

Deltek

HOW CONSULTING FIRMS WIN



THE ULTIMATE PLAYBOOK FOR EXCEPTIONAL TALENT,
PROJECT DELIVERY, GROWTH, AND PROFITABILITY





➤ **INTRODUCTION** Getting to the Next Stage – and Beyond

➤ **PLAY 1** Exceptional Project Delivery

➤ **PLAY 2** Faster Growth

➤ **PLAY 3** Greater Profitability

➤ **PLAY 4** The Best Talent

➤ **TECHNOLOGY**



INTRODUCTION

Getting to the Next Stage – and Beyond

CONSULTING IS A CHALLENGING GAME

Whether you operate as a solo practitioner, work as part of a small team of niche specialists, or manage a key function of a larger consulting business, you face a common set of challenges as you seek to evolve or grow your business.

How do you:

- ensure growth for your firm in either size or quality and scope of services provided?
- find the top talent you need to win and deliver successful projects?
- onboard talent, keep people engaged and prevent attrition?
- manage changes in project scope, resource demand and availability?
- know you are focused on the right projects and ensure they are profitable?
- spend less time tracking down the data you need to make timely decisions?
- provide visibility into accurate firm data so you can rely on it as a single source of truth?

But before all of that, how do you develop a reliable picture of where you currently stand and where you need to collectively go – when the entire team is heads-down on execution, and possibly working in silos?

If you are reading this playbook, chances are you have questions about how to navigate to (and through) the next stage of your business – and how to win by pursuing the best talent, exceptional project delivery, faster growth, or greater profitability. And you’ve come to the right place to find the answers.

HOW TO USE THIS PLAYBOOK.

Treat this playbook as a living reference guide for business transformation (which sometimes occurs in a series of smaller steps):

1. Read the entire playbook for an overview of how the most successful consulting businesses consistently win, and stay winners.
2. Check the boxes that resonate with you on the "Assessment Checklist" below to determine where your organization sits in terms of maturity and goals.
3. Next, focus solely on one of the four "plays" and work through the play's actionable checklist to achieve outcomes that win.
4. Consider the next logical play for future.
5. Repeat, with winning perspective.

What's Your Next Play?

In this ultimate playbook for consulting success, we'll dive deeper into 4 Key Plays every firm should focus on. Every firm is different, so some plays will be more important than others based on where you are in your journey. Use our self-assessment to help get you started.

>> Play 1: Exceptional Project Delivery

Do you work from a proven game plan to ensure delivery of a successful project, from setting the right scope, estimating and assigning resources, setting and reaching milestones, and turning over the final product? Define. Document. Repeat.

>> Play 2: Faster Growth

Build a strong foundation for rapid, predictable growth with repeatable processes, reliable, real-time information about performance, and systems developed in partnership with your high performers. Boost output by minimizing uncertainty and leveraging best practices.

>> Play 3: Stronger Profitability

Choose opportunities that best mirror recognized and/or unique capabilities and build relentlessly on those strengths. Reliable information about past project performance can guide pursuit, improve bid confidence, and streamline path to selection – plus ensure seamless project execution. Be in the best position to change your offerings and transform business capabilities to compete—and win.

>> Play 4: Better Talent

Make it a top priority to attract the best talent for the projects your firm is best at. Keep consulting teams engaged and make sure they pursue projects that interest them and build their careers. Offer a technology that allows them to more efficiently and effectively do their job.



Which part of your firm’s evolution game needs the most attention today? Take this self-assessment to learn more and determine which efforts can deliver the most foundational results for sustainable and profitable growth.

Checklist: Assessment – Are We Positioned for Exceptional Project Delivery, Growth, Profitability and Talent?

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

PROJECT DELIVERY

- Our ability to harness technology to automate or simplify business operations is hindered by old processes, lack of tech knowledge, or an inability to adopt.
- When our projects perform well, we’re not really sure what the drivers for that success were.
- When projects underperform, we can’t quite put our finger on why.
- We can’t confirm that our current project processes are still the most effective way to manage our projects. We experience scope creep on many of our projects.
- We could do a more accurate job of timekeeping.

GROWTH

- Our sales and marketing techniques from five years ago are less effective today.

- We regularly have to change our business offerings for clients to keep up with the competition.
 - We lack focus in our offerings and it’s unclear to potential clients what we’re great at.
 - Our value proposition keeps changing /we have a hard time articulating our differentiators.
 - We have to pass on new business opportunities that would be perfect for our firm
 - We’re not sure we have a pulse on the competition.
- Our growth is slower than we’d like it to be.

PROFITABILITY

- Our margins have gotten thinner over the last five years.
- Our overall financial performance is not as strong as it could be. We have a hard time aligning our offerings with what the client needs.

- Scope creep affects the profitability of our engagements. We want to be involved with larger, more complex projects but aren’t in a position to take them on.

TALENT

- Our talent is hard to retain – as soon as we hire new talent they are lured away by our competition.
- Our skills portfolio is hard to manage – we have trouble having the right skills on hand at the right time.
- We lose candidates due to a lack of the latest technology to help them with their day-to-day.
- We struggle to create a strong, passionate, inspired team that stays with us long enough to become part of our competitive offering.
- We could remove more obstacles for our consultants to make it easier for them to keep clients thrilled with our services.

PLAY 1

Exceptional Project Delivery

DELIGHT CLIENTS TODAY, KEEP THEM DELIGHTED TOMORROW

- is the first order of business for any consulting organization. When your firm eliminates a problem that the client may have been kicking around for years – and you deliver the solution on time and within budget – a delighted client should be the natural outcome. Followed by a glowing testimonial, unprompted referrals and steady stream of new and repeat business.

