

Elevate Your Business Performance:

Takeaways from the 2022 PS Maturity™ Benchmark

February 22, 2022



Today's Presenters



Jeanne Urich

Managing Director

Service Performance Insight



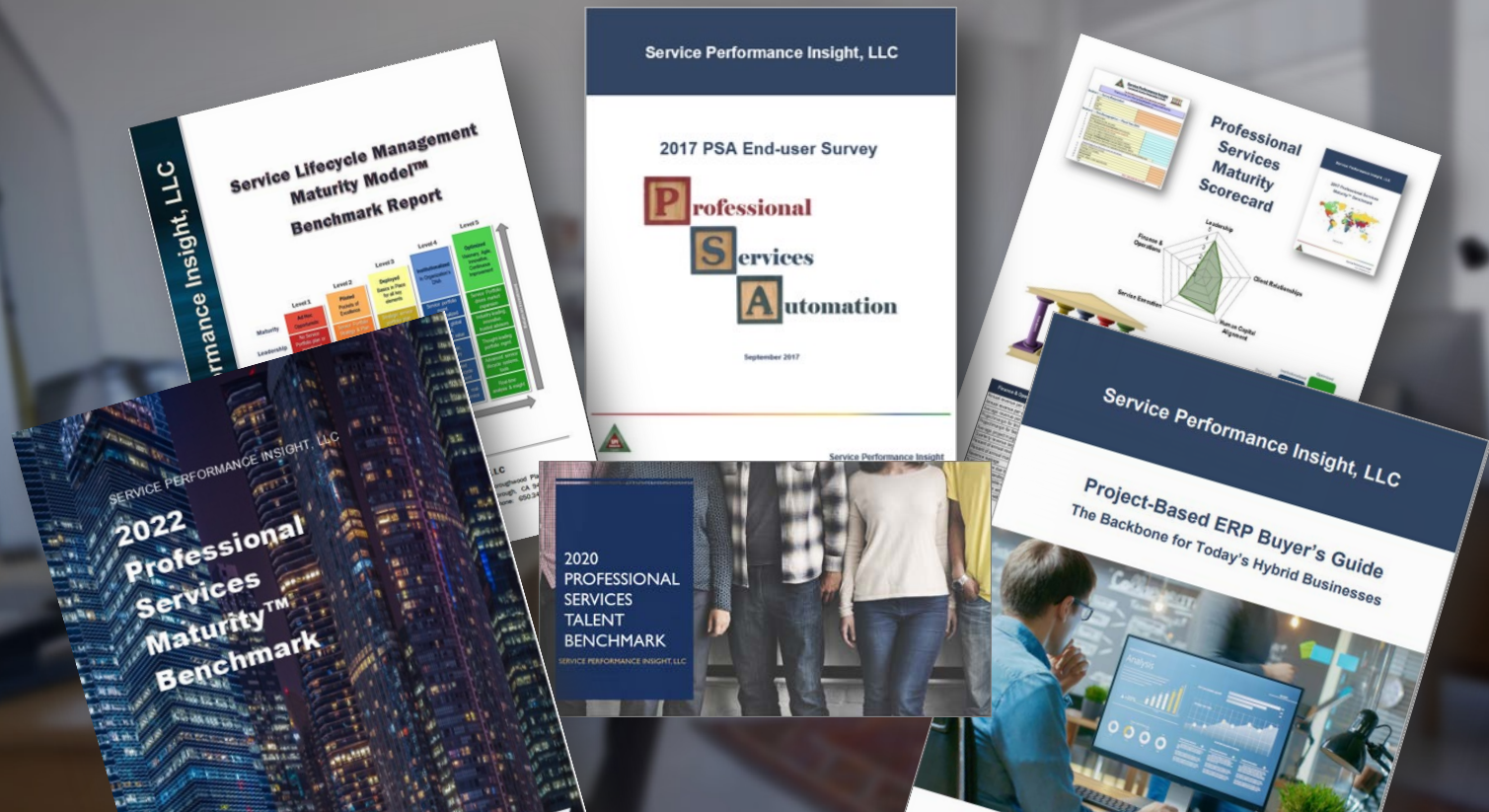
Charles Gustine

Brand Evangelist

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SERVICE PERFORMANCE INSIGHT INDUSTRY-LEADING RESEARCH

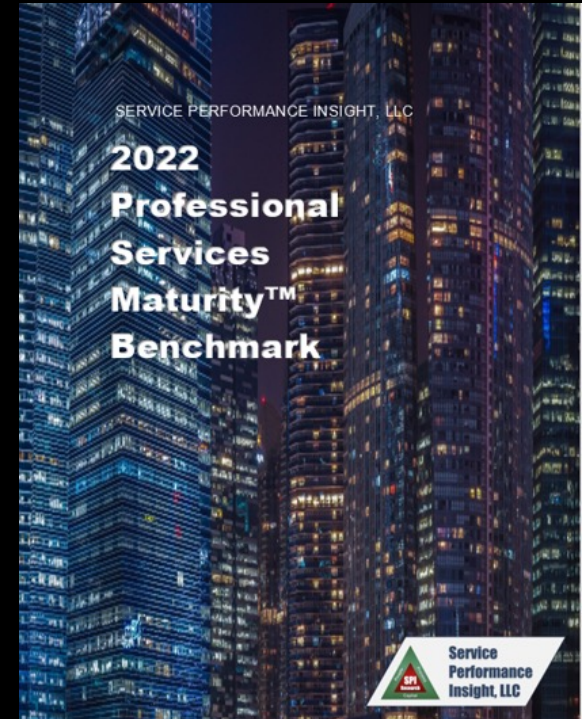


HOW WILL YOU ELEVATE YOUR BUSINESS PERFORMANCE?

