

Professional Services Organization Performance Assessment

Introduction

Let Meitasoft help you build a first class Professional Service practice that is positioned for excellence, revenue and net margin growth. Our deep step by step assessment will review your professional services organization across 4 key areas:

1. Basic practice matters
2. Client Matters
3. People Matters
4. Management Matters

Whether you're looking to improve your existing practice, position it to grow, or if you're starting from scratch we can help. We draw on 15 years practice creation and management at the VP level.

Call us at 617-398-0445 or email us at info@meitasoft.com to arrange a 15 minute call.

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Professional Services Organization Performance Assessment; Scope and Process

Your assessment is performed on and off site in 3 phases:

- **Phase 1** provides an in depth assessment of the current state of your professional service organization and captures desired to be state.
- **Phase 2** delivers assessment findings and provides recommendations, strategies, priorities, and plans.
- **Phase 3** creates project teams lead by your PS and Ops groups. Plans are created and executed. Team performance is measured on a weekly basis with the teams and on a monthly basis with the exec team.

The logo for Meitasoft, featuring the word "Meitasoft" in a bold, red, sans-serif font with a slight shadow effect.

Marketing Automation Solutions

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Each phase is further broken down into critical subject areas to be reviewed and we provide plans for accomplishing them. An engagement can include the entire scope or it may focus on known or discovered areas of weakness. Each engagement is treated as a project reporting to the VP of Professional Services. Results, recommendations, and concrete plans are created that will result in a higher performing organization.

Timeline:

- Phase 1 provides an in depth assessment of the current state of your professional service organization and captures desired to be state. Phase 1 reviews:
 - Basic practice matters
 - Client Matters
 - People Matters
 - Management MattersPhase 1 is completed in 4-5 weeks
- Phase 2 delivers assessment findings and provides recommendations, strategies, priorities, and plans. Phase 2 is completed in about 45 days.
- Phase 3 Project teams are created from PS and Ops leadership. Plans are created and executed. Team performance is measured on a weekly basis with the teams and on a monthly basis with the exec team. Allow 6 months for the completion of priority initiatives with a committed team.

Detailed Breakdown of Phase 1:

- Phase 1: 30 day assessment:
 - **Week 1**
 - Work with the senior management team to understand their top priorities for the Vice President of Professional Services e.g. raise client satisfaction, increase skill building, improve productivity, make it scalable, grow it, create new sources of revenue, other – to be discovered within the assessment. Be prepared, understand what the top challenges for the position are?
 - Conduct in depth reviews starting with “Basic Practice Matters”:
 - The first area reviewed is “Practice Profitability; Health and Hygiene”
 - Understand what type of organization is needed? What is the relative mix of senior-level, mid-level and juniors?
 - The type of projects delivered; deployments, training, assessments and audits are Procedural or Routine type projects rather than custom one-off or projects or projects requiring a great degree of innovation and creativity.

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Procedural type projects require the most amount of mid-level and juniors. Customer problems can be addressed as projects with steps. Work can be delegated and supervised by seniors or project managers.

- What are the skills required and are the staff skills currently available?
 - *By leveraging high cost seniors with low cost mid/juniors we can lower our effective hourly rate and cost to clients while simultaneously generating additional profit.*

- **Week 2** - Understanding the practice and budget review
 - Goal: Understand revenue and margin numbers and assumptions for PS
 - Build bottom-up PS budget model by
 - Reviewing current year budgeting assumptions and process
 - Review revenue goals:
 - Analysis of prior 2 Sales and PS quarters
 - Sales forecast for next 2 quarters (# of units of new logo sales)
 - PS forecast – understand all revenue sources:
 - Service revenue from new license sales, plus factor for up selling and change orders – this is a profile of the typical deal(s)
 - Existing services that can be sold to existing customers
 - Rank services for must have and profitability
 - Work with Sales and PS Leaders to identify new (higher value) services and opportunities to extend and improve existing services e.g. outsourced services, retainers, staff augmentation,...
 - Understand competition:
 - Who are they?
 - How do they compete – Rates? Expertise? Offerings?
 - How can we beat them
 - How can we adopt their best features
 - Costs:
 - Partner and 3rd party consultant usage; understand current state and plans for how delivery partners and consultants can be used in this year
 - Revise/create the Staffing Plan