All of this works on paper, but experienced consultants know that successful project delivery does not just happen because you have won the business. In fact, in a PwC study of over 10,640 projects, only 2.5% of companies complete their projects 100% successfully.

Consultants need to attend carefully – and consistently – to every stage of the game. In addition to making sure the individual project is planned with care and unfolds according to plan, this attention ensures they develop visible, repeatable processes to expedite and scale for future growth.

“In a PwC study of over 10,640 projects, only 2.5% of companies complete their projects 100% successfully.”

>> PWC



6 Pillars of Great Project Delivery

1. Realistic & measurable milestones for the project

This may seem obvious. But broken down, it means determining a set of project milestones, even small ones, and measurement criteria agreed upon by all players before any work begins. You will learn at the outset who your sources of information will be, and ensure their availability to support the work. This is one area where automation technology, especially professional services automation (PSA) systems, can help.

Establishing the right milestones helps to assure early wins for everyone involved. Schedule a kickoff meeting and regular status meetings to track progress. This way, your project team can show value quickly while getting to know the client organization. Similarly, the client gains confidence with every expectation met, paving the way for constructive dialogue as true problem-solving gets underway.

2. Clear & regular communication

Consultants set themselves apart when they provide consistent, easy-to-consume updates, line out exactly what they need in any requests for information, and respond immediately when questions or problems arise.

And while it is natural for experts to default to industry terminology and assume a basic level of audience familiarity with technical language, the most useful communications can stand alone for a broad audience.

3. Accurate timekeeping

Outstanding project delivery encompasses more than the client's end product. Accurate internal documentation, especially about time, is critical for your organization's future project success and profitability.

Successful consultants have good systems for tracking time all the way through the project pipeline, from identifying and pursuing an opportunity through bidding, winning and executing the project. A complete account of time tells the true story of a project's profitability, and becomes management's best tool to inform future pursuit, estimates and work plans.

4. Quality assurance

Quality assurance is implicit within a small project team, where team members work closely to build upon one another's efforts. Larger projects and teams demand a more defined process for quality assurance.

Mistakes or near misses from past projects suggest natural quality checkpoints on new projects. Build third-party review into milestones at each phase to ask critical questions and improve clarity.

5. Timely reporting

Access to reliable, real-time information about all aspects of a project's progress can mean the difference between a clean, successful delivery and a messy, delayed project failure. This is another area where a PSA will help – by providing data at both the project level and for the company as a whole (as opposed to just company-level financials.) A PSA also provides instant access to different aspects of project status to support critical decisions on the fly.

The best project managers set clear expectations about what information to report, from what systems and how and when they need it. Whether it is tracking time and resources, ensuring the team is on schedule, and even making sure hours are billed to and paid by the client, timely reporting informs good decisions when corrective action is in order.

6. Effective collaboration

A small, tight project team is collaborative by nature. Teams like this replicate successful projects because transparency is relatively easy when just a few people are involved.

More complex projects and larger teams call for intentional collaboration and project management sets the tone for how team members collaborate. Visibility is a vital tool – ideally, all players can see (and understand) project data and reports, and participate in decisions about how best to move forward.

3 Project Management Killers

1. Project visibility barriers

Access to real-time project data is a must for effective project management and overall company performance. Even the most agile and committed project manager or knowledge worker can only make good decisions when the information they need is accurate and actionable—and provides project-level detail.

Many experienced project managers have learned to be adept with data from accounting reports. While information like this was never intended as a project management tool, it can provide lagging indications about time and resource consumption, and signal the need to look more broadly at project-level data much sooner.

Common visibility problems include:

- Lagging information that is out-of-date by the time you receive it.
- A siloed view of company-level information manually extracted from an accounting framework that may or may not be accurate.
- Information that is difficult to act on quickly or requires expert interpretation.

2. Scope creep

Most consultants have good radar for scope creep. And most will tell you that far too often, they have allowed it to work its way into the final project deliverable.

How does scope creep happen?

- A simple request is made to a front-line team member, who honors it because he or she does not know any better. And then another, and another.
- Work descriptions and attendant milestones are just unspecific enough to enable a broader interpretation than intended.
- There is a disconnect on the client side between the people who defined and agreed to the project – and the people who perform the work.

3. Lack of good information to effectively deploy talent

Every consultant lives and dies by the talent available to convincingly win new business and then deliver to expectations. Consultancies must find a successful balance between where leadership adds the most value and where front-line staff can cost-effectively complete a substantial share of the project. Reliable information about staff capacity and status, sustainable targets for utilization, and

agility in both process and reassigned people becomes essential. Reliable information about staff capacity and status, sustainable targets for utilization, and agility in both process and reassigned people becomes essential.

An additional challenge is to build in sensitivity around high performers. These individuals provide critical leadership and brainpower to the projects they are involved with, and their output is often greater than the rest of the team. Respecting their optimal capacity over time is key to keeping them engaged without burnout – perhaps on par with recognition, compensation, and advancement opportunities.

“The GDP contributions from project-oriented industries are forecasted to reach \$20.2 trillion over the next 20 years, yet 9.9% of every dollar is wasted due to poor project performance— that’s \$99 million for every \$1 billion invested.”

▶▶ Project Management Institute

Below is a checklist of key items your team should be considering to master Play 1: Exceptional Projects. Check all of the items that you have already put in place, then work through the unchecked items to complete this play, and win.