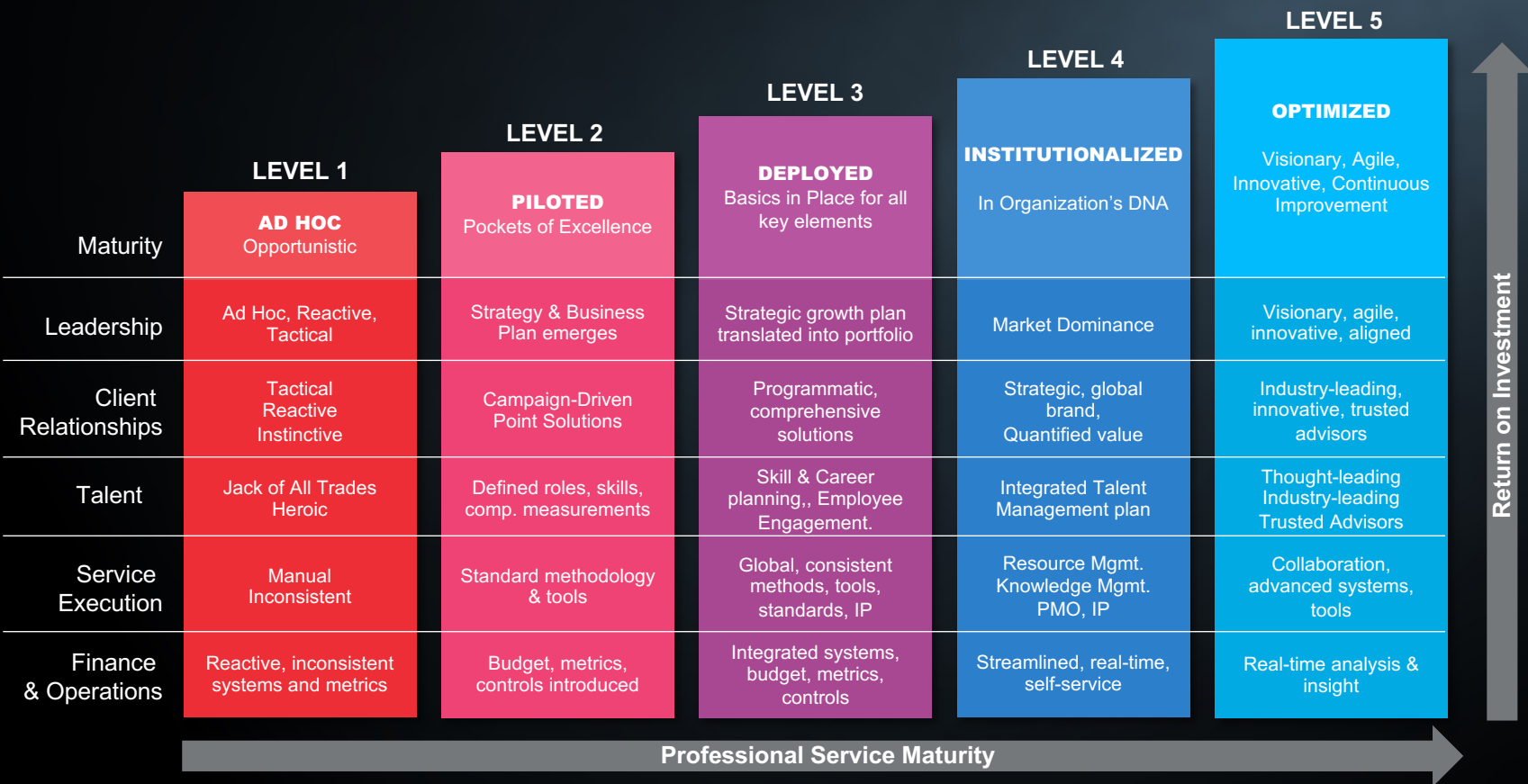


1. Improve maturity
2. Focus on service execution
3. Pick the right business systems

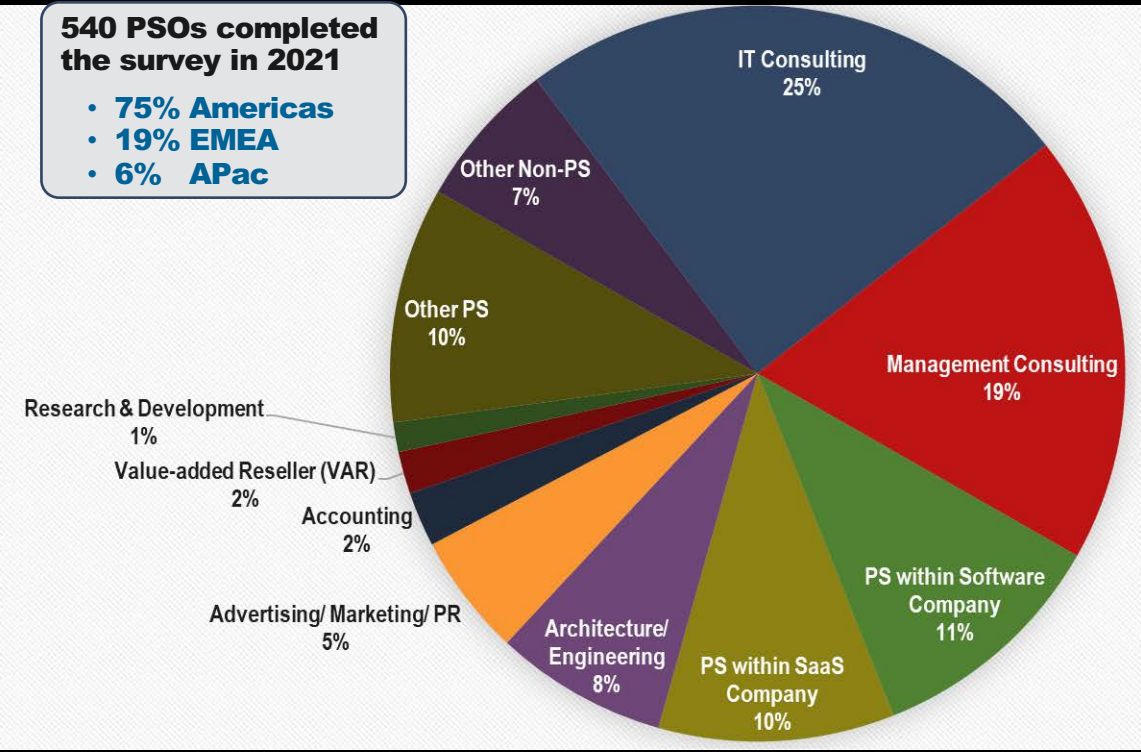
