



WEBCAST SERIES

Using Professional Services Automation (PSA) Technology to Exceed Customer Expectations

Sept. 24, 2015
2:00 pm-3:00 pm EDT



Featured Speakers



Mark Hordes
Principal



Larry Kading
VP, Sales Consulting



Bob Caruso
Client Partner



CEMDNA Playbook StrategySM



Creating a Trust-Based Professional Services Relationship



Mark Hordes
Principal



MARK HORDES MANAGEMENT CONSULTANTS, LLC

- A PS Trusted Business Advisor since 1990 with over 300 training/trust building projects trainings completed throughout the U.S., Asia and Europe, South America, Mexico, Middle East, Sweden, China.
- The company's broad services portfolio includes:

PS Trust-Building Training & Programs: Training and coaching on building trust/internal and external customers, trust development, trust based selling, coaching for performance, handling conflict, culture scans, employee surveys, building the high performance teams, Leadership development, services management and organizational development interventions.



Oil & Gas



Food & Beverage

Sample of the Industries We Serve:



Chemicals



Non-Profit
Organizations

Charitable Orgs.

Financial Services

Engineering & Construction



Pulp & Paper



Specialty Chemicals

My Target Today...

Share with you approaches, ideas and benefits that can be obtained when you build and create Professional Services trust-based relationships with all your customers and client relationships



PS Trusted Advisor Definition ...

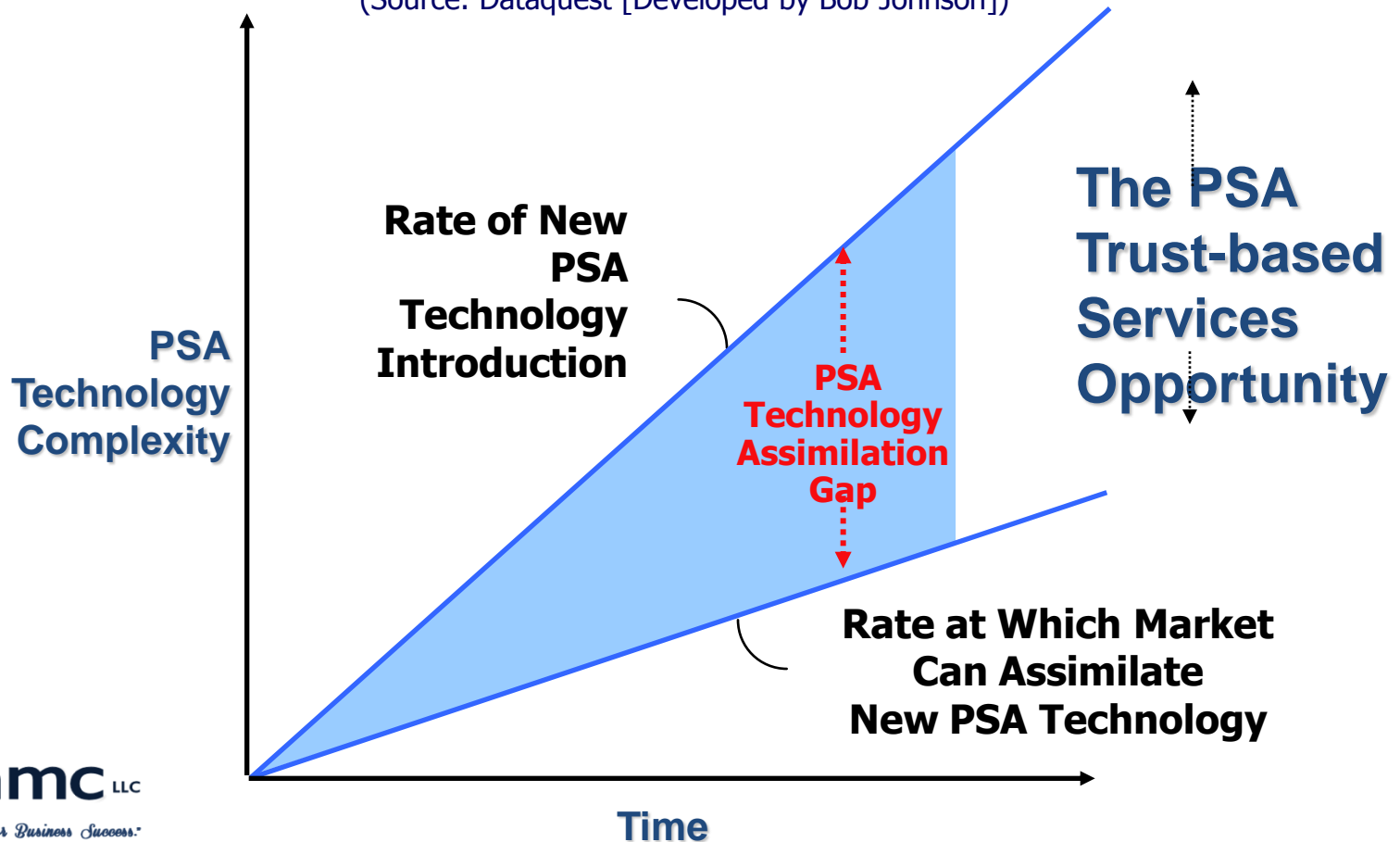
A professional services professional whose thoughts and actions are grounded in the principles of customer/client respect and mutual collaboration.

