

The Salesforce logo, consisting of the word "salesforce" in a white, lowercase, sans-serif font, enclosed within a blue cloud-like shape.

PARTNER
SINCE 2009

Service Delivery in 2021

Three Trends Here to Stay

Introduction

2020 was a year of dramatic change for every business. As services organizations adapted and adjusted to make better decisions in the uncertain environment created by the pandemic, a few notable changes occurred that will likely help businesses continue running stronger and faster for the long run.

Most organizations this year transitioned to a remote delivery model, but that was just one of the most visible shifts. Other changes occurred throughout the delivery process, with everything from project structures to customer experience being re-evaluated. The trends that will be most durable going forward are those that help services organizations run more proactive and agile businesses.

Based on industry research and conversations with professional services leaders, this ebook will explore the three delivery trends shaping 2021 and beyond.

1

Shifting to remote delivery & fixed-price projects

COVID-19 is only the latest, most drastic indicator that services organizations must be able to adapt to virtual delivery models to continue running smoothly and consistently. It's now more important than ever to be able to virtually connect and share information with customers and partners. Even once we move past the pandemic, 97% of leaders say they intend to continue delivering some services remotely (that were previously delivered onsite), according to the TSIA 2020 Professional Services Benchmark.

In addition to the shift to remote delivery, many businesses have reported an increase in fixed-price contracts. This is a marked shift from just a few years back, when the majority of projects were custom or priced on a time and materials (T&M) basis. With more companies moving to cloud technology, there has been a corresponding reduction in customization needed. TSIA reports that, in 2020, 53% of professional services projects were priced on a fixed-price basis, just slightly higher than the 46% for T&M. The benefit of a fixed-price offering is that it can eliminate over-customization, lower ownership costs for customers, and make it easier to continually improve project quality and margins.

However, there are also challenges. Most significantly, these offerings demand detailed, prescriptive project plans—requiring a large amount of upfront work. Additionally, it can be difficult to capture new best practices and takeaways at the end of each engagement to continually refine projects and improve future margins.

2020 accelerated the shift to remote project and fixed price offers

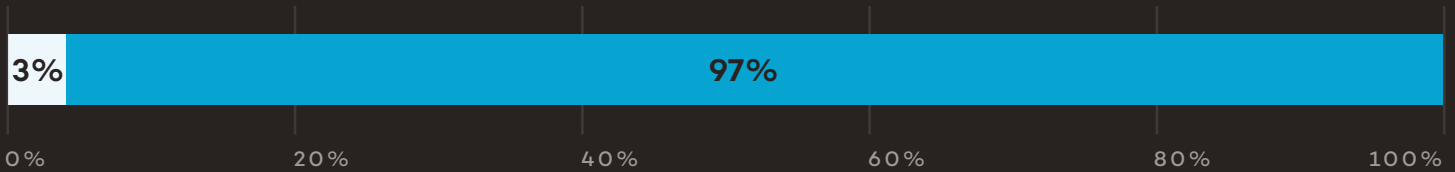
WHAT PERCENTAGE OF YOUR PROFESSIONAL SERVICE OFFERINGS DO YOU PREFER TO DELIVER REMOTELY?

- <10%
- 10% to 50%
- >50%



AFTER COVID-19, DO YOU INTEND TO KEEP DELIVERING SOME SERVICES REMOTELY THAT WERE PREVIOUSLY DELIVERED ONSITE?

- NO
- YES



WHAT PERCENTAGE OF PS PROJECTS OR ENGAGEMENTS ARE PRICED USING THE FOLLOWING APPROACHES?

- VALUE BASED
- TIME AND MATERIALS
- FIXED PRICE



Source: Technology Services Industry Association (TSIA), 2020

Actions to take

Centralize customer knowledge.

While many companies already offered remote delivery in 2019, it was often done as one office connecting to another office. But in 2020, delivery required a completely distributed model. The companies best equipped to face these and other shifts will be the ones continuously building a cross-functional knowledge base of every customer interaction. For example, through communities and workspaces where teams can easily share and store all customer and project related information, you can make sure everyone—no matter where they are—has what they need to do their job.