Checklist: How to Deliver Exceptional Projects

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

- Make sure there is a solid project management methodology and plan in place – with external dependencies and constraints clearly documented.
- Have team members – who will implement the project – create client estimates and have a peer review if possible.
- Take extra time to ensure that client requirements are documented, tied back to business needs, reviewed with client and include sign-off.
- Be sure that all subcontractors have separate, thorough and clear project management plans – especially around effort and cost estimates.
- Create a communication plan that includes a schedule for an internal kick-off meeting, a client kick-off meeting, project status meetings and client meetings. Publish minutes for each of those meetings.
- Clearly define an escalation path for the project.
- Clearly define an escalation path or process for the project.
- Ensure a formal process to hear and capture client satisfaction for deliverable quality, project communications, technical ability and more.
Set up weekly meetings to review the plans and update status with key team members.
- Create a process for team members to bring up issues, risks, questions and change requests. Assign issues to specific individuals who track actions and closures. Monitor the impact on project scope, time and cost.
- Build a project organization chart that includes all players – including the client and third parties.
- Build a project organization chart that includes all players – including client and third parties.
- For each project, establish a RACI chart that clearly defines who is: responsible (R), accountable (A), consulted (C), and informed (I).
- Develop a contingency plan to anticipate key resource turnover.
- Double-check to make sure the team’s technical skill sets are deep and broad enough to deliver the project.
- Leverage a scalable project management platform and software that gives time and resources back to profitable activity.
- Evaluate your project using a matrix of project, financial and resource data. Identify what you would have done differently. Remember, the difference between good and great is in the details.

CASE STUDY RTI HEALTH SOLUTIONS:

Better Information = Better Deliverables

RTI Health Solutions provides research and consulting services for global biopharmaceutical and medical device companies. Management realized that reliance on systems that were not designed to meet project-based needs slowed down the firm's processes and had a negative impact on the quality of their deliverable.

"It was critical for us to have information all in one system so we know what's going on, our client knows what's going on, and we can better manage our projects from start to finish."

RTI Health Solutions

» FIND OUT HOW RTI HEALTH SOLUTIONS DID IT

Customer Case Study

RTI Health Solutions

Research firm leverages Deltek for greater control and efficiency

RTI Health Solutions (RTI-HS), a business unit of RTI International, provides biopharmaceutical companies research and consulting services. RTI-HS realized that managing data in multiple systems that were not designed to meet its specific project-based needs was slowing down processes and impacting project deliverables. Company leadership wanted one integrated system that would give greater control over data, speed up the proposal process and provide access to real-time project information. RTI-HS turned to Deltek, a project-based ERP tool specifically designed for professional services firms, for a user-friendly solution that could be customized to match its business processes and make it easier to manage its business in one place.



Company: RTI Health Solutions

Industry: Research and consulting services for global biopharmaceutical and medical device companies

Services: Health economics, patient-centered outcomes research, management consulting, epidemiology, and clinical research services • **Employees: 280**

www.rtihs.org

PLAY 2

Faster Growth

WHY GROWTH IS HARD:

Every business sets its own target for growth; the pace of that growth will shape what the business looks like in two, three or five years. According to Hinge Research Institute, “High growth” – typically more than 20% year over year – boosts revenue, reputation and even the caliber of opportunity a consulting firm can pursue. High growth, however, also taxes almost every aspect of operations.

For a consulting firm, more engagements that are larger in scope drive desired growth. The first challenge is to execute more, at the same high level – a challenge that often rests with a core group of high performers. When it is time to add talent for larger engagements, the same core group will participate in both selection and training of new people. Even though growth is the endgame, things get harder before they get easier.

Completing more work, for new and different clients, stresses business systems too. Even with well-documented protocols for invoicing, payroll, payables, etc., more activity adds complexity. And more revenue does not always translate to improved cash flow, creating another level of business stress.



6 Characteristics of a growth-oriented firm

1. An entrepreneurial mindset infuses the entire organization

A growth-oriented firm is one where people at every level are looking for areas to improve. Whether it's an aspect of project delivery, business development or an internal function – how can we do this better?

The management challenge is to identify and encourage the most productive avenues for change – and to anticipate its full implications in order to ensure stability to deliver project commitments. Leadership will have their radar on constant scan for new and larger problems to solve in the marketplace.

2. Marketing and differentiating the firm's brand are top priorities

The growth-oriented firm has a strong sense of its position in the competitive landscape and looks for opportunities to present a unique solution that no one else can provide.

The cardinal rule for marketing the growth-oriented firm is to execute on efforts that are consistent, constant and relevant for your audience – and are never forgotten or sacrificed in the heat of project delivery.

3. Project teams have the right tools and resources for project success

A consulting firm's capacity to deliver exceptional projects time after time rests on good people, good processes and good tools.

The growth-oriented firm makes it a priority to invest proactively in current technology, training and consistent adoption to support business and project processes. This makes it possible to automate front office efforts, and allows project teams to stay focused on the work at hand. This emphasis becomes part of the firm's brand and part of the formula to attract bigger opportunities and top talent.

4. Strong financial management ensures business stability

Solid, sustainable growth for a consulting business relies on a strong financial base. Leadership needs confidence in the firm's financial position to make decisions about pursuing bigger opportunities and expanding capacity.

The growth-oriented firm empowers its financial management team by incorporating high-level people who have significant experience with the consulting business model, and gives them access to timely and reliable information about both individual project status and the business as a whole.

5. Client satisfaction is always front and center

At the risk of stating the obvious, the growth-oriented firm maintains a laser-sharp focus on client satisfaction. Putting follow-up processes in place to understand your client's level of satisfaction during and after project delivery makes it easier to serve current clients better – and doing more for a good client is a natural path to growth.