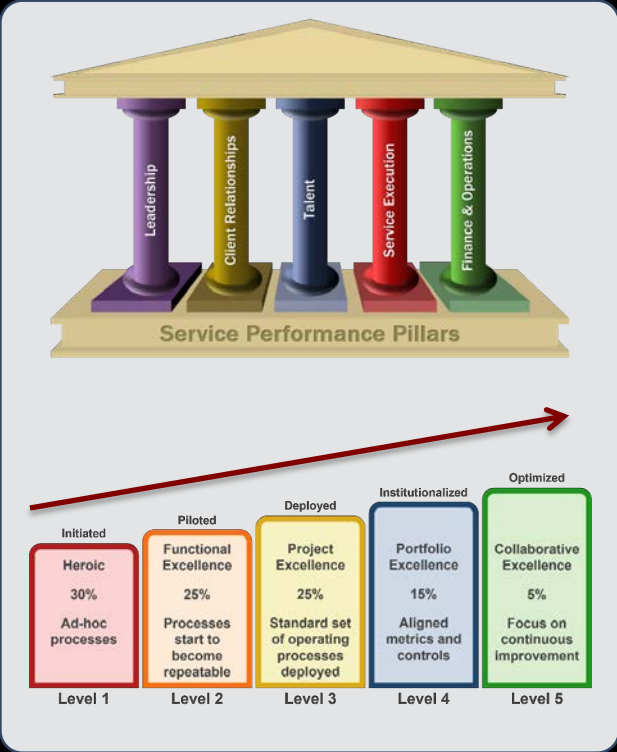
2022 PS Maturity™ Benchmark Trends



PS MATURITY™ PROGRESSION: EVALUATE AND IMPROVE MATURITY



2022 PROFESSIONAL SERVICES MATURITY™ BENCHMARK



MATURITY MATTERS!

