

It's a good time for project-driven organizations. According to recent research<sup>†</sup>, many critical criteria are trending up:

- Annual revenue growth
- Percentage of revenue in backlog
- Headcount
- Average bill rates
- Salaries

On this surface, this sounds like great news. But let's look at specifics. The fact is that while overall, these organizations are making strides forward, the improvements of top performers are great, while those of others are lessened — some significantly.

The bottom line: top performers are those who are ready to capitalize on opportunity. What sets them apart?

Service Performance Insight regularly surveys project-driven organizations for its Professional Services Maturity™ Benchmark report. It has found that top performers consistently operate at a higher business process maturity level, which allows them to optimize performance strategy and execution.

This results in tangible results for these more mature top performers, who reach a profitable state faster and remain so, enabling them to better:

- Align resources with the demand for services
- Control the project delivery and margins
- Reduce revenue leakage
- Improve cash flow

KPIs of Top-Performing Organizations			
Key Performance Indicator	Top 5% Firms	All	Advantage
Annual Revenue Growth	18.9%	7.1%	166%
EBITDA	29.1%	6.4%	354%
Annual Rev. per Billable Consultant (USD/k)	\$250	\$181	38%
On-time Project Delivery	91.7%	77.3%	19%
Percentage of Referenceable Clients	83.9%	71.9%	17%

Source: Service Performance Insight, Professional Services Maturity Benchmark report

## The Gap Between Planning and Execution

For project-driven organizations, revenues come from delivering talent and expertise when and where it's needed most. How effectively you can maximize staff potential, align demand and capacity, heighten responsiveness, and manage your pipeline can differentiate a good year from a bad one.

The project workflow begins with a quote — where opportunities enter the lifecycle — and leads to cash — when service fees are invoiced. CRM addresses the front end, ERP the back. But between quote and cash, where resources and projects must be planned and managed, these systems fall short. They don't help you efficiently prioritize resources, assign tasks to appropriately skilled personnel, maintain optimal staff levels, and derive a clear understanding of project costs and value.



What results is a gap between planning and execution that many try to bridge with complex and manual processes, like standing conference calls whose updates are entered into static spreadsheets that rarely provide the visibility needed to optimize performance, revenues, and margin.

How do you move from this scenario to become a top performer that can operate at a high business process maturity level and so reap the benefits?

A critical step is to close this gap, to promote efficiencies and uplift your organization's ability to respond quickly to customer and market demands, optimally align resource levels with project requirements, anticipate future resource requirements, and manage costs associated with engagements.

## Closing the Gap with Services Resource Planning

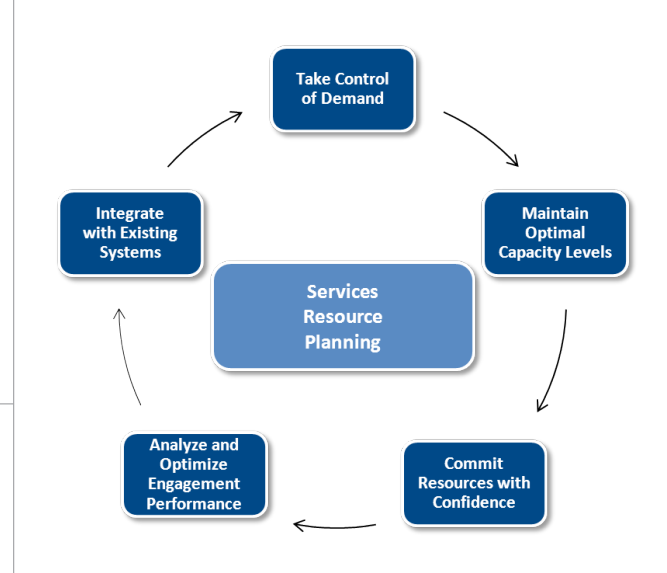
The answer for many top project-driven organizations is an integrated platform that lets you strategically plan your capacity across your current and planned demand, allocate your staff to projects effectively, and respond to change as circumstances demand — all with a sharp eye for the bottom line. What can a Services Resource Planning solution do for your organization?

<sup>†</sup> Service Performance Insight, *The 2011 Professional Services Maturity Benchmark report*, <http://bit.ly/TJRaK>

Services Resource Planning (SRP) solutions take the project-driven organization from managing demand all the way through performance analysis to close the planning to execution gap, helping you:

- Effectively assess both potential and active engagements
- Manage demand across a broad array of projects
- Plan resources across globally distributed teams
- Tie advanced analytics to resource consumption trends
- Easily deliver reliable revenue forecasts every quarter

Let's examine the capabilities a SRP solution encompasses in depth.