To the trusted PS advisor the relationship experience is paramount and is based upon caring about the customer's/client's long-term business interests.



The Demand for Professional Services Continues to Grow

(Source: Dataquest [Developed by Bob Johnson])

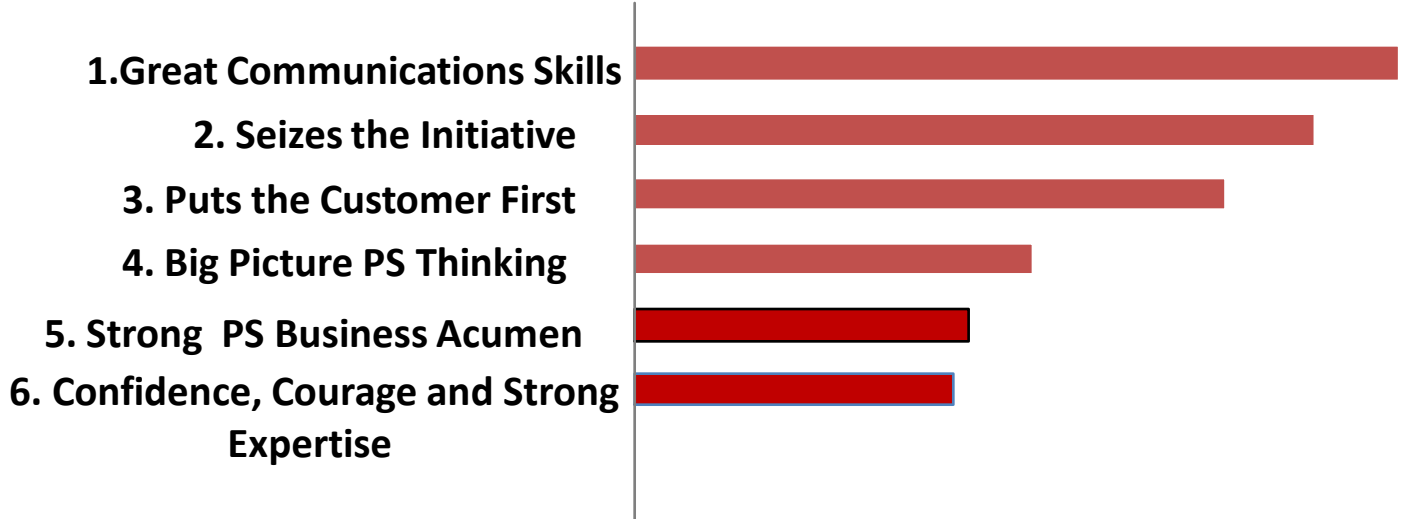


What's So Different About Services?

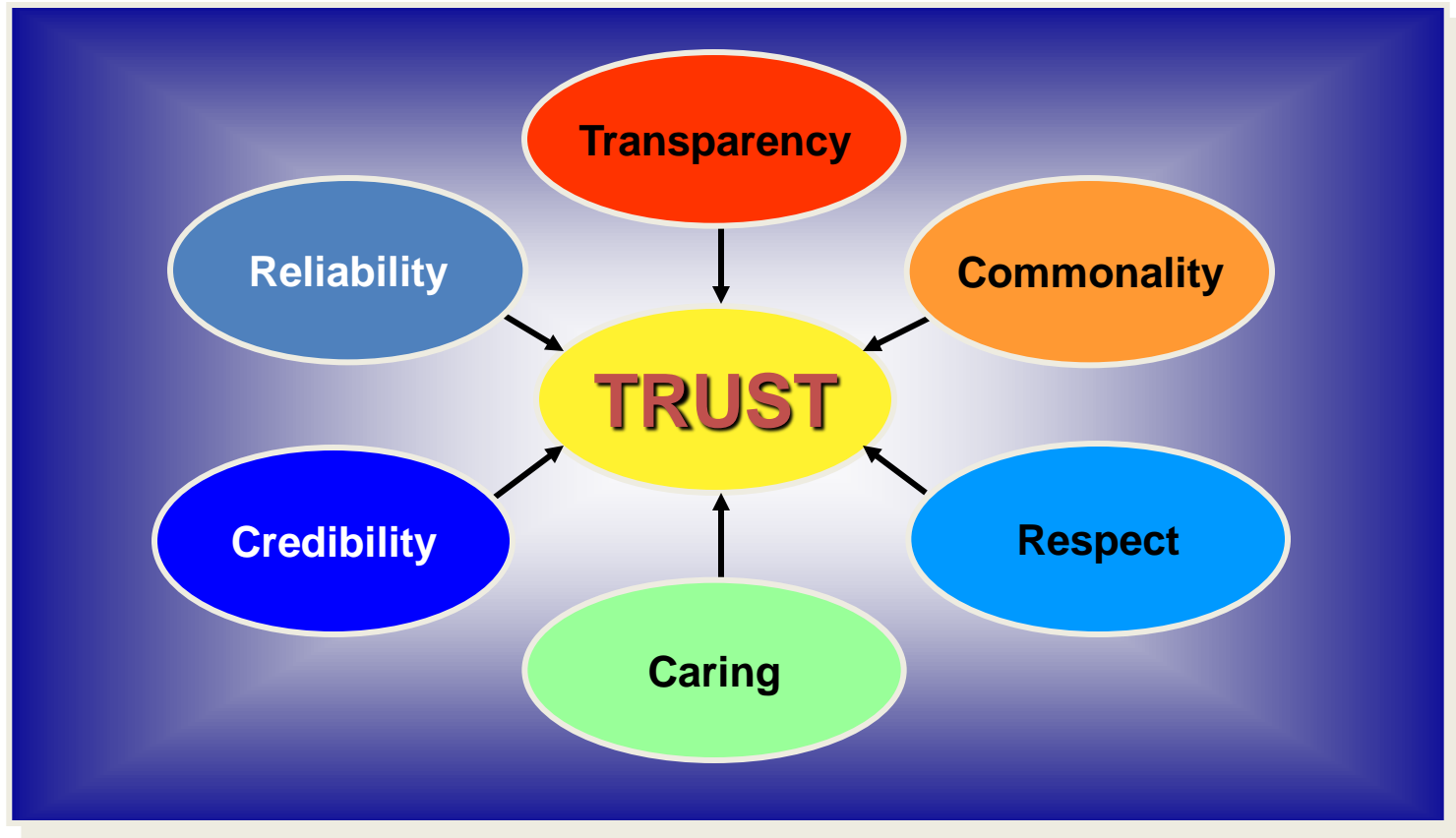
(Source: *S-Business: Reinventing the Services Organization*. Alexander and Hordes. Select Books)

