

An aerial photograph showing a winding asphalt road that curves through a dense, lush green forest. To the right of the road, a clear turquoise lake is visible, with some rocky shorelines. The lighting suggests a bright, sunny day, casting soft shadows on the trees.

Best Practice Guide

Five Steps to Create a

Forward Looking Culture

Instead of managing through the rear-view mirror, shift focus to the road ahead and take a forward-looking view.

Consulting organizations tend to be extremely customer-centric — it's in their DNA. But the “operational whirlwind” of a growing business can reduce this focus. Instead of concentrating on delivering value for customers, managers struggle to understand why last month's projects didn't work out as planned.

Sometimes it takes so much energy to work out where projects have diverged from the plan that little time is left to take corrective action. This can be described as managing through the rear-view mirror.

Here are some classic signs of this:

- ▶ It takes three weeks after month-end to get all time cards, expenses and invoices processed.
- ▶ There's a further delay before the management pack is produced and those managers still spend half the meeting arguing whether the data is wrong.
- ▶ By the time project managers see where projects are going wrong it is too late to do anything about it.

This reduces the profit margin, impacts customer satisfaction, and puts at risk the future relationship with customers.

To pivot from a backward-looking to a forward-looking focus, make sure your business is monitoring the right data. Instead of financial accounting data, use the operational data submitted in timesheets, expense claims and milestones to understand how projects are deviating from the plan, iterate and replan accordingly.

In order to make better decisions about the business sooner, organizations often decide to introduce a professional services automation (PSA) system to connect up the information between resource planning, delivery management, time recording and billing.

However, the potential benefits from software applications are only unlocked when the insights provided can be acted on in real time. Organizations which use PSA to its fullest potential support a more strategic way of working, where people across the business are empowered to make decisions sooner, adjusting to the road ahead instead of looking in the rear-view mirror.

In this Best Practice Guide, we suggest five simple steps to creating a forward-looking culture.



1 Create a golden source of up-to-date information: one version of the truth

Flow information from every area of the business into one system

Having a single source of data about pipeline, resourcing, delivery, and billing allows managers to see the big picture of what is happening across the organization.

Operating any services organization is complex. To start, projects are sold with specific start dates and margin expectations. Next, resourcing has to recruit and supply teams of appropriate skills at the right time. Additionally, delivery has to monitor the time and expenses, milestones reached, and project margin. Finally, invoices need to be created. All of this is time-sensitive and subject to change.

Flowing the information that is gathered across the organization into the same system creates visibility. That makes it easier to put the pieces together and see what is going on. Having all the information about projects and resources in one place will also remove duplication, data manipulation, and will increase the chances that the information is current.

From recruiting new resources on the basis of upcoming demand to getting accurate invoices out sooner, every team can do its part better if they know what is going on elsewhere in the organization.

This golden source becomes a hub that helps to join up the sales and the delivery sides of the organization – and enables each of them to see the bigger picture of how they contribute to the business, instead of having a one-sided, partial view.





2 Standardize methods for how data is processed

Ensure reliability and consistency of the information in the solution. If something is wrong in the PSA, fix it in the PSA. Keep bad data out rather than correcting it later.

Draw information out of the PSA solution and use it daily. Ensure that it remains accurate and consistent. If something appears wrong or out of date in the PSA, fix it in that system rather than allowing other systems to be used in parallel.

It is better to keep bad data out than to correct it later, which could involve painstaking manual effort. For example, if we only accept allowable expenses we will get more accurate invoices quicker. Perhaps one of our customers doesn't accept claims for food; if so, it is easier if John Smith gets an error message when he tries to submit his claims for lunches.

Standard costs by role and seniority are another useful approach to adopt. The beauty of embracing these kinds of standards is that a computer can process the results, ensuring they are consistent, correct and immediate and there is no privacy issue over using individual pay information to estimate costs. Automating these kinds of calculations also reduces dependency on key individuals — the wizards of the spreadsheet world, who often couldn't take a vacation at month-end, for example.

Close periods sharply and don't reopen them to add or change information later — doing this in an automated system has consequences for other calculations. If Jane finds a hotel bill in her pocket two months after the relevant project is finished, she can't submit it as an expense.

The greatest benefit of using standard processing and real-time calculations is that it makes it possible to display the results and forecasts to decision-makers across the organization at the earliest possible moment.

Make sure the information entered into the system is consistent

3 Make everyone accountable for keeping their data up to date

Place a high value on current and accurate data

Ensure consultants and other team members understand the value of real-world information and supply it promptly.

Everyone in the consulting organization has a part to play in getting good data into the system in a timely fashion. Make it clear to consultants how valuable their data is. Time recording is part of the real world information that is used to adjust the plan. How much effort has been expended on projects and how much work remains to be done are the dots that need to be connected in order to see the full picture.