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- Develop project delivery profiles – what is the process/methodology for delivering each service? How many people of each type are needed and when, within the process.
- Analyze current staff utilization and free-work hours
 - Utilization problems? – root causes? Scheduling, over staffed? Wrong skill mix? travel/geo location issues?
 - Free work problems? - root causes? Quality?
- Stack rank staff by job role and review need for changes
- How many people by role are needed? (directors, managers, project managers, business and technical consultants)
- Where are located and are there issues
- When to onboard? Create hiring plan if needed.
- Calculate revenue and Margins
- Reconcile bottom up results with Budgets
- Recommend revised budget, if necessary including hiring plan
- **Week 3** – Support & delivery organization and processes
 - Operations review – document processes, staff, and capture issues
 - Time entry – track the types of non-billable hours?
 - Scheduling process. Note that there must be a commitment to allow for a significant amount of skill building and delegating work to juniors. Staffing decisions are important since they impact motivation, skill development, retention, and delivery results.
 - How are the work assignments handled today? Is there scheduling system? Scheduler? Are there scheduling issues? E.g. skill info or staff schedule not current or inaccurate. Poor specification of skills or timing required? Shortage of key skills? Missing billing opportunities?
 - Billing process – does it need to be faster?
 - Collections and DSO review
 - Management reports – what reports are available and what is their state?
 - Utilization
 - Non-billable hours
 - Schedule
 - Revenue
 - P&L variance
 - Project Profitability
 - Is PS revenue forecasted (sold, commit, pipeline) each week?
 - Review how services are sold to the install base (Reps, Directors)

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- PS Document Library? – Sharepoint? Doc templates, contracts, project doc storage and archive
- Recommendations, benefits, costs, timings
- Project delivery hygiene review
 - State of Directors
 - In order to understand who they are and their practices, provide them with PPT templates so they can prepare and present the state of their business within week 3.
 - Are Directors held responsible for engagement's success including project profitability?
 - Are they ensuring juniors are being delegated to in order to learn and grow. PS management should be motivated and rewarded by the VP for good coaching
 - Are they comp'd on individual or group revenue, margin, and customer satisfaction?
 - Directors and PS management will be assigned to manage special projects in support of key initiatives identified within the assessment. These may include raise client satisfaction, increase skill building, improve productivity, create new sources of revenue, etc.
 - They will also be challenged to work with marketing to publish trade and web site papers.
 - Do they currently coach and conduct performance reviews of staff, especially PMs?
 - Understand how they sell new license deals with Sales. They may be aligned in a geography with a rep. They own PS proposal lifecycle. They should kick off projects with PM led team. Own exec level relationships during projects and engages customer frequently after to maintain relationship and selling opportunities
 - They mine new opportunities in the install base from their accounts
 - Review territories and account distribution
 - Do they schedule post delivery follow ups with customers?
 - Do they maintain their revenue forecasts (sold, commit, pipeline) and drive to their revenue targets with their teams on a weekly basis
 - State of Project Managers?
 - Leads customer projects
 - Work with Ops to staff their projects. They must be committed to delegating work to juniors to increase skill building, they provide good coaching, and support and manage on the job training with in their projects

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- Are held responsible for engagement's success?
 - They follow a common delivery methodology
 - Manage the Change Order process
 - Provides frequent status reports to client and their Director
 - Coaches teams members
 - Comp'd on group revenue, personal utilization, and customer satisfaction
 - Mines new billing opportunities within their projects
 - Methodologies
 - Defined for all service offerings?
 - Does it advantage the Sales cycle? Do PPTs exists?
 - Is it complete?
 - Is it followed?
 - Can more value added steps be added for additional billings? Is that a barrier to Sales (price sensitivity)?
 - Contracts; review state of contracts/SOWs, WOs, change orders
 - 3rd parties; review subcontractor and partner agreements (drive terms to 70/30 split)
- **Week 4 - Client and People Matters**
 - **Client Matters:**
 - Review state of customers
 - ABC Analysis
 - State of references? Enough? More needed?
 - Any customers in legal? Status? Plans?
 - Assess present and past customer problems – root causes, prevention in place? Fix in place?
 - Who owns the customer relationships? Who sells services? Who processes maintenance renewals
 - What are the Sales opportunities for up selling product?
 - Marketing - Are services being marketed? How?
 - Are we listening to clients? Which opportunities are we taking advantage of:
 - User groups
 - Reverse seminars
 - Attending client industry meetings
 - Market research
 - VP & Director visits - Identify top customers and work with Sales to plan intro road trip? Be prepared to listen to what our customers want and soft sell.