Dimension	Products	Services
Production	Built	Performed
Production Goal	Uniformity	Uniqueness
Scalability	Capital Intensive	People Intensive
Preferred Channel	Low Touch	High Touch
Customer Involvement	Rarely	Trust based
Quality Control	Output to Spec	Expectations to Experience
Poor Quality Procedure	Recall	Apologize & Atone
Morale & Skill Level	Important	Trust is Vital

What Professional Services Trusted Advisor Behaviors Do Your Top Performers Exhibit That Your Average PS Performers Don't? (MHMC,LLC Client Research 2014)



In a PS Relationship: Trust is created by 6 actions



PS Self-Assessment

“C”=Clients or Customers

SD

SA

Your PS Customers or Clients:

- | | | | | | |
|---|---|---|---|---|---|
| 1. Think you consistently deliver value. | 1 | 2 | 3 | 4 | 5 |
| 2. Believe you genuinely care about them. | 1 | 2 | 3 | 4 | 5 |
| 3. Care about you as a person. | 1 | 2 | 3 | 4 | 5 |
| 4. Often ask you for advice. | 1 | 2 | 3 | 4 | 5 |
| 5. Enthusiastically recommend you. | 1 | 2 | 3 | 4 | 5 |

You and You Colleagues:

- | | | | | | |
|--|---|---|---|---|---|
| 6. Think about your “C” long-term business interests, challenges and needs. | 1 | 2 | 3 | 4 | 5 |
| 7. Care about your “C” as individuals. | 1 | 2 | 3 | 4 | 5 |
| 8. Frequently approach customers with unsolicited ideas to make their life better. | 1 | 2 | 3 | 4 | 5 |

You and Your Customers and Clients:

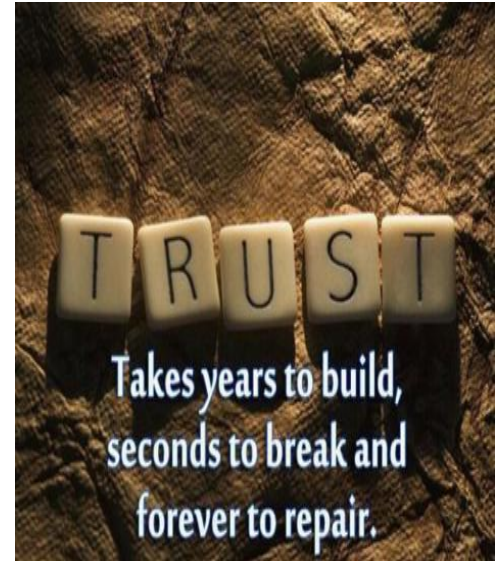
- | | | | | | |
|---|---|---|---|---|---|
| 9. Share strong mutual trust. | 1 | 2 | 3 | 4 | 5 |
| 10. Collaborate extensively to get things done. | 1 | 2 | 3 | 4 | 5 |

Total Score _____

In Summary...

- Everyone can learn PS Trust building skills
- PS Trust is essential for long-term services business relationships
- When confronted with a difficult PS situation with a customer/client ask:

What would a Professional Services trusted advisor do in this situation?



Professional Services Automation: A Direct Path to Customer Satisfaction

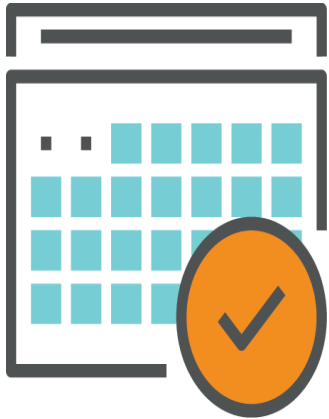


Larry Kading,
VP, Sales Consulting





Make smarter business decisions, accelerate innovation, successfully adapt to rapidly changing market conditions, and achieve better business outcomes with Changepoint.