Seeking feedback is essential to create replicable systems for exceptional project delivery. Equally important is the commitment to act upon it responsively as needed, either in the client realm or internally.

6. Visibility, leadership and success help attract and retain top talent

Strong talent is the bedrock of success, and the right talent will serve client needs at a high level as well as support training and internal development. Top talent also gravitates to rewarding projects, and – the best people are more likely to stay and grow in value to the firm, when they perceive leadership's commitment to their long-term success.

Growth demands that your talent search be ongoing, despite the fact that it is expensive and time-consuming. In the ideal scenario, top talent finds you – which is a big challenge in today's competitive environment. The growth-oriented firm develops its marketing to tell a compelling story for both prospective customers and prospective employees.



Below is a checklist of key items your team should be considering to master Play 2: Faster Growth. Check all of the items that you have already put in place, then work through the unchecked items to complete this play, and win.

Checklist: How to Grow Your Firm

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

- Be sure you have a business plan to review and adjust at least quarterly.
- Commission research to help you identify competition, perceived strengths and weaknesses, and fine-tune key differentiators and positioning.
- Develop an email list and test messaging against that list. Grow the list through a variety of marketing activities.
- Create a marketing and sales funnel. Start simple and add more stages. Focus on funnel stage volume, velocity, and conversion. Review these metrics on a regular basis.
- Find out where employees are spending time in manual or time-consuming processes in order to streamline and automate processes for cost savings.
- Scale your business by hiring subcontractors before full-time employees.
- Find the best people to support your most competitive offerings and support their professional development.
- Build out your network of connections for business referrals and employee recommendations.
- Invest in software and tools that provide visibility into budgeting, finance, resource utilization and metrics for project as well as business performance.
- Invest in software and tools that provide visibility into budgeting, finance, resource utilization, and metrics for project as well as business performance.
- Bundle your popular services into a packaged product or course to help you scale effectively.
- Build strategic partnerships and leverage co-branding to promote a product, service, or best practice your firm delivers.

CASE STUDY SWCA:

Save Money, Collect Sooner = Faster Growth

Employee-owned environmental consulting firm SWCA services business and government clients across the US. Management knew the effort and manpower required to maintain separate systems for contract review, billing and project management cost employees excessive time and amounted to a lot of wasted budget. Newfound workflows allow all employees to see the same data, improving the efficiency of all project as well as company processes. These new workflows also help the firm become more billable, faster.

“We went from taking two or more weeks to do sales forecasting, to now doing it daily. With Deltek, all of our employees are seeing the same data – making us much, much faster as an organization.”

SWCA

➤➤ FIND OUT HOW SWCA DID IT

Deltek

Customer Case Study

Deltek

SWCA

Growing environmental consulting firm empowers project managers, reduces DSO and increases efficiency by 50% using Deltek Solutions

“Cost savings have been immense. We’re now collecting revenue 20 days earlier than before. But we’re also saving money because we only have to maintain one system. Just the sheer saving in effort and manpower, combined with the increases in efficiency has been worth it.”

» Michael Truax, Director of IT for SWCA

SWCA
ENVIRONMENTAL CONSULTANTS
Sound Science. Creative Solutions.®

For three decades, SWCA has provided comprehensive environmental planning, regulatory compliance and natural resource management services to both businesses and government clients across the United States. As an employee-owned firm comprised of scientists, planners and technical specialists, the firm combines scientific expertise with sound technical skills to provide solutions for a full spectrum of environmental projects.

Starting as a small office in Flagstaff, Arizona, SWCA recently celebrated its 30-year anniversary with growth to over 750 employees across more than 20 offices. But even though the firm experienced an average of 12% growth a year—despite the current economic downturn—SWCA still experienced some internal challenges when it came to project management and financial management.

Because the company had to rely on multiple, stand-alone systems, information was not getting into the hands of the people who needed it. “As the business was growing, we found that our data was being delivered to the finance and accounting teams, but not to the project managers,” said Michael Truax, Director of IT for SWCA. “PMs had a hard time wrapping their minds around the data, because it was in two separate systems with two

completely different databases. Also, most of our tools were homegrown, so besides not having a consistent feel, it would take weeks of back and forth to report on how projects were doing.”