#### Take Control of Demand

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You must accurately assess committed and forecasted engagements to avoid resource fire drills that can threaten your performance, efficiency, and margin. Look for a solution that gives you the tools to accurately identify requirements and assess scope, with features like:

- A user-friendly, centralized location to request work, delegate requests, review lifecycles, and check status
- Automated user alerts and easy-to-read dashboards to quickly remediate resource utilization issues
- Easily accessible reports to analyze demand trends, simplify workflow, and improve overall performance

#### Maintain Optimal Capacity Levels

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Only by accurately monitoring your organization's capacity at any given moment can you effectively balance your resources against portfolio demand. Look for a solution that gives you the ability to:

- Understand how capacity and demand align across various resource pools
- Highlight where capacity gaps and excess exist
- Dynamically plan and deploy resources where the need is greatest or margin is highest
- Develop staff skills pipeline(s) to support long-term requirements and retention goals

#### Commit Resources with Confidence

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The #1 capability to look for is an interactive view of supply and demand. This dynamic approach means that when you need to move resources, you know exactly how existing projects are affected to optimize backfill resource choices. Also look for robust scenario-planning support in what-if analysis, to enable you to prioritize many different contingency plans to find the one that best meets your organization's needs, both as you develop your plans and as you adapt plans to evolving conditions. Other important features are the ability to:

- Optimize resources by both financial axes (like cost, revenue, and margin) and people axes (like skills and geography)
- Create resource pools based on attributes like expertise, role, or location
- Speed deployment by developing custom resource templates that address common study scenarios
- Build teams using resources from multiple pools

#### Analyze and Optimize Engagement Performance

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Leverage reporting and analytics during and after an engagement to shed light on the variance between planned results and actuals in terms of costs, margins, and profits. This helps you determine accurate baselines, accurately quote new engagements, and promote a healthy bottom line. And you can mitigate negative impact on margin by continually monitoring replanning required through the lens of the right reporting tools. Strong SRP analytics and reporting will help you:

- Better understand project costs, margins, and profits, and communicate their impact
- Track and report time worked and expenses
- Mitigate risks and issues such as delays
- Analyze trends on work, resources, and milestones
- Measure and forecast revenues by engagement, practice, office, or across the organization

#### Integrate with Existing Systems

### Integrate with and Get More from Existing Systems

You already rely on applications like CRM, ERP, and possibly PSA to support your day-to-day business. Your SRP solution should easily interface with current infrastructure to help you get the most complete picture possible, and share insights across the continuum of your enterprise.

Look for vendors who have developed APIs, integration platforms, or other prebuilt interoperability mechanisms that offer a seamless interface between their SRP solution and your existing systems. Avoid systems that require that you to develop custom hooks between the SRP application and your other software, as these can be complex and often fail when a new version of one system is released.

## Get Visibility into your Resources

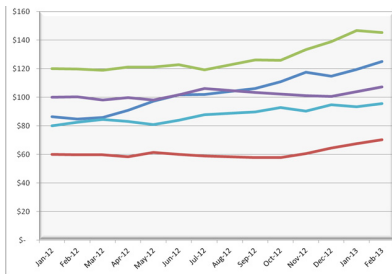
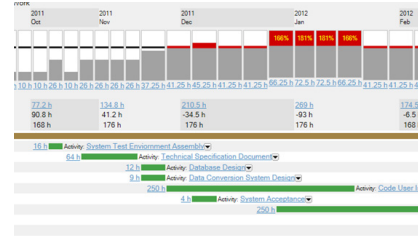
Analytics and reports are your key to understanding and communicating upwards the status of your engagements and the health of your organization. Not all SRP solutions are created equal when it comes to this vital capability: be sure to look for analytics and reporting that are powerful yet easy to use, both out of the box and configured to your custom needs.

Some solutions also offer extra accessibility features, such as availability via mobile devices, intranets, or email. This can be useful not only if you're on the go, but also if you're looking for a way to offer views to executives or other stakeholders who don't necessarily need a resource or project manager's detailed view.

Some of the things that the right analytics can help you do include:

### Conduct Resource Capacity Planning:

A graphical representation of scheduled resource capacity across projects can consolidate the view of your resource pool and show you which resources will be available when.

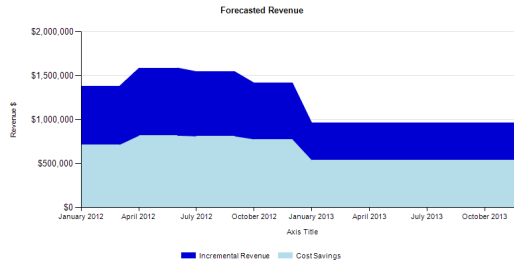


### Compare Roles by Rate:

Track roles by rate and see how they have trended over time to optimize study resource cost decisions.

### Forecast Revenue:

For service-focused organizations, the ability to forecast revenue is a key driver in the planning process and vital in driving the business in the right direction.



There's no one-size-fits-all solution for project-driven organizations looking to become top performers. The smart approach is to find the right vendor with the right solution for you, one that will help you close the gap and help you take advantage of market opportunities.

Once you know what to look for, you'll be empowered to seek out a vendor partner with a proven approach to help you:

- Deliver projects on time, within budget, and at target margins
- Improve the productivity of your resources to profitably increase bill rates
- Increase accuracy of forecasts and simplify planning

Planview has been building this kind of technology for hundreds of enterprise customers around the world, and we know what it takes to understand, optimize, and plan for resource consumption across roles, skill sets, studies, and geographies. We can help you see around the corners when it comes to deploying a flexible, large-scale solution, be it SaaS or on-premise. And our solutions grow with you and easily integrate with your existing systems: use what you need, build on early wins, and leverage more of our end-to-end approach as your requirements evolve.

Ready to get started? Get special white papers, videos, analyst papers, and more at [planview.com/SRP](http://planview.com/SRP).