2022 PS MATURITY™ BENCHMARK RESULTS BASED ON 540 FIRMS



Level 1
Initiated

Level 2
Piloted

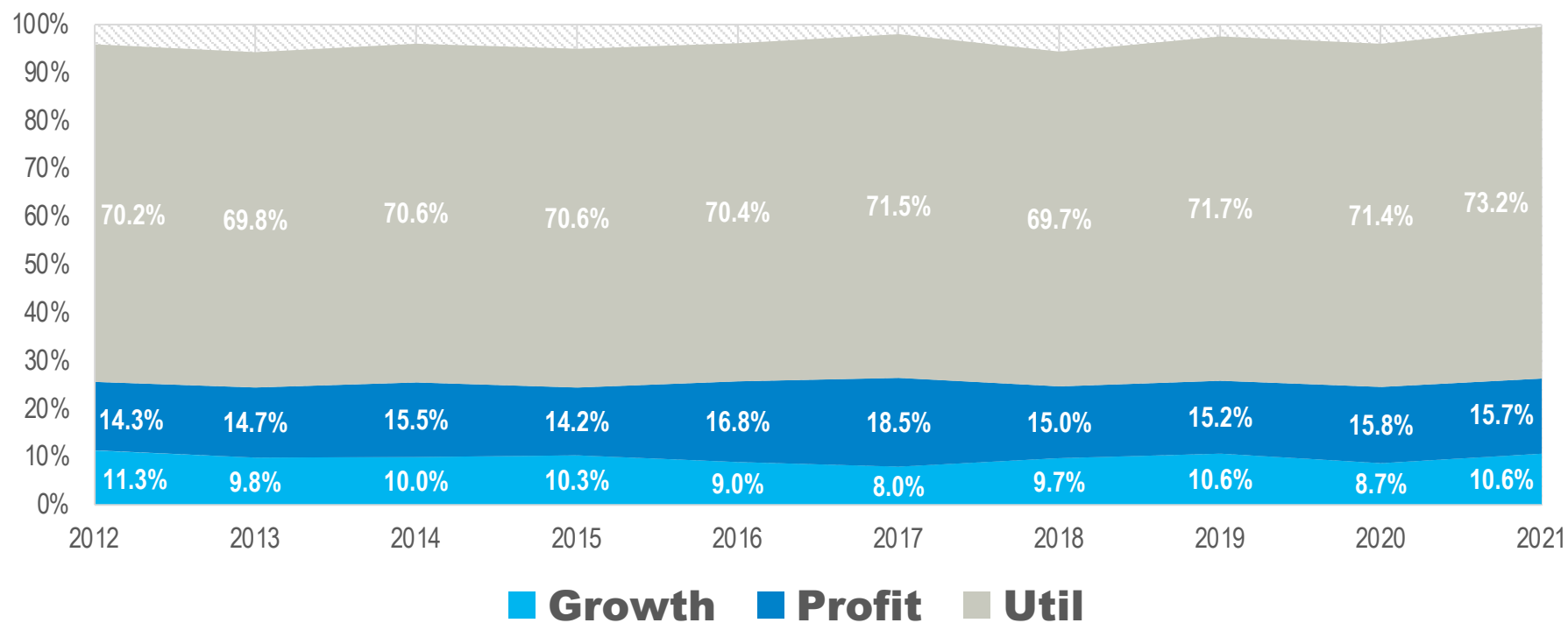
Level 3
Deployed

Level 4
Institutionalized

Level 5
Optimized

Firms	161	135	135	81	28
Year-over-year change in PS revenue	9.4%	9.6%	9.8%	13.5%	17.4%
Deal pipeline / quarterly bookings forecast	110%	165%	189%	213%	265%
Bid-to-win ratio (per 10 bids)	2.90	4.21	5.54	6.41	7.54
Employee billable utilization	57.3%	68.2%	77.2%	77.5%	82.5%
Projects delivered on-time	65.0%	76.5%	80.7%	85.6%	89.6%
Project margin	15.4%	26.4%	37.7%	47.2%	55.0%
Annual revenue per billable consultant (k)	\$84	\$150	\$208	\$253	\$276
Profit (EBITDA %)	0.6%	6.3%	14.6%	19.9%	30.1%