The Solution

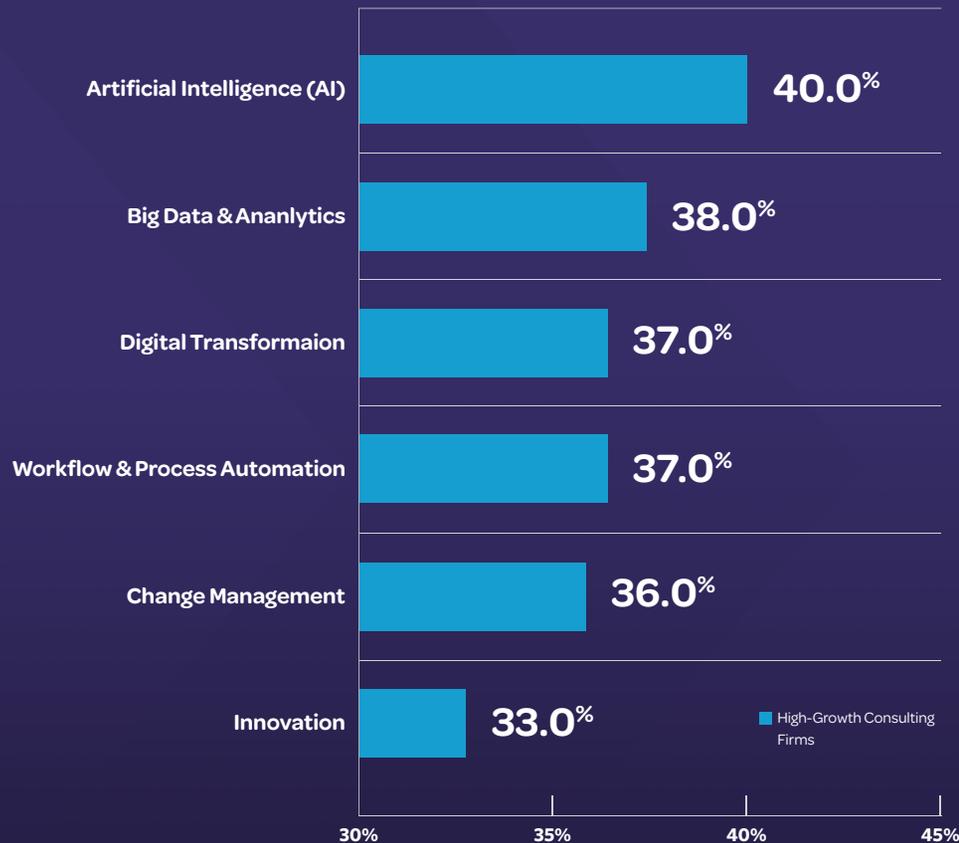
SWCA knew what it needed to remove its project management obstacles: a solution that connected the entire organization around its projects that was delivered on a single, secure system and provided accurate, reliable data in real-time as well as unlimited visibility for project managers into the health and status of its projects. By integrating all of its project data under a single solution, SWCA would ensure that its project success would grow alongside its developing workforce.

To meet all these needs in a single solution, SWCA chose Deltek. Deltek’s fully-integrated capabilities are connecting the entire firm and ensuring that project managers always get the right information for their business role—meaning they are gaining insight tailored to their role that measure project performance.

1

deltek.com

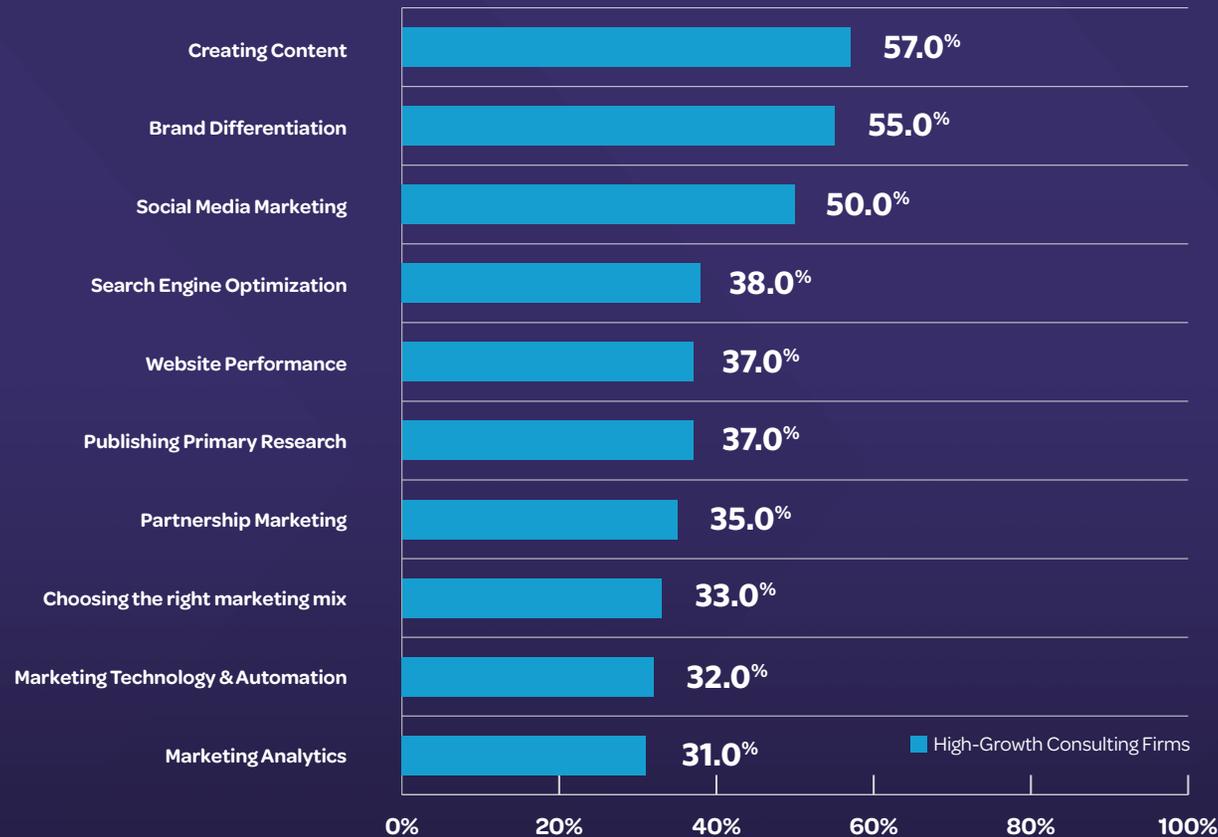
Top Technological Trends High-Growth Consulting Firms Plan on Learning More about in 2020



Source: Hinge High Growth Study 2020

High-growth firms are turning more and more to technology to help them grow, be more efficient, and differentiate themselves.