**18 years of
experience**

**Recognized as an
industry leader**

**Trusted by more
than 1,000 orgs
worldwide**

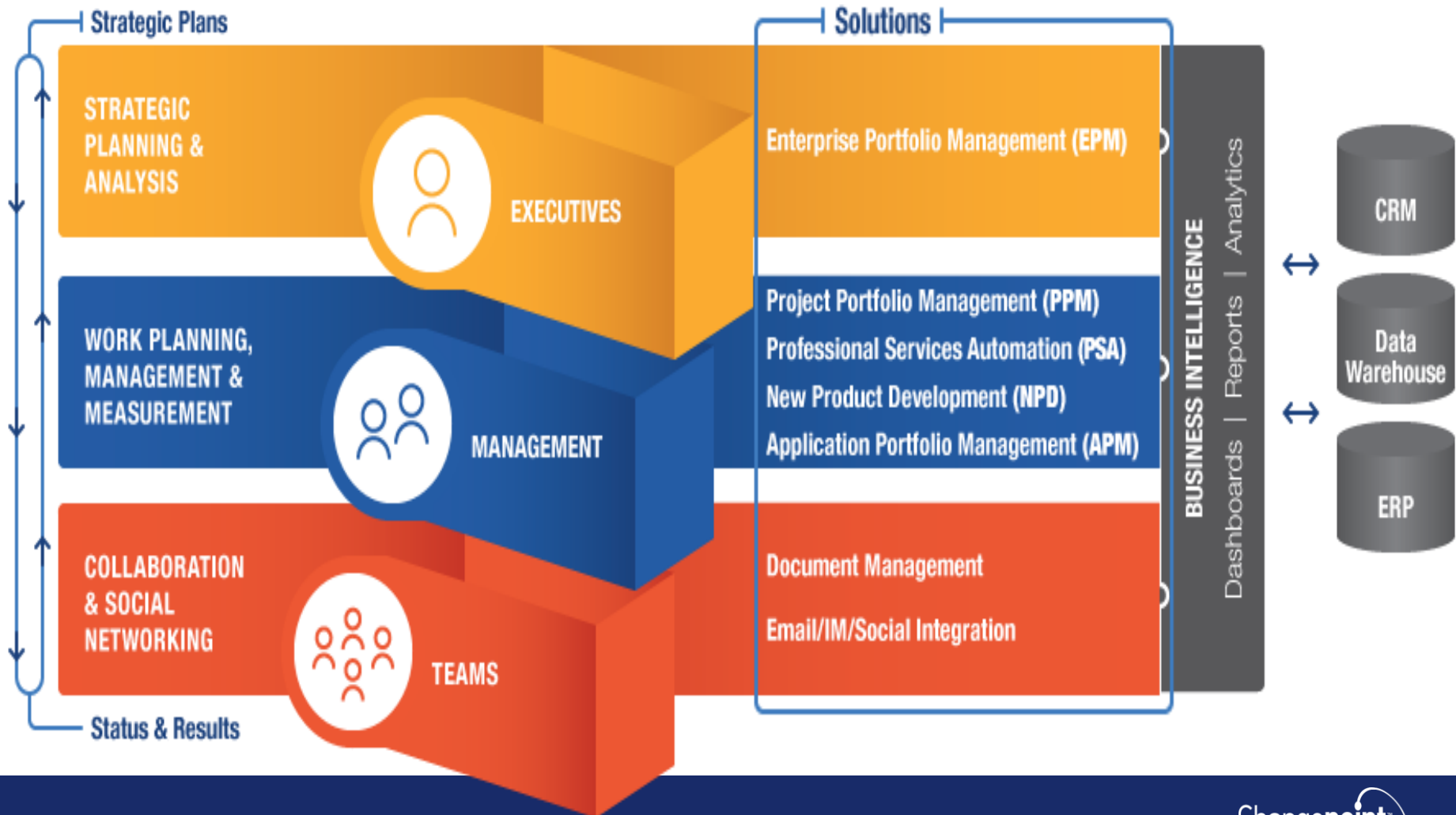
**90%+ customer
retention rate**

A group of business professionals in a modern office setting, silhouetted against a large window overlooking a city skyline. The professionals are engaged in various activities: some are holding documents, others are gesturing as if in conversation. The scene is brightly lit, with the city buildings visible through the glass. The overall atmosphere is professional and collaborative.

BUSINESS EXECUTION MANAGEMENT™

Business Execution Management™

Actionable Insight for Optimal Business Agility and Performance



A close-up photograph of a man with a grey beard and hair, wearing a white dress shirt and a blue patterned tie. He is holding a pair of black binoculars to his eyes, looking through them. The background is a plain, light-colored wall. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the text "A Direct Path to Customer Satisfaction".