GROWTH, PROFIT AND UTILIZATION



SUCCESSFUL STRATEGIES

WHAT IS WORKING

Global

Specialization

Service Packaging, Recurring Revenue

Virtual Teams, Facilities

Reputation and Quality

Integrated Sales, Delivery & Finance Systems

WHAT IS NOT

Horizontal

Generalization

Complex, Custom

High Overhead, Price Reductions

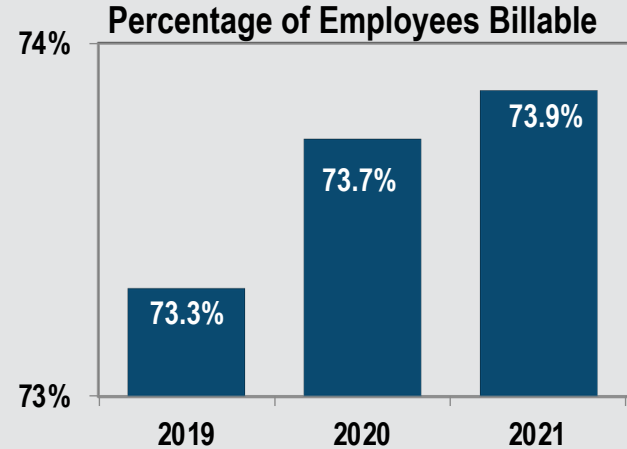
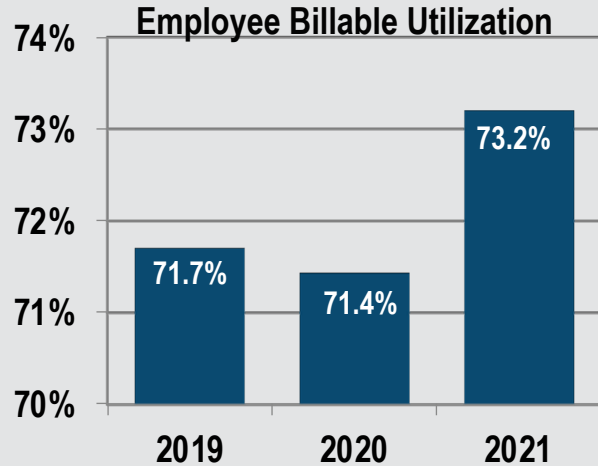
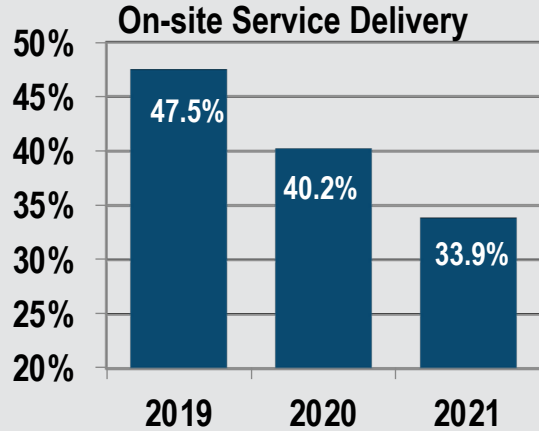
Lowest Cost

Silo'ed Functions, Legacy Applications

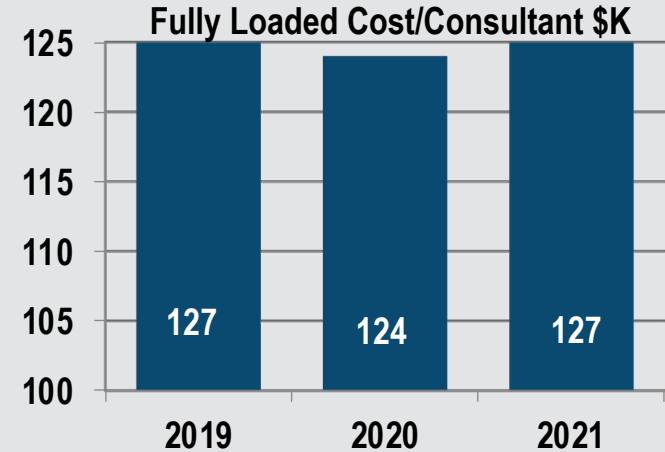
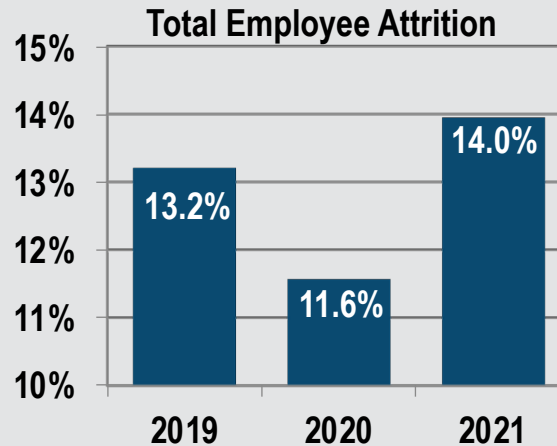
SERVICE PERFORMANCE PILLARS