Make it easy for consultants to record what they actually do, and mechanize the approval process. Offer a range of means of access — mobile apps can help. Making use of information about what the consultant is scheduled to do may also assist this process; so will resisting the temptation to ask for more information than is absolutely required.

The sales teams should be held accountable for accurately recording the timing of their opportunities. Start dates have to be accurately logged — allowing these to slip impacts the whole organization. Opportunities should be logged as early as possible, and information about those which are lost, as well as won, is valuable and should be logged.

Project managers are also accountable for keeping resource estimates up to date. And demand comes not only from new, but also, from existing customers. If projects develop in ways which were outside the original scope, this is an opportunity for upselling, and these kinds of opportunities should also be logged as early as possible.

And, when regular meetings are taking place, record the decisions in the system during the meeting — for example, changes to the overall resourcing plan. This, again, reduces delays before data is available to others and ensures the latest information is available to those in the meeting.



4 Continually review forecasting accuracy

Forecasting accuracy makes the business more predictable and helps to provide the best possible service for customers.

Having accurate information coming in from all aspects of the business makes it possible to see more clearly what work is coming down the pipeline, to understand what skills will be needed and to plan and schedule the resources ahead of time. This helps to provide the best possible service for customers.

Instead of working with best-guess predictions, the business is now in a position to create highly accurate forecasts. Continually review the forecasting process to hone and improve forecasting and to make the business as predictable as possible.

This involves continually checking predictions against reality and monitoring the degree to which they differ, looking at the trends over time, and measuring how consistent they are, makes the business more predictable.

Ask questions like:

- ▶ "What was the variance between our revenue forecast and actuals one month out, one quarter out, or even six months out?"
- ▶ "How well did we react to a sudden change in the utilization forecast for a large business unit?"
- ▶ "Why is forecast accuracy decreasing over time in this area? What can be done to improve data entry disciplines to improve the veracity of the forecast?"
- ▶ "Are we realizing the opportunity we have in the marketplace? We're hitting our budgets, and our forecasts are accurate, but are we leaving something on the table? Are we potentially managing down to a number?"

An aerial photograph of a winding asphalt road through a snowy, wooded landscape. Two cars, one black and one red, are visible on the road. The trees are covered in snow, and the ground is a mix of white snow and dark earth.

*Continually
check predictions
against reality*

5 Act on the information. Make better-informed decisions sooner

Shifting the focus of the business to the road ahead gives more time to plan. This will result in a better and more consistent customer experience, while also giving business leaders more time to think about the future.

When people across the business can see what is happening, they can make better decisions sooner. In the past, there may have been a tendency to postpone decision-making to a specific point such as the monthly management meeting, because that is when information would be shared. But when the information is available at the touch of a button, there should be no need to wait for a resourcing meeting, a project review or a board meeting before acting on it.

For instance, if it looks like a project is beginning to slip against its cost budget, then this is a problem that should be dealt with sooner than later. What's the issue? How can it be resolved? In a low-information organization, this might have surfaced several weeks after the engagement has been completed when it is no longer possible to address the implications for margin and for customer satisfaction.

Dealing with issues as soon as they arise reduces the amount of crisis management that will have to be done. This is much better for the customer.

When business leaders understand the trends in the forecast, they are in a stronger position to think strategically, innovating and adapting to changes in the market. Spending less time wrestling with last month's data should also free managers to spend more time with customers, finding out about the challenges they face now and in the future.

An aerial photograph of a winding asphalt road through a dense forest. The trees are in various stages of autumn, with some showing vibrant reds and oranges, while others are still green. The road curves through the landscape, creating a sense of movement and direction.

*Make better
decisions sooner*

Conclusion

It is difficult for a business which is managed in the rear-view mirror to be genuinely customer-centric. Accurate forecasts make it possible to match resources with the right skills to appropriate engagements with a high degree of confidence, delivering better customer service.

Looking forward also means that issues are spotted at an early stage, giving more time to deal with them. And when accurate information about how the business is performing is available sooner, business leaders are in a position to think more strategically.

Example: Kainos

“We are able to see what is coming towards us a lot more clearly than we used to.” Noel Kelly, Kainos

One example of how to do this right is Kainos. In four years of using Kimble PSA, they grew from 300 people to over 1100. Their ability to manage that growth has been greatly enhanced by a disciplined approach to gathering business performance information and a forward-focused decision-making process.

Kainos achieved a 3% (percentage point) improvement in EBIT in year one by recruiting more judiciously – by looking forward and having a quantitative basis for recruitment by role and skill they were able to reduce recruitment fees, get new staff members billing sooner, and to select individuals with the most appropriate skills.

Operational Intelligence Manager Noel Kelly said introducing PSA was important: “We couldn’t have grown as quickly as we did without it. We used it to grow, but to control the business at the same time, by having the information and reviewing how the business was doing on a regular basis. Now we use it for forecasting. It is critical for us in planning. We are able to see what is coming towards us a lot more clearly than we used to.”

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