A Direct Path to Customer Satisfaction

Professional Services Automation (PSA)

Customer Life-Cycle

Whether a single system; or multiple integrated applications, ultimately PSA software suites allow users to integrate industry-appropriate metrics in order to better understand operations and, in turn, improve efficiency and profitability.

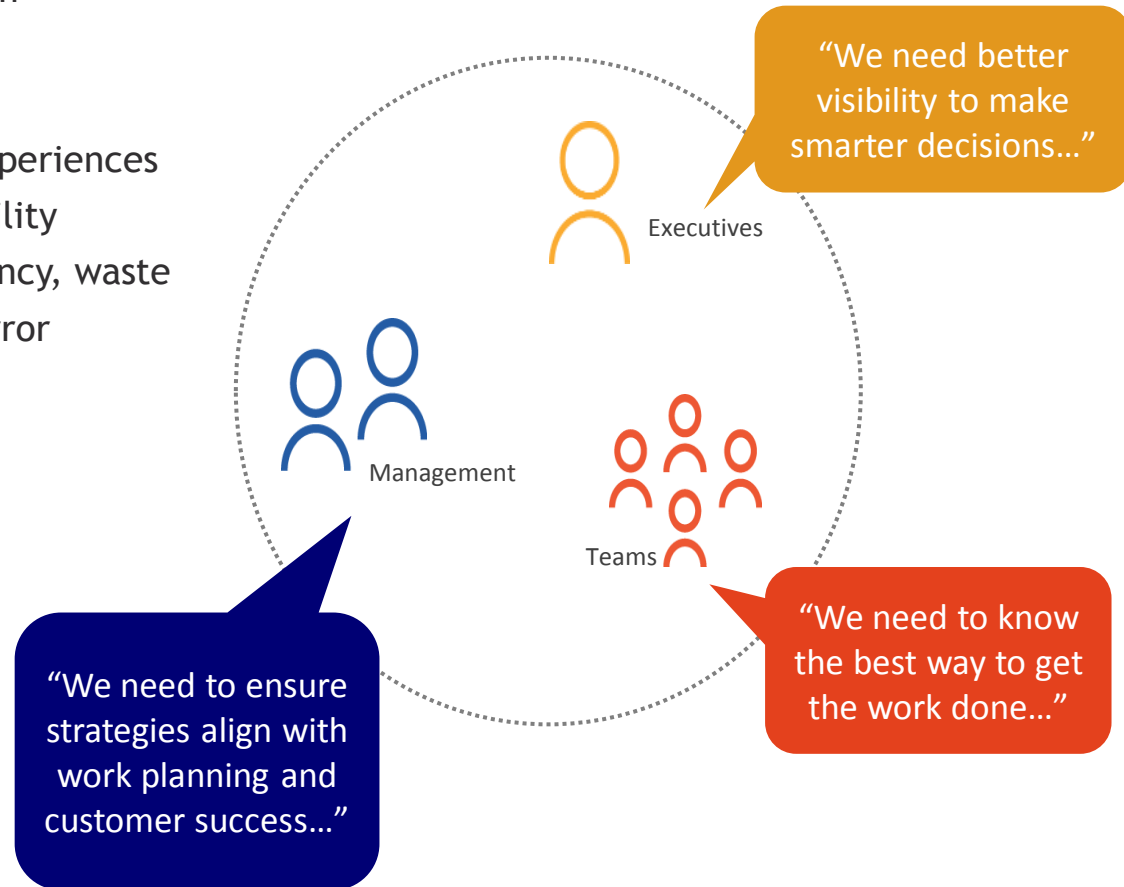
PSA software is used to provide visibility into mid-project profitability, while focused on delivering to customer satisfaction.



Professional Services Automation (PSA)