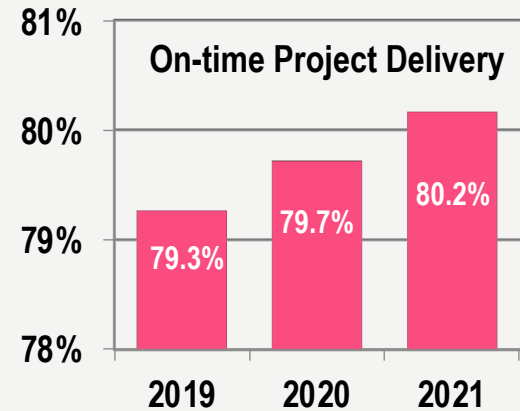
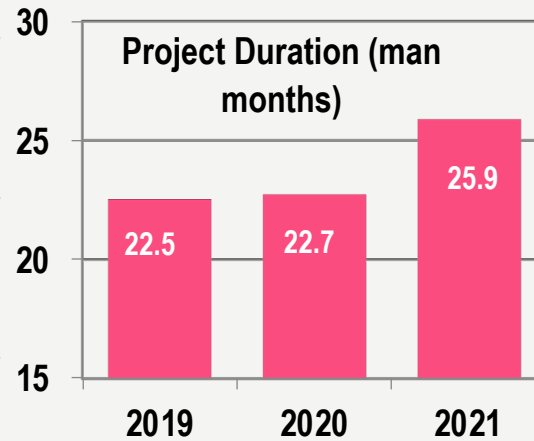
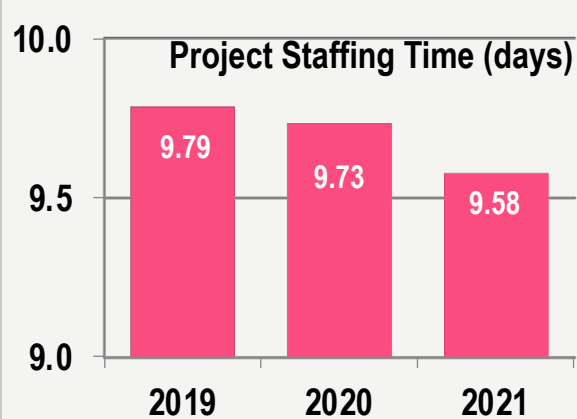
TALENT TRENDS OF NOTE



TALENT TRENDS OF NOTE



SERVICE EXECUTION TRENDS OF NOTE



SERVICE EXECUTION

A group of diverse people are shown in a modern office setting, clapping and smiling. In the foreground, a woman with curly hair is laughing joyfully with her hands raised. Behind her, a man is clapping and smiling. To the left, another woman is also smiling and clapping. The background is slightly blurred, showing office windows and interior lights. The overall mood is positive and celebratory.

LEADERS FOCUS ON QUALITY & REPEATABILITY



Service Packaging

- Knowledge Capture
- IP development
- Repeatable frameworks



Quality Management

- Consistent service delivery methods & tools
- Project dashboard – budget to actual visibility
- Project Management Office
- Quality reviews



Resource Management Effectiveness

- CRM & PSA Integration
- Capacity planning
- Recruiting tied to resource plan
- PSA resource management
- Billable utilization

SERVICE EXECUTION: BEST PRACTICES

Key Performance Indicator (KPI)	Best	Rest	▲
Average project staffing time (days)	9.37	9.66	3%
Average revenue per project (k)	\$260	\$151	72%
Projects delivered on-time	86.9%	77.6%	12%
Average project overrun	6.3%	8.8%	29%
Use a standardized delivery methodology	75.0%	66.9%	12%
Project margin for time & materials projects	46.3%	31.8%	46%
Average project margin — subs, offshore	40.2%	23.0%	75%
Onsite delivery	21.5%	39.4%	-45%