Top 10 Marketing Priorities of High-Growth Consulting Firms



Source: Hinge High Growth Study 2020

Creating content has overtaken brand differentiation as the top marketing priority for high-growth consulting firms. There is still a mix of traditional and digital marketing techniques in play to help these firms grow dramatically.

PLAY 3

Greater Profitability

IN SEARCH OF SUPERIOR MARGINS:

Growth in firm size and capabilities, project size, or revenue is often the goal, but growth alone is never an assurance of greater profitability. Profit is essential to sustain a consulting firm's growth, however there are roadblocks to recognize and eliminate along the way.

Profit comes from bigger margins on project activity and offering additional services, in particular to existing clients where there is no cost of pursuit. Improved efficiency in execution is one route to better margins. Greater discretion in scoping and pricing is another. Highly profitable firms pursue both routes with great discipline and rigor.



5 Characteristics of a Highly Profitable Firm

1. Strong financial management

Strong leadership of the financial management function, and staff with access to accurate, real-time information about project and company performance can make the difference between protecting an attractive margin and sustaining an actual loss on project activity.

An empowered financial management function makes sustained growth manageable, and puts the information you need at your fingertips to understand profit margins - forecast and actual, by project or company-wide. This information is essential to price future projects for greater profitability.

The most profitable consulting organizations elevate their financial function to a leadership role. Finance is a partner in guiding the firm forward – not a mere functionary – to make sustained growth manageable. A financial leader ensures appropriate resources for financial management, in terms of both people and technology needed to support them. True financial leadership ensures timely reporting and makes information available to project teams and management – quickly, and in an actionable form.

2. Highly differentiated market position

In any market with a host of qualified competitors, developing a firm's meaningful differentiation is critical to earning better margins.

Differentiation starts with deep subject matter expertise. Add consulting talent to gather information, evaluate the client organization's particular situation and propose a realistic solution. Build a track record of successful implementation. Differentiate on one or more fronts – by excelling in service to an industry sub-sector, time to completion, breadth of solution or something else.

Most importantly, allocate resources and make a plan to tell your differentiation story relentlessly, in every appropriate forum.

3. Focused on utilization

Successful consulting firms retain a profit cushion that allows them to invest – in people and in tools – ahead of their needs.

They have strong processes to track how and where people are deployed, and make sure hours consumed align with the project plan. The best processes are supported by technology to flag potential problems early and support course correction.

These firms have good historic data about utilization rates needed to execute a project profitably, which leads to a reliable plan and schedule. And while bumps are inevitable, they can book new business and manage workloads for key resources with assurance.

4. Equipped for project success

Successful consulting firms retain a profit cushion that allows them to invest – in people and in tools– ahead of their needs.

Experience tells these firms that it is folly to compromise their capacity for exceptional project delivery by short-changing their teams in any way. Better to hire, train, upgrade technology, move – in advance of the next big project, rather than when it is already underway.

There is short-term pain in making major expenditures ahead of the cash flow that will offset them – but a smoother project, run more efficiently, will create better margins in the long run.

5. High visibility and strong reputation make closing deals easier

Highly profitable consulting firms invest in some level of outbound marketing, whether or not their pipeline is full. Inbound leads, however, usually offer the best opportunity for higher-margin work – as the cost of an inbound lead is \$135 while the cost of an outbound lead is \$350, according to Square2 Marketing.

When a prospect approaches the firm, it's typically from a referral, or a marketing campaign in which the firm tells the story of what they do best, leveraging customer testimonials and case studies. At your first meeting, the prospective client has already been exposed to much of the proof needed to make a selection decision.

This becomes an ideal situation to develop high-margin projects. Visibility and reputation reduce concerns about rates and maybe even total project cost – the prospect wants the best solution, without compromise. Time and cost to acquire the client are typically much less, because much of the early back-and-forth (that would typically take place during the pursuit phase) is not necessary.

6 Ways to Set Your Firm Apart

1. **Focus on one thing: Solve a specific problem OR specialize in an industry**

Learn what common problems your clients face, pick one that you can solve and develop a reputation for being the best at solving that problem. Try to turn your solution into a product that can solve the problem faster than others.

2. **Separate your firm with strategy OR offer a unique set of insights**

In your space, many firms offer the same types of services. Sometimes, it is strategy that separates you from the rest. Offering a unique set of insights and strategy may be the factor that gets you chosen over your competitors.

3. **Offer a business model based on unique core values**

Perhaps you are a strong environmental advocate. Or, maybe you are avid users of the latest technologies. Weaving these core values into your business positioning could be just enough to help your firm rise above the noise of your competition.

4. **Have your process quality stand out**

Be innovative. Chances are, you will really stand out if it is easy to do business with your firm. But that is just the beginning. Make the way that your clients experience your processes and solutions memorable and appreciated.

5. **Create the best customer service**

Many consultants focus on delivering the solution – but once the final product is delivered, they move on to the next shiny object. Yet, superior customer service, especially after project delivery, will differentiate a firm, increase new business through word of mouth, and improve client lifetime value

6. **Elevate staff as “visible experts”**

Clients want to work with experts in a given field. Employees can develop a visible expert reputation for your firm by building a presence among supportive followers through blog posts, videos, articles, webinars, speaking engagements and more. Employees with specialized knowledge can also generate more revenue for your firm with higher billing rates.

Below is a checklist of key items your team should be considering to master Play 2: Faster Growth. Check all of the items that you have already put in place, then work through the unchecked items to complete this play, and win.