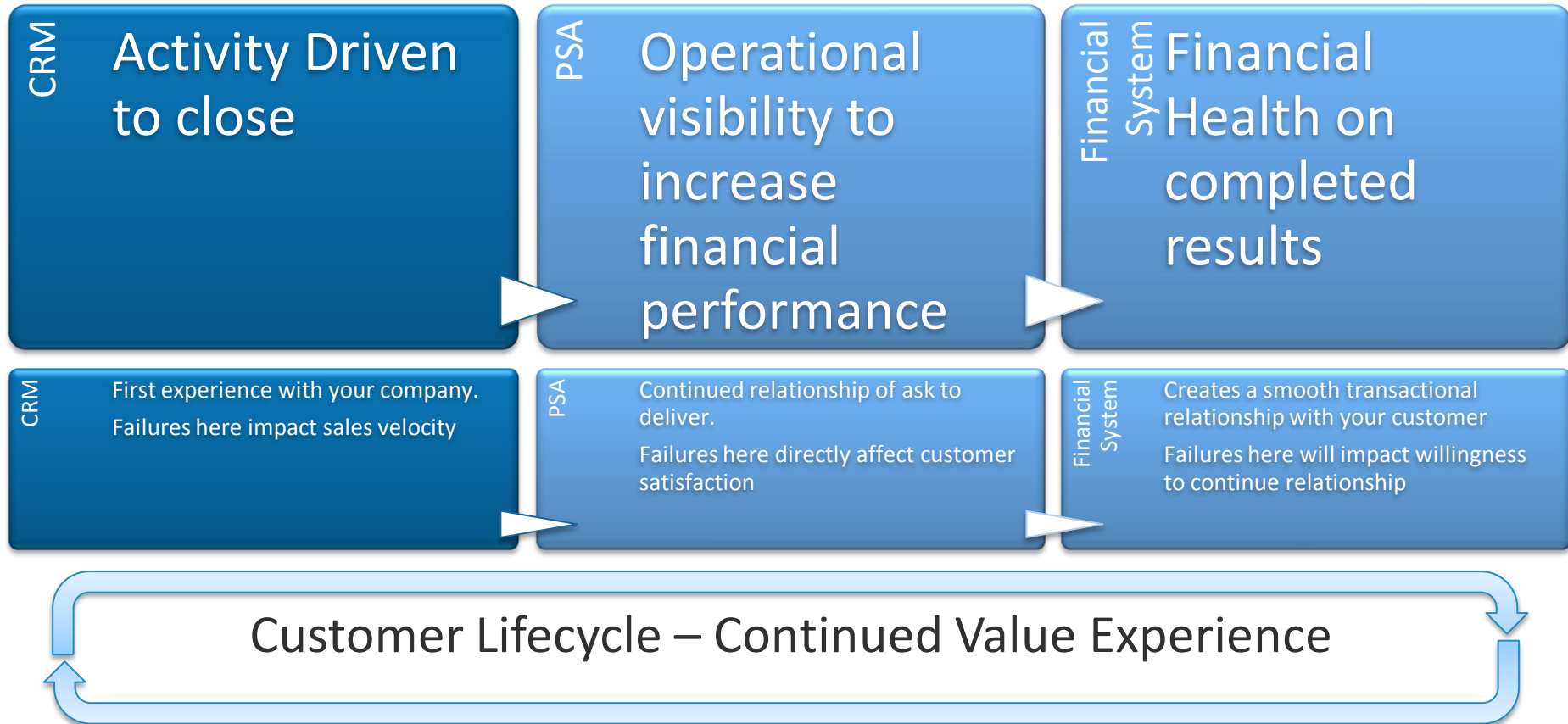
Common Business Challenges

- Customer dissatisfaction
- Resource bottlenecks
- Project over-run
- Disjointed customer experiences
- Lack of executive visibility
- Inefficiencies, redundancy, waste
- Financial rear-view mirror
- Lack of automation



Responsibility to the Customer life-cycle

Customer Satisfaction from the first 'Hello'



Importance of Operational Visibility

Customer Satisfaction has a key role in company health

Revenue

- Increase Sales Productivity 10% - \$200K per rep
- Increase Utilization 1% - \$2-3K per consultant per year
- Increase Bill Rates \$10/hr. - \$14K per consultant per year

Client Satisfaction

- Improve on-budget project delivery 1% - \$2K
- Wildly satisfied clients > 10% revenue growth
- Increase service product attach rate 1% - \$200-500K

Margin

- Focus on higher margin deals
- Improve subcontractor margin 10% - 1% to 3% margin improvement
- Reduce non-billable expense - target \$2,500 pp per quarter

Resource Plan

- Reduce employee ramp time - \$50K revenue improvement
- Reduce admin hours 1 hr/week - \$10K pp per year
- Reduce attrition - \$150K expense saving pp

“Professional services is a balancing act requiring both effective selling and project delivery. Client satisfaction is the ultimate goal to ensure clients pay their bills, continue to buy and provide great references and referrals.”

Metrics that Matter for Professional Services

Jeanne Urich – Sept 18, 2015

A Direct Impact to the Business

Research continues to show that . .

Table 1: PSA Adopters Show Stronger Margins and Lower Costs

Metric	Companies NOT Using PSA	Companies Using PSA
Average Project Margin	38%	40%
Average Net Operating Income	16%	19%
Average Field Costs	11%	9%
Average G&A Expense	6%	4%
Average Total Costs	23%	20%

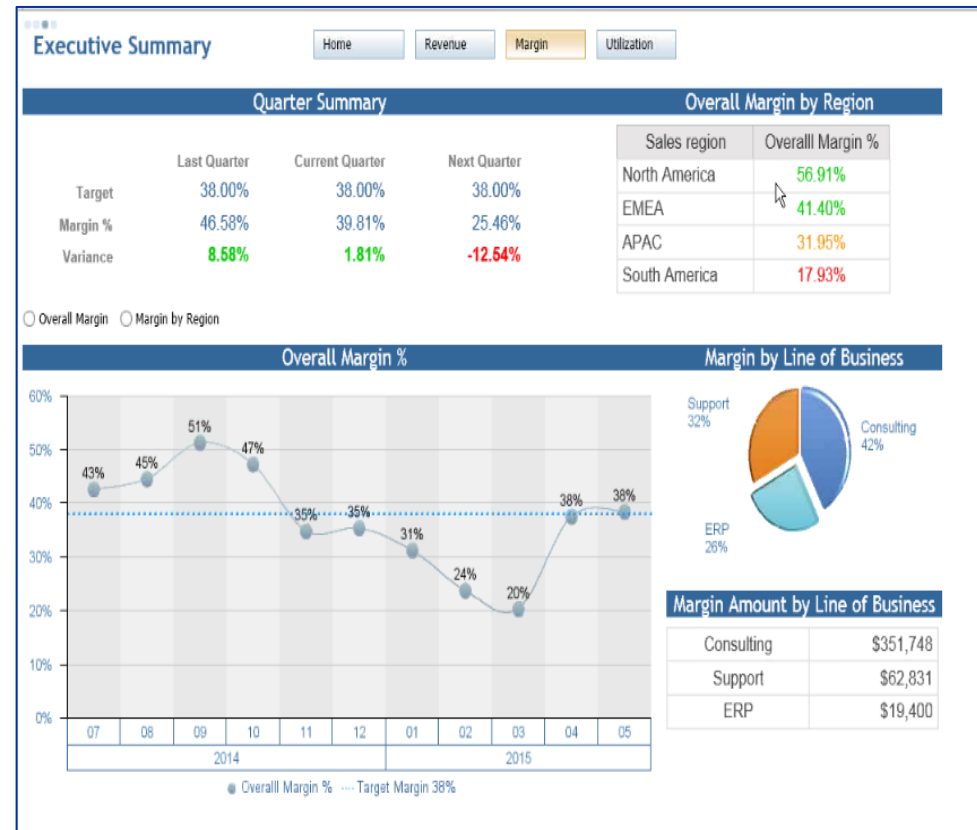
Source: TSIA 2013 PS Benchmark.