BEST PRACTICES

- Integrate resource management processes w/ sales pipeline and capacity plan
- Break down silos that stand in the way of optimal project staffing
- Give team members the insights they need to proactively balance timeline, budget and scope
- Continually refine standard delivery methods
- Steer towards high-value projects
- Build a true “one team” mentality

IMPACT: RESOURCE MANAGEMENT STRATEGY

Resource Mgmt. Strategy	Survey %	Billable utilization	On-time proj. delivery	Project overrun	Revenue / Consult (k)	Project margin
Centrally Managed	47.5%	74.3%	81.3%	7.8%	\$217	38.3%
Locally Managed	20.0%	70.4%	76.0%	8.7%	\$193	30.5%
Center of Excellence	8.2%	77.7%	84.4%	6.9%	\$185	37.8%
By Account	8.7%	70.3%	81.4%	8.4%	\$200	33.8%
By Horizontal Skill Set	11.1%	77.3%	78.4%	9.0%	\$201	38.7%
Other	4.5%	66.5%	85.0%	9.5%	\$202	35.6%
Total / Average	100.0%	73.4%	80.3%	8.2%	\$205	36.2%

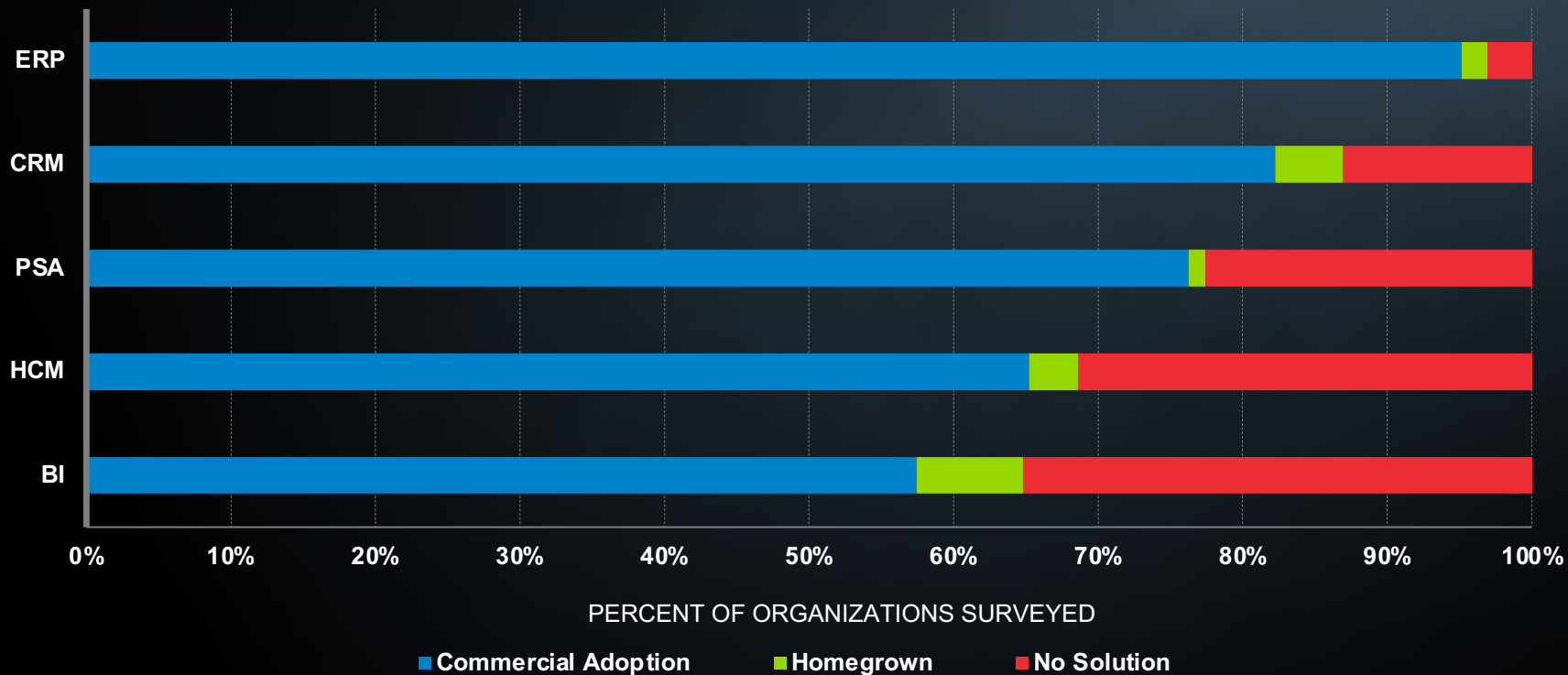
IMPACT OF RESOURCE MANAGEMENT EFFECTIVENESS

Effectiveness of resource management process	Survey %	Client reference	Project duration (man-month)	Project overrun	Ann. rev./ consult. (k)	Exec real-time visibility
