralized? Do you have an RMO (Resource Management Office) or not? PSAs enable RM, but how you execute RM and the processes you follow are the difference in achieving consistent target utilization.
- **Project Life Cycle** – A project starts as a proposed project, while it is still a sales opportunity. The activities that occur in advance of a sold project are critical to project success, complex and involve many stakeholders. By improving your processes in managing projects before they are sold will make your organization more proactive and less reactive to new work.

The suggested target list of process areas to realign is not trivial. They cut to the most critical areas of selling, executing and getting paid for service delivery. These areas, however, will have the biggest payoff to the top and bottom lines of your organization.

## **Conclusion**

PSOs have come a long way in the last few years in adopting best of breed PSA solutions to improve their delivery operations. Adoption is not enough. Results are what matter. The three ‘R’s presented are a way for PS leaders to look beyond the standard functionality, and take advantage of the real capability of these solutions and the opportunity to substantially improve the way your PS organization functions.

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## About RTM Consulting and the Author

Cincinnati-based RTM Consulting provides strategic and operational advice to assist technology companies with increasing revenues and margins by leveraging services more effectively. Specializing in Resource Management and Services Business Optimization, RTM Consulting helps teams responsible for professional, consulting and support services achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solution and Business Acceleration Services, RTM Consulting helps large, medium and small firms move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.

Marc Lacroix is a Managing Partner of RTM Consulting with a proven track record in achieving Professional Services organizational growth and operations improvements in a variety of companies. Marc has specific expertise in program/project management, resource management, delivery methodology development and PSA solutions.

Prior to joining RTM Consulting, Marc was Vice President of Consulting and Professional Services for Convergys Corporation. Prior to Convergys, Marc was Senior Director of Customer and Professional Services for Cygent, Inc., a telecommunications-centric customer care and order management software company. His professional experience also includes management consulting at Ernst & Young (now Cap Gemini), where Marc managed a variety of process improvement and IT implementation projects for top tier financial services and telecommunications clients.

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## Company Capabilities Overview

We Help Services Organizations  
Get Better At What They Do

**Our mission is to help consulting, professional and support  
services organizations get better at what they do**

### **The Challenge**

Technology service providers and other human capital intensive service organizations including hardware, software and consulting companies, internal shared service organizations and outsourcing entities all know that efficient management of human capital, project processes, and other service delivery and go-to-market related processes are key to market success.

Today's challenging business environment makes running a services business highly dependent upon having lean and proven business and operational processes designed for peak performance.

### **The Solution**

Our unique combination of decades of services and outsourcing operational experience coupled with solutions targeted to the services organization allow us to work with large, medium and small firms to move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.

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### **Who We Are**

RTM Consulting provides strategic and operational advisory services to technology companies and other industries to assist them in increasing revenues and growing margins by leveraging consulting, professional and support services more effectively.

### **What We Do**

Our unique and services specific strategic frameworks and transformation models, combined with talented consultants, help accelerate time to value in everything we do to help you gain competitive advantage. We cover the entire services domain spectrum including consulting and professional services, technical support, field support, education services, managed services, and services automation tools. Some of our services include:

**Strategic Planning Services** - We use our extensive leadership experience to help services organizations build the right strategy and operational model to make value creation and delivery a reality.

**Services Business Optimization** - Our skilled practitioners help you identify and implement best practices necessary to transform your services business into the most efficient and effective operation possible.

**Resource/Workforce Management** - We help you focus on 'Getting the Right Person in the Right Place at the Right Time' with our Just-in-Time Resourcing® (JITR) solutions.

**Project and Portfolio Management** - Our unique PMO/PM frameworks will help your organization efficiently run projects on-time, on-budget, with consistently excellent quality.

**Channel Optimization** - With a unique 'Shift to the Left' strategy based on our advanced support model frameworks, we can help your company lower costs while improving service quality moving more support from on-site to on-call and on-line.

**Skills Development/Training** - We enhance the soft skills of your services personnel to complement their product, business and technical knowledge with services specific curriculums in consulting soft skills, resource management and project management, services selling and more.

**PSA Consulting** - We provide an objective third party assessment and assistance in choosing the right automation solution for your needs – and assist you with implementation to achieve the benefits of your investment.

**Services Revenue Generation Consulting** - Turning services into an engine of growth is a growing priority for every technology company. We understand how to help you better market and sell your company's solutions with more focus on value and outcomes to meet changing marketplace dynamics.

### **How We Do It**

Our highly disciplined management consulting and operational services include:

**Rapid Diagnostics** to identify opportunities to improve business performance.

**Implementation Services** to make solution implementation fast and effective.

**Business Planning Services** to turn your vision into a realistic operating plan.

**Business Acceleration Services** to accelerate your time to value with RTMC solutions.