Why It Just Makes Sense

No one would question the need for supply chain management software for a manufacturing company.

While finance systems provide a detailed, retrospective “record of truth” for financial performance, Professional Services Automation systems provide visibility, levers and controls to optimize key performance drivers of the daily operations.

This current and future view into the organization helps to manage and improve overall financial performance, both are required with CFO’s finding an active role in real-time financial guidance.



A Partnership of Value

Finance System Alone

- Information focused on chart of accounts which may not reflect actual process & work.
- Financial performance measure retrospectively in cycles. (Monthly, Quarterly)
- No detail on work plans. Lack of drill down visibility into work plans; work performed and diagnostic detail to predict issues.
- Hours; cost and revenue estimates are disconnected from detailed activity.
- Does not support or enforce standard methods, practices and operational decisions.
- Little detailed information to resolve disputes, leads to credits and reversals.

with A PSA System

- Information organized how work and resources are divided.
- Financial performance is planned in advance and tracked daily.
- PSA system provides performance analysis at any level in the portfolio providing advance alarms and insights in potential causes.
- Hours, costs and revenue estimates are at the detailed level, and provide roll-up views.
- Supports work assignment, methodologies, standards and operational best practices.
- Detailed records reduce invoice disputes, which results in fewer credits and greater accuracy of reported revenue.

Project Management alone is not PSA

So while **you can buy a non PSA enabled PPM solution** for a bit less than an enabled one - the reality is that its **never going to achieve the same value to the organisation,** or your objectives.

To run a Professional Services Firm, you need to not only do the main pieces of a Project Management tool, but there are additional functions and features that your system will need.

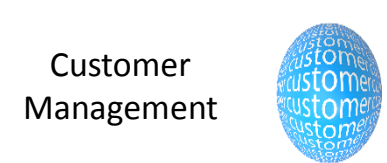
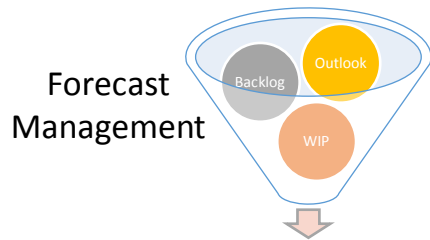
All PPM systems are not created equal. At last count, there were **734 PPM tools in the market,** all looking for your money. Most are inadequate, many are minimalistic, and some are "**mutton dressed as lamb**".

Professional Services (PPM Software): Frauds, Originals and Forgeries

[Alan Crean](#) Publishing Research & Analysis Data on Professional & IT Shared Services

Business Impact Case

While effective opportunity and project management will see efficiencies, the order of magnitude value realization comes from enabling fact based real-time decisions affecting margin and revenue objectives, with a focus on Automation, 360 visibility and Customer focus on satisfaction



Operational Efficiency Gains

Governance and Efficiency Gains

Resource Utilization Gains

Customer Satisfaction Gains

Potential for greater gains in multiple areas

From Effective Forecasting, Delivery and Utilization Process Improvements

1eEurope PSA Case Study



“Changepoint is an end-to-end solution for us, from marketing to finance. It’s the backbone of our company.”

- *Patrick Soenke, Research and Development Manager*

INDUSTRY

IT Services

CHALLENGE

An IT services provider with European-wide clientele, 1eEurope Deutschland GmbH needed a software suite to manage its core business functions, from time-tracking to accounting.

SOLUTION

Changepoint for Professional Services Automation (PSA)

RESULTS

- Cultivated an organization-wide standard process
- 100% of invoicing is now streamlined and generated with the help of Changepoint
- Reduced monthly billing cycle to only 3 full days of work

Slalom PSA Case Study

SLALOM

“Changepoint’s ability to manage the entire lifecycle of an engagement is critical to us. Through the entire process of setting up the engagement, staffing, invoicing and recognizing revenue, we needed a solution to manage it all. The extensive data we are able to extract from Changepoint into our reporting and BI tools allows us to analyze any engagement in detail.”