Offer collaborative customization.

Though strictly custom projects are becoming less common, according to TSIA, many businesses have begun delivering tailored outcomes based on a series of standardized offerings. You can do this by taking all the different things you deliver, and breaking them down into smaller components. As a result, you can “customize” an offering for a customer by simply combining various components. So while some of these may be truly unique offerings, many companies have created “accelerator” packages based off of these combinations (for example, one package could be industry-specific.)

Standardize risk management.

Every business working with service delivery understands this: If you don't manage your risk, you won't be successful from a margins perspective. Risk management is now more than just an individual project manager keeping a log of risks for each particular project. Smart leaders should consider deploying a full-cycle risk management process across the entire business, in order to capture not just project managers' notes but to also track everything going on within client organization that could be a risk.

2

Blurring the line between delivery & customer success

Customer success is not owned by any one department. In fact, it's an end to end process owned by every single part of the organization. Delivery teams, in particular, play a critical role in customer success.

Training and onboarding is arguably the most important part of the process, as it determines whether the engagement is set up for success. But delivery teams also contribute to other key milestones in the customer journey, including accelerating adoption, realizing agreed-upon business outcomes, and driving renewals. Often, the question of renewal determines whether the business will profit from the engagement at all.

According to customer success respondents surveyed by TSIA, professional services teams own approximately 25% of the responsibility for onboarding and training. So partnership between the two teams is critical. Yet in a survey of professional services teams, 65% of survey respondents say they have no methodology or plan in place to increase adoption of products by existing customers. With only a third of companies already developing these methodologies, this is a huge opportunity for businesses to drive additional value.

“A successful community ends up bringing down your support calls. Then you can draw on that as you build your offerings because the data’s right there.”

FERNY BENGALI
MANAGING DIRECTOR
CORDOBA SOLUTIONS GROUP



Actions to take

Organize your business around customer needs.

As stated previously, business leaders must ensure that delivery and customer success teams have the same view into customer information. In short, they must both understand what's important to customers and what outcomes they're expecting. Without clarity here, it's very challenging to work toward those outcomes. And if one team understands but there's a disconnect with the other, then there will be obstacles somewhere in the process. In an implementation-type project, for example, you need to create clean transitions from implementation to adoption and support.

Bring delivery into sales, and customer success into delivery.

Many businesses have already taken this up as a best practice: Invite delivery teams into the final stages of the sales process so that everyone has clear visibility into expectations. By the same token, you should bring customer success managers (CSMs) into service delivery engagements. Additionally, some organizations have begun to lean into delivery assurance programs, which are structured ways of making sure outcomes are achieved. Whether these structured checkpoints are part of the service engagement or not, you can continue to build trust and work toward the desired outcomes.

Offer customer and partner communities.

One of the best ways to blur the lines between delivery and customer success is by having a remote platform for ongoing engagement with customers and partners. Not just a place for communication and content sharing, a community can offer self-service functionality, meaning stakeholders can see the status of a project or find the right person to reach out to more easily. Communities are proven to improve project collaboration and real-time engagement, while also boosting your knowledge base and overall customer satisfaction.