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- Engagement team debriefings
- Systematic client feedback e.g. post delivery satisfaction surveys
- Quality and Service:
 - Is there a major emphasis on achieving excellence in customer service?
 - Do directors and PMs know that they must set client expectations clearly with every communication especially at project kick offs?
 - Are proposals delivered quickly?
 - Do they contain clear measurable goals?
 - Is the scope clear and complete? Is not in scope clear and complete?
 - What are the top 5 quality issues? E.g. Miss-set expectations, oversold in Sales cycle, consultant lacked skills, missed deadlines, product issues, etc.
 - Is there a feedback program?
 - Do project managers provide frequent updates as to developments, progress, issues, risks, and budget positions?
 - Do PMs obtain client sign-off on projects?
 - Do Directors do a post project reviews with the client and scheduled a 6 month review to see if the project's original goals have been met? This is a great time to position more product and services.
 - Is there a post project satisfaction survey?
 - Is there a training program and plans to ensure good project results?
 - Are there rewards and penalties for quality results?
 - Is quality measured and managed?
- Are services being marketed to existing clients?
- Is there an employee lead or referral program in place for finding new clients and new projects to existing clients?
 - Recommendations, benefits, costs, timings
- **People Matters; Building human capital**
 - Review hiring plans and the recruiting process and current state
 - Review use of 3rd party consultants on staffing
 - Review org charts
 - Interview key services people, seek their opinions, identify winners and leaders
 - Seek opinions about staff from Sales and Sales Support leaders
 - Recent performance evaluations? Does the evaluation provide clear job requirements and professional promotion paths. Do reviews include improvement recommendations and training plans?
 - What are the professional training and development opportunities?
 - Comp plans in place? Review Q1 and Q2 results.
 - Is retention a problem?

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- Is the skills matrix maintained current? Is it used within the scheduling system?
- Are there issues with keeping personal schedules current?
- Is there a forced ranking process? How was it developed? What were the guidelines and assumptions? Deal with underperformers swiftly.
- On-boarding new employees process
- Processes for staff skill building
- Is there a feedback culture? Do people seek feedback from customers, seniors, and peers?
- Is there a coaching culture? Where directors, PMs, supervisors provide feedback on work assignments to juniors. Supervisors should provide clear goals, give prompt feedback, reward quickly, involve them in decision making, seek their opinions often, hold them accountable for results, and provide varied work opportunities. The most effective method for motivating employees is to give them a constant challenge.
- Is there a teaching culture where knowledge and experience is shared? These can take the form of lunch and learn programs or other scheduled events.
- Is there a company information sharing culture that gives employees a strong sense that they are part of the business and what its health and direction is. This is a good opportunity to cite high performers to help motivate them and others.
- **Week 5 Management Matters**
 - Practice leader; VP Professional Service's Role
 - For the practice to function effectively, the practice leader must foster an atmosphere of dynamism, of ambition, and aiming to be the best. It's the practice leader's tasks to keep the professionals' eyes focused on this continuous ambition to improve, grow, and to develop. This isn't done with vision statements or annual reviews but with good, frequent, one on one coaching of his directors and managers.
 - The leader accomplishes more by building effective teams
 - The leader is measured on the aggregate performance results of the group i.e. billings, profit, practice development, business generation, customer satisfaction
 - Practice leader seeks feedback from the executive team and services directors and managers
 - He's the head coach and is more encouraging than critical
 - Is accessible
 - Causes directors and managers to stretch for performance goals

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- Is concerned about long term issues, not just short termed goals
- Is consultative in his decision making
- Is a source of creative ideas about our business
- Makes reports feel that they are part of a team
- Is publically generous with credit
- Deals with under performers swiftly
- Emphasizes cooperation over competition
- To do:
 - Create the strategy for creating a culture that emphasizes and rewards coaching, feedback, skill building, learning, quality, customer satisfaction, finding new business, and profitability.
 - Work with the senior management team to identify short and long term business goals and create the strategy and teams for achieving them. Do the same with key needs identified with in the assessment.

Interested in discussing your particular needs? Contact Meitasoft 617-398-0445 or email us at info@meitasoft.com