- Mike Heffernan, CFO

INDUSTRY

Business and Technology Consulting

CHALLENGE

- Streamline and automate the engagement life cycle
- Better manage billing, utilization, and cash flow
- Mitigate risk of lost revenue and invoicing delays

SOLUTION

Changepoint for Professional Services Automation (PSA)

RESULTS

- Improved billing efficiency, accuracy and timeliness
- Automated revenue sharing among teams and across markets
- Improved expense reporting and time keeping
- Increased visibility into revenue

What to look for in choosing a PSA

Key Roadmap Components

- Mobility Investments
 - Globalization Focus
 - BI Reporting
 - Integration Flexibility
- 360-degree view of customers
 - International currency support
 - Project Management and Resource Management in a single application
 - Customer Relationship Management
 - Real-time resource financial forecasting
 - Time tracking for project and non-project activities
 - Flexible revenue recognition
 - Financial performance analysis
 - Sophisticated currency and tax handling
 - Full audit support
 - Full service PSA; avoiding multiple systems with multiple integrations

Key Drivers to Improving Performance, Customer Satisfaction & Profitability




Bob Caruso
Client Partner



- HQ in Tampa with 600 team members **averaging 20 years** of experience in consulting and industry
- **Worldwide Offices** and Partnerships
- One of Microsoft's top partners – **Microsoft Dynamics Worldwide Partner of the Year** 4 times in 6 years (2008, 2010, 2012 and 2013)
- **Cornerstone On Demand** top partner
- **Largest Microsoft Dynamics customer** base in North America



- 
- Growth in Professional Services of 10% or more for the third consecutive year
 - 28% report 90% or higher client “referenceability”
 - Shortfall of 248,000 workers with prerequisite analytic reasoning skills
 - Average project staffing time in 2014 is 9.41 days
 - 53.6% report either Substantial or Comprehensive real-time visibility of KPIs
 - 5% of PSOs achieved an average earnings of 25.3%
 - Most reported an average 12.2% earnings

Source: Service Performance Insight, February 2015

Professional Service Organizations (PSO) success requires alignment. Processes, employee behaviors & technology must be aligned around client expectations

Enable your employees to provide a delightful client experience with technology designed around customer expectations



Understand your clients' expectations and desired experience, designing them into your processes and technology

Employee engagement (internal culture) and brand promise are linked through the experience your employees deliver

Align your employee behavior with your processes and technology to create a consistently positive client experience

PERFORMANCE PILLARS

Level 5 organizations are visionary and collaborative both internally and with clients and external business partners.

Leadership

Client Relationships


Human Capital

Delivery

Financials

	LEVEL 1 INFORMAL	LEVEL 2 FUNCTIONAL EXCELLENCE	LEVEL 3 ALIGNED	LEVEL 4 ORGANIZATIONAL EXCELLENCE	LEVEL 5 CONTINUAL IMPROVEMENT
Leadership					
Client Relationships	<ul style="list-style-type: none"> • PSO is opportunistic 	<ul style="list-style-type: none"> • Repeatable processes 	<ul style="list-style-type: none"> • Standard processes across organization 	<ul style="list-style-type: none"> • Precise measurements, metrics and controls in place 	<ul style="list-style-type: none"> • Focus on continues improvement
Human Capital	<ul style="list-style-type: none"> • Revenue generation is top priority 	<ul style="list-style-type: none"> • Best practices deployed within functions 	<ul style="list-style-type: none"> • Consistent, repeatable delivery methodology 	<ul style="list-style-type: none"> • Processes aligned to achieve leverage 	<ul style="list-style-type: none"> • Controls in place to measure and optimize performance
Delivery	<ul style="list-style-type: none"> • Processes are fluid and informal 	<ul style="list-style-type: none"> • Un-integrated processes 			
Financials					

MATURITY LEVELS

- 
- Bid-to-Win (*Client Relationships*) impacts margins and revenue growth (*Finance and Operations*)
 - Leadership issues (communication, well understood vision, mission and strategy,) can impact the ability to grow (*Finance and Operations*), staffing levels (*Human Capital*) and the ability to effectively deliver projects (*Service Execution*).
 - If a project is delivered late (*Service Execution*) it can negatively impact relations with the client and future sales effectiveness (*Client Relationships*), revenue growth and project profitability (*Finance and Operations*).

Source: *Service Performance Insight, February 2015*



- Proactive Project Management
- Accurate Forecasting
- Aligned Resources
- Comprehensive Visibility
- Integrated Automation



Fully-integrated professional services solutions align sales, marketing, services, billing and resource management functionality in a single cloud-based platform.

End to End Business Management
for Professional Services Firms

CRM

PSA


ERP

Simplicity of Outlook



The Sophistication of
Microsoft Dynamics

Private Cloud or On-Premise Deployment

- 
- A low-angle photograph of a modern glass skyscraper, showing the intricate grid of the facade and the reflection of the sky on the windows.
- Professional Services Organizations opportunities abound
 - Align customers, people, processes and tools
 - Flexibility and delivery excellence are enabled by the right technologies

Thanks for Your Participation



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