3

Forecasting resources, not just revenue

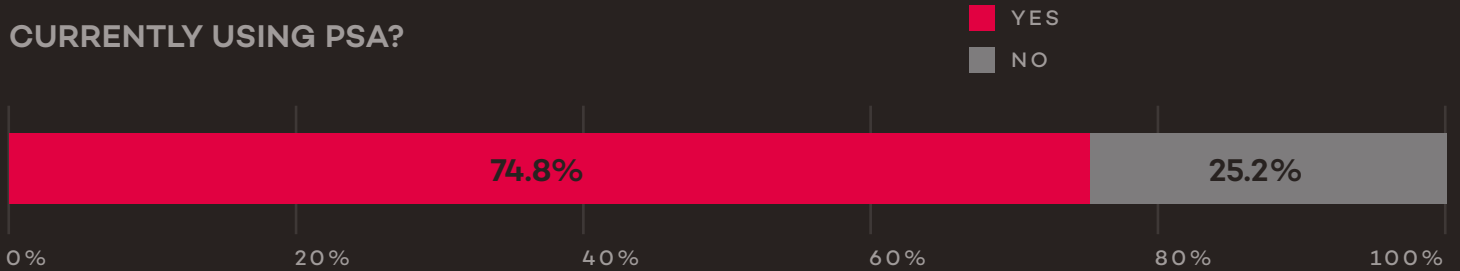
Revenue forecasting is essential to business growth. As professional services has become a revenue generator for technology companies, for example, they have increasingly sought to boost their revenue forecasting capabilities. But also growing in importance to delivery organizations is the ability to forecast for resources and abilities. Especially as project types evolve, teams need to go beyond simply making sure there's enough people to work on projects. It's also necessary to plan for specific skills, experience, and certification that will be required up to 18 months in the future.

The consultants you have today may not be the same ones you're going to need tomorrow: New products, new industries, and new geographies all require new hiring profiles. Especially with it being common to take a year to hire and train a new consultant (due to intense competition), you need to have a clear view into the projects in the sales pipeline quoted to close in the next six months and beyond. The longer lead time you have to understand future resource requirements, the better.

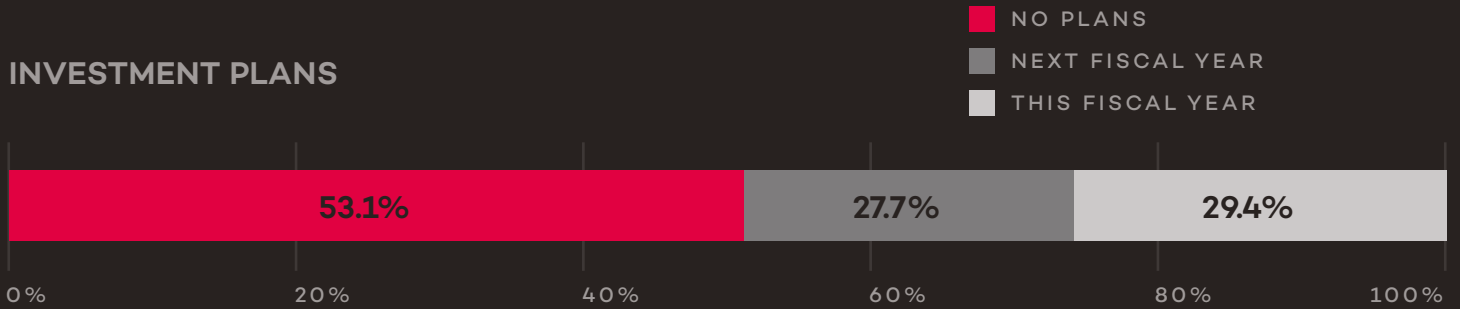
The best way to manage resources is by using a professional services automation (PSA) tool. Though some companies still handle the gamut of delivery processes—including resource management—with custom-built applications and spreadsheets, professional services automation (PSA) solutions make it easy to schedule the right people with the right skills at the right time, resolving staffing conflicts and keeping projects on track.