Checklist: How to Grow Your Firm

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

- Understand the high cost of employee turnover (at an average of \$150K to replace an employee.) High employee retention improves profitability.
- Develop a roadmap to upgrade your top 20 percent of clients to special premium offerings. Many will want, value and pay for this red-carpet level of service.
- Find ways to bundle services or products so that you can raise the average ticket price for some sales.
- Focus your best talent and efforts on your most profitable services, products and clients.
- Do a thorough analysis of the profitability of each project from the last year. You will find that some sales reps focus on volume, while others focus on profitability. Re-educate reps if necessary.
- Use a professional services automation system to get more visibility into resource overutilization and underutilization. Spend more time analyzing performance metrics to optimize your efforts.
- Find the best people to support your most competitive offerings and support their professional development.
- Treat every employee as an agent of profitability. Make sure they understand various profit levers, and empower and incentivize them to come up with new ways to increase profitability.
- Scrutinize the performance of every department, cut back on the activities that are costing money without return and invest some of those savings into activities that are making money with greater returns. Automate necessary tasks wherever possible.
- Reduce the barriers or hurdles that keep your clients from re-purchasing.

CASE STUDY CARPEDIA:

Manage Expenses + Improve Visibility = Greater Profit

Carpedia International provides business management and implementation consulting services, including asset utilization, business productivity, change management, lean management, supply chain optimization, working capital management and strategic sourcing. When the company moved from a single business model into six separate companies, their accounting system simply couldn't keep up. After moving to project-focused technology from Deltek, the firm can now manage direct expenses, billing, and time management more consistently and with greater visibility. Employees now enter time monthly via mobile timesheets – providing helpful utilization data to management – instead of once a month. Carpedia also gained back 19 out of 20 hours used to manually reconcile intercompany billing.

“Not only did the system provide the financial capabilities they needed, but Carpedia gained \$20,000 from expense management improvements – after typically losing 2%-3% in revenue.”

Carpedia

➤➤ **FIND OUT HOW CARPEDIA DID IT**

Customer Case Study

Carpedia International

Management Consulting firm increases project-centric visibility and revenue

Carpedia International helps organizations achieve improved operating performance by aligning execution with strategy and planning. As a company that focuses on delivering results, not just reports, it was time for Carpedia to find a solution to help improve its own internal processes. Carpedia moved from one single business unit to six separate operating units, but Quickbooks couldn't manage the intercompany relationships and wasn't giving the firm the robust project-based financials it needed to successfully run all six companies from a single solution. When looking for a new solution, Deltek was an early favorite because of the sophisticated financials, flexibility, multi-company/multi-currency functionality and process automation. Carpedia selected Deltek, a project-based solution designed specifically for consulting firms that could be customized to meet the needs of each internal company's business processes.



Company: Carpedia International • **Industry:** Business management implementation consulting • **Services:** Asset utilization, business productivity, change management, lean management, supply chain optimization, working capital management, strategic sourcing **Employees:** 110

PLAY 4

The Best Talent

ATTRACT AND RETAIN THE BEST, MOST APPROPRIATE TALENT:

While it's a weary truism that "good people are at the heart of every business that succeeds over the long term," consulting firm leaders know that the success of a firm rises and falls on the strength and stability of every team member working on the front lines.

In fact, the capacity to build and maintain a strong roster of professionals is fundamental to executing the first three plays of this playbook:

- Knowledgeable and agile client-facing professionals make exceptional project delivery possible even when internal systems aren't dialed in completely – which they often are not. Ideal team leaders (and players) have enough experience to make sound decisions independently and keep a project on track even in difficult circumstances.
- The fastest route to growth involves relentlessly executing a proven project model – either more often to a larger scale or to a higher standard. Scaling up requires strong and capable people who demonstrate leadership on all fronts, from business development through every aspect of project delivery and managing client relationships.
- Similarly, a consulting firm's profitability grows when every project team operates predictably and efficiently. This happens with proven players in key roles to keep budgets intact and support smart processes so well, they find new efficiencies to improve margins



Top firms become magnets for the best talent. These firms pay careful attention to keeping their people engaged on right-fit projects – that are both challenging enough to stretch them and contribute to their career path. These firms carefully balance the ongoing load (travel, training, and troubleshooting in addition to billable work) to reduce the risk of burnout.

Leading firms also devote significant resources to create a rewarding work environment, offer attractive benefits and meaningful work – and stay ahead of the curve with training and technology to support outstanding project delivery.

Managing talent successfully, in effect, becomes an important competitive advantage. Since the best people get to choose where they want to work, the firms that want them consistently practice these broad strategies:

- 1. They develop and deliver a compelling employee value proposition.** In addition to the pull of working for an industry leader, strong talent responds to dynamic leadership and the job opportunity itself, including the coolest projects that play in to the candidate's strengths, and Top-tier compensation – plus the prospect of rewards, recognition, career advancement, and access to the latest and greatest tools complete the most valuable package for string talent.
- 2. They pay attention to creating a good candidate experience every step of the way, keeping mind that the shortest hiring cycle usually gets the candidate's acceptance.** They communicate well, and treat every candidate with respect and consideration, sending a clear signal about how employees are valued.
- 3. They develop thorough and objective hiring systems** and use technology and process to streamline the screening and hiring equation.
- 4. They recruit for the long term,** thinking ahead for both the company's needs and the candidate's desire for a fulfilling career.
- 5. They manage and monitor their recruiting and retention** performance by tracking metrics like time and cost to hire, acceptance rates and attrition rates – and dedicate resources to learn and improve if they are falling short.
- 6. They create opportunities for their most dynamic leaders and specialists to play key roles in recruiting.**

“The average time to recruit and ramp new employees recently grew to more than 121 days...Americas attrition spiked to its highest at 13%...and the average cost to replace a high-performing employee is at about \$150,000 per employee.”