1 – poor	1.6%	65.8%	16.3	20.5%	\$160	2.80
2	8.2%	68.9%	27.9	12.6%	\$185	2.86
3	28.2%	72.0%	27.9	9.1%	\$199	3.44
4	50.1%	77.0%	30.1	7.2%	\$207	3.85
5 – great	11.8%	78.1%	33.0	6.0%	\$226	4.25
Total/Average	100.0%	74.9%	29.4	8.3%	\$205	3.68



**PICK THE
RIGHT
SOFTWARE!**

PS BUSINESS APPLICATION MARKET ADOPTION



PSA DRIVES PERFORMANCE IMPROVEMENT

COMPARISON OF 270 PSOS WITH PSA TO 115 PSOS WITHOUT PSA

BENEFITS OF A PSA SOLUTION

Year over year
PS revenue growth

↑ 36%

Increase in
project margin

↑ 13%

Increase in size of
deal pipeline

↑ 15%

Increase in
revenue per
consultant

↑ 6%

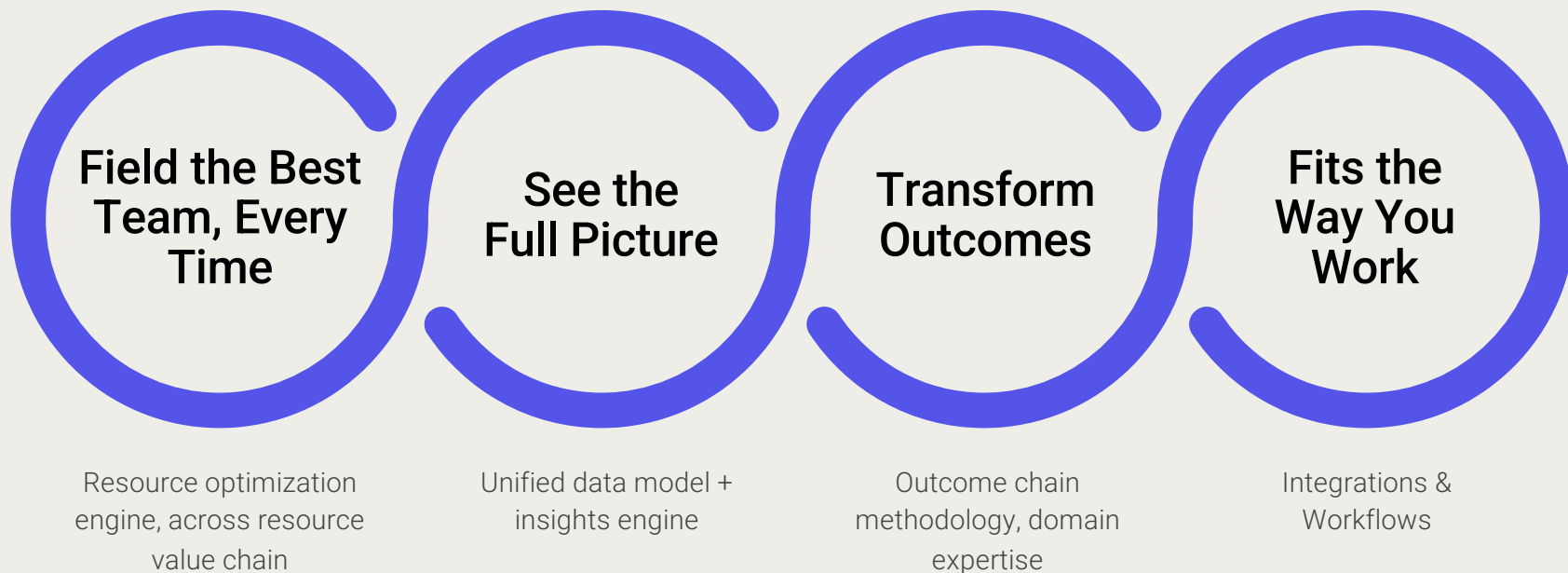
Increase in
Revenue Per
Employee

↑ 10%

Billable Utilization
increased by

↑ 11%

Unlock Dynamic Resource Optimization



Achieve Transformational Outcomes

- Innovation beyond operational excellence
- Delivering value for all users in the services industry





Service Performance Insight®

Accelerate Service Productivity & Profit™

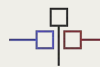
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