Technology Stack Survey for Professional Services

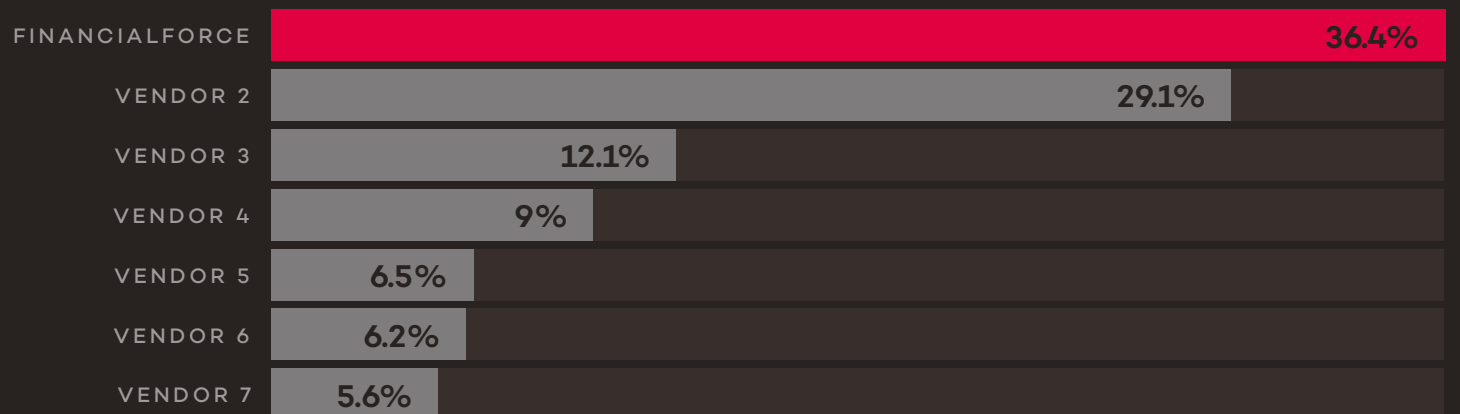
CURRENTLY USING PSA?



INVESTMENT PLANS



PSA VENDORS



Source: Technology Services Industry Association (TSIA), 2020

Actions to take

Fine-tune roles and skills needed.

Now is the time to review how you're defining roles and skills within your business. Depending on the organization, this process will have different levels of granularity. Organizations with more custom projects and more dynamic delivery offerings will need to focus on defining a wide range of skills, whereas those focused on implementing a single system will tend to prioritize seniority and experience. There's no one right fit for everyone. But it's essential to find out what skills and roles review makes sense for your organization, and put that in context of your backlog and sales pipeline.

Pull the staffing process closer to the sales cycle.

On average, it takes about three weeks to staff a project, though this possibly took even longer amid the complications surfaced by COVID-19. Anything an organization can do to pull the staffing process closer to the sales cycle will help with skills assignment and forecasting. And, as mentioned previously, the earlier the planning and mapping can happen, the more efficiently individuals can start drawing on resources—perhaps even as early as during the sales cycle.

Balance hiring against professional development.

Finding and retaining great talent has been a huge pain point for professional services organizations and delivery teams for years now. The key is striking the right balance between external hiring and internal professional development. Ferny Bengali (Managing Director, Cordoba Solutions Group) recommends the 70/30 ratio: Hire 70% of resources based on forecast needs, and hire 30% looking for sharp, junior folks that can be professionally developed. Once you've made hires, make sure you're growing people within the organization and advancing their careers.

How the right cloud solution can help

Standardizing on a modern cloud platform like Salesforce is one of the easiest, most powerful ways to manage critical delivery processes and future-proof your business. With a professional services automation (PSA) solution using a single dataset on the Salesforce platform, you can:

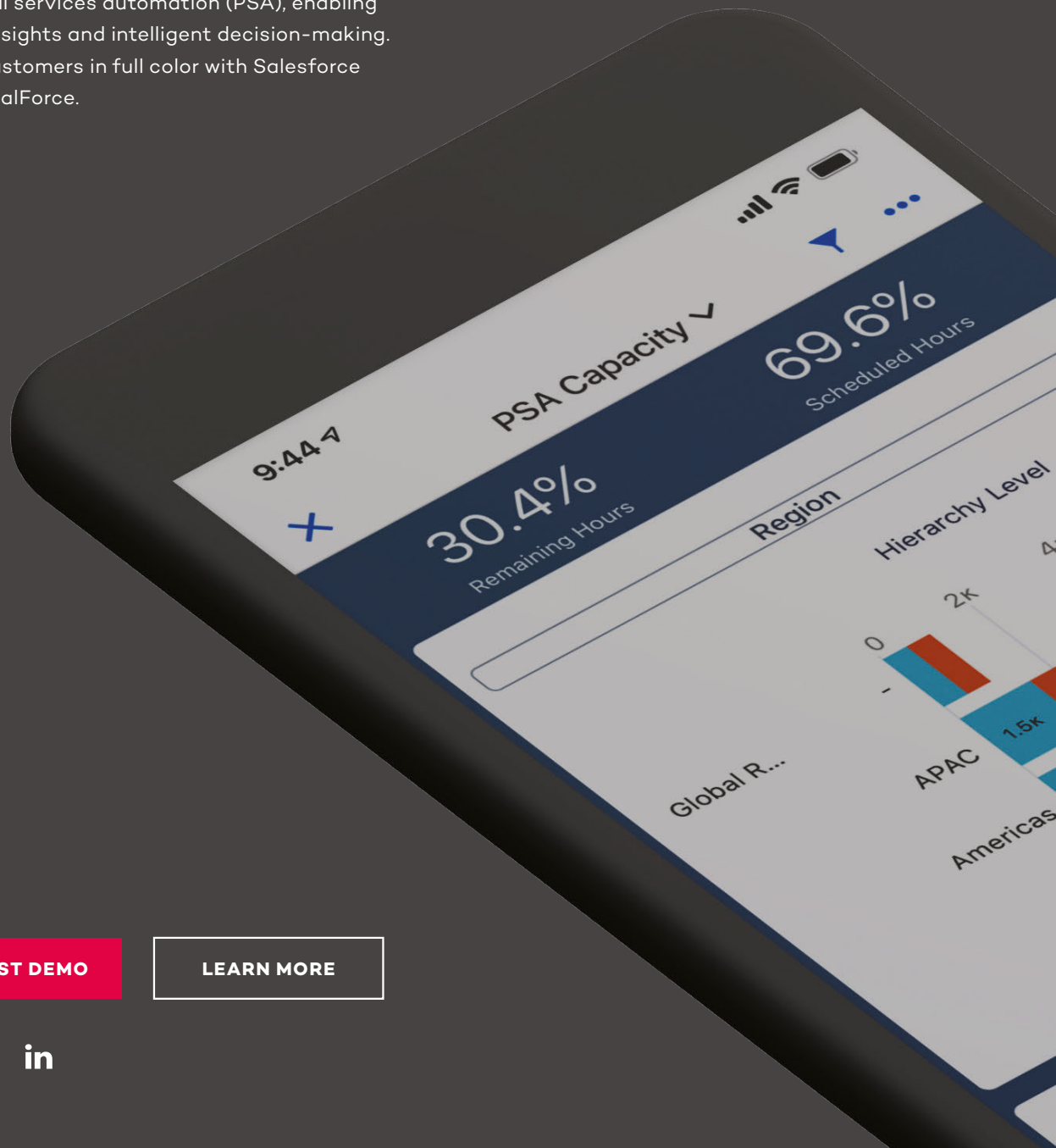
- **Optimize remote delivery for fixed-price, T&M, and other project models**
- **Empower people and teams across your organization to support customer success**
- **Manage resources, skills, projects, time and expenses, budgets, financials, billing, and customer interactions in one place**

By plugging directly into the Salesforce platform, FinancialForce Professional Services Cloud extends the capabilities of the investment organizations have already made in Salesforce. It's no surprise that 36.4% of respondents in TSIA's survey report using FinancialForce - more than any other vendor.

Salesforce and FinancialForce tie the front and back office together so that sales and delivery teams can better balance real-time resource demand against resource capacity, forecast capacity a year into the future, easily convert won opportunities into billable projects, and more. With a solution flexible enough to support ever-changing delivery models and scalable enough to drive and sustain rapid growth, you can build a business prepared for 2021 and the years to come.

EXPERIENCE MODERN DELIVERY

FinancialForce offers customer-centric business applications on the leading cloud platform from Salesforce. We accelerate your business growth with the only modern ERP suite and the #1 professional services automation (PSA), enabling real-time insights and intelligent decision-making. See your customers in full color with Salesforce and FinancialForce.



[REQUEST DEMO](#)

[LEARN MORE](#)