>> SPI Research

Below is a checklist of key items your team should be considering to master Play 2: Faster Growth. Check all of the items that you have already put in place, then work through the unchecked items to complete this play, and win.

Checklist: How to Acquire and Retain The Best Talent

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

- Put proper tools in place to track and manage incoming talent and their skills.
- Keep the recruiting cycle as short as possible – a 10-day cycle, for example, greatly improves the chances that the best candidate will accept your offer.
- Maintain ongoing relationships with strong candidates – when you win a new project, you’ll be one step closer to acquiring the people you need.
- Modernize your processes – the best candidates need to know right away that your firm is committed to best practices on every front.
- Create ongoing opportunities for learning and growth across the organization.
- Track and understand your firm’s retention rate – if it is lagging, the problem may be deficiencies in learning and development programs. Offer training.
- Acknowledge the challenge of burnout, and closely monitor overutilization. Find tools to help manage time and utilization constructively.
- Know your team and what drives them. Spend time regularly connecting with your staff – in the office and out. Get to know them, their personal interests, their motivations, and their long-term goals. Recognize and reward accomplishments. Challenge them.
- Stay current on competitive salaries and benefits. Evaluate compensation packages on a regular basis.
- Commit to true, ongoing performance management with frequent opportunities to check in, rather than defaulting to the (dreaded) annual performance review.
- Approach recruiting with the discipline of marketing – consistency over time will deliver the best results.

Technology

Any one of the plays in this playbook provides you with tips, checklists, and an example of how other consulting firms succeeded in that play. Yet, there are still many moving parts that have to come together to be successful. Where does technology fit in?

To start, technology will help you execute each of these plays faster and more effectively. Better still, it provides you with unprecedented project visibility, one source of truth, and best practice consistency. It will help your teams work to their full potential and deliver higher quality projects and satisfied clients.

Many consultants are early adopters and adept users of mainstream technology, with the mindset and experience to maximize off-the-shelf or free web apps, including some support for project management functions. But do they support all of the firm's processes, or dictate them?

You'll find that project-centric systems work best for your project-centric business, and that a tool built especially for your industry is the most compatible choice. The off-the-shelf approach can be cost-effective when the business is small and centralized, but gets cumbersome with larger or multiple projects, and more users. As many consulting firms realize, reliance on financial data only to guide project execution can mean making under-informed decisions based on consistently out-of-date data. This type of data provides a siloed financial view of company status, but fails to provide any insight into project, operational or talent health.

Successful firms look to industry-specific applications and automation software to support core business functions in the office and the field – like accounting and payroll, project management, talent management

and client relationship management. The results often contribute to substantially improved margins and efficiency, as well as client and employee satisfaction, and are scalable to keep pace with your firm's ongoing evolution.

A comprehensive project management system designed for consulting firms – a true professional services automation (PSA) system – may be worth evaluation and consideration as you move forward and master the plays in this playbook. Look for a system that serves more than what's on the plate today, and can support your strategic goals well into the future. And always keep in mind the levers you'll need to successfully manage through change, which start with seeking input and buy-in from the very beginning – from across the firm.

"96% of consulting firms rated 'The Best of the Best' by SPI

Research use a commercial PSA."

 SPI Research

Use this checklist to keep you thinking holistically about what the “right” solution will look like. Start with a documented understanding of your firm’s current processes (beyond basic accounting) to factor in steps from business development all the way through to project delivery.

Checklist: How to Choose the Best Professional Services Automation (PSA) System for Your Consulting Firm

Choose any statements from the list below that resonate with you about the present state of affairs at your consulting firm. If you agree with three or more of these statements, at least one of the “plays” in this playbook will offer transformative, actionable insight about your business.

- Define the primary and secondary business and project challenges you want to address with your system.
- Describe the metrics you need to capture for individual projects. Define where that detail is captured from and what kind of additional data is needed.
- Decide how you’ll need your project-based system to deliver information. Determine how easily it will serve your typical and recurring reporting needs (i.e., % utilization, % completion, % budget, etc.).
- Determine if your system allows you to consolidate and review multiple projects for a single client, or across multiple clients.
- Decide how far into the future you need to be able to plug and forecast client, engagement and firm data, and make sure your system and processes support it.
- Make sure the system has capacity to meet immediate needs and expand as needs grow in the future. Is it flexible enough to support an evolving firm?
- Check to make sure your technology provider has a track record of innovation and improvements, to user interface and other functions.
- Find out the upgrade cycle, and how quickly are bugs addressed.
- Define what additional features are in the works that would support your processes.
- Catalog what features and functions are plug-and-play, and what ones require customization on your dollar.
- Make sure the provider has a generous and reliable support offering.
- Find out how much support you will want/need to customize and implement the platform you choose.
- Define with your provider how the support function will work – including stated standards for responses.
- Of course, be sure to check references whose experience most closely resembles yours.



Is it time to bring a PSA solution to your game?

FIND OUT HERE HOW DELTEK CAN HELP TO REVOLUTIONIZE THE WAY YOU RUN YOUR CONSULTING FIRM.

FIND OUT MORE

EXCEPTIONAL PROJECT DELIVER • FASTER GROWTH • GREATER PROFITABILITY • THE BEST TALENT