

RESEARCH STUDY

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# Resilient services businesses: The competitive advantage of certainty

A study on building corporate cultures that thrive in any business climate



certinia

Certainty is the  
rarest of all corporate  
characteristics.

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# Winning organizations know what employees want.

Certainty is the rarest of all corporate characteristics: the constant changes and challenges of commercial enterprises often overwhelm leadership's ability to maintain control over their present and their future. As unusual as it is to find, a reliable capacity for confidently connecting likely outcomes of strategic moves may be the most powerful competitive advantage known to the business world.

In the business services world, that reliability is critical to hiring, and maintaining, the sort of employee base that can regularly lead its market. Indeed, as employees become more sophisticated — and the best among

them become more picky — understanding the relationship between today's strategic moves and tomorrow's end results represents a fundamental requirement for winning the war for talent.

In this paper, we'll look at:

- **The implications of uncertainty**
- **The impact of uncertainty on building and maintaining high-performance teams**
- **The opportunity to course-correct to successfully navigate today's challenging economy**



# The implications of uncertainty

For the purposes of this document, certainty is defined as a state of being fully confident in the likely outcomes of strategic business moves. Organizations benefiting from certainty can rely on their complete and up-to-the-minute knowledge of their business to conceive, sanity-check, rollout, monitor, and adjust strategic plans, never getting too far ‘over their skis’ as they seek to exploit business opportunities.

By contrast, organizations suffering from uncertainty find themselves in the awkward position of finding their strategies don’t go according to plan — leading to workforce disruptions like reductions-in-force (RIF) or having to do more with less. In the wake of a historic reduction-in-force (RIF) at Meta, CEO Mark Zuckerberg noted in an email to his employees:

*“At the start of Covid, the world rapidly moved online and the surge of e-commerce led to outsized revenue growth. Many people predicted this would be a permanent acceleration that would continue even after the pandemic ended. I did too, so I made the decision to significantly increase our investments. Unfortunately, this did not play out the way I expected. Not only has online commerce returned to prior trends, but the macroeconomic downturn, increased competition, and ads signal loss have caused our revenue to be much lower than I’d expected. I got this wrong, and I take responsibility for that.”*

The speed at which the economy moved eclipsed Meta’s ability to adjust course. With a worldwide employee count of over 75,000 — nearly 30% more than in 2020 — momentum worked against the firm, resulting in the need to separate from some 11,000 employees.

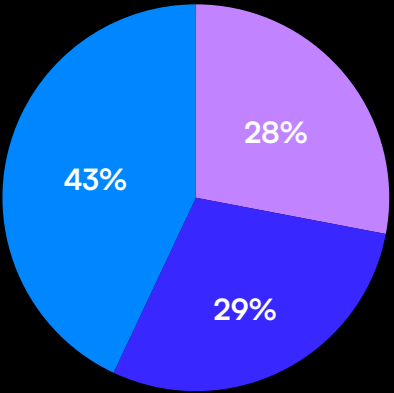
# The scope of uncertainty's downsides on talent

## Nearly 30% of workers have been impacted by workforce disruption

In a recent survey conducted by FinancialForce of a cross-section of Americans, we found that workforce disruption (e.g., layoffs, mass attrition, etc.) have hit nearly 30% of workers who are either currently employed, or unemployed but looking for work.

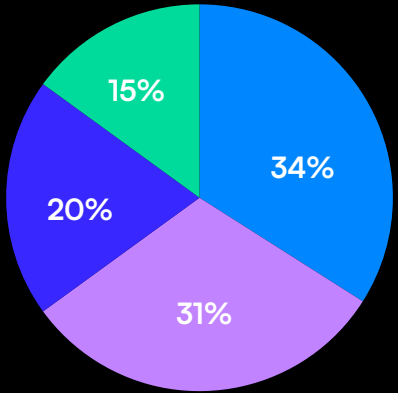
These workforce disruptions didn't necessarily hit everyone the same: among those employed, or unemployed and looking for work, 34% of men were impacted versus 23.4% of women. Intriguingly, in our survey group, disruptions like layoffs appeared to hit the young harder than those with more years on the job.

### Workforce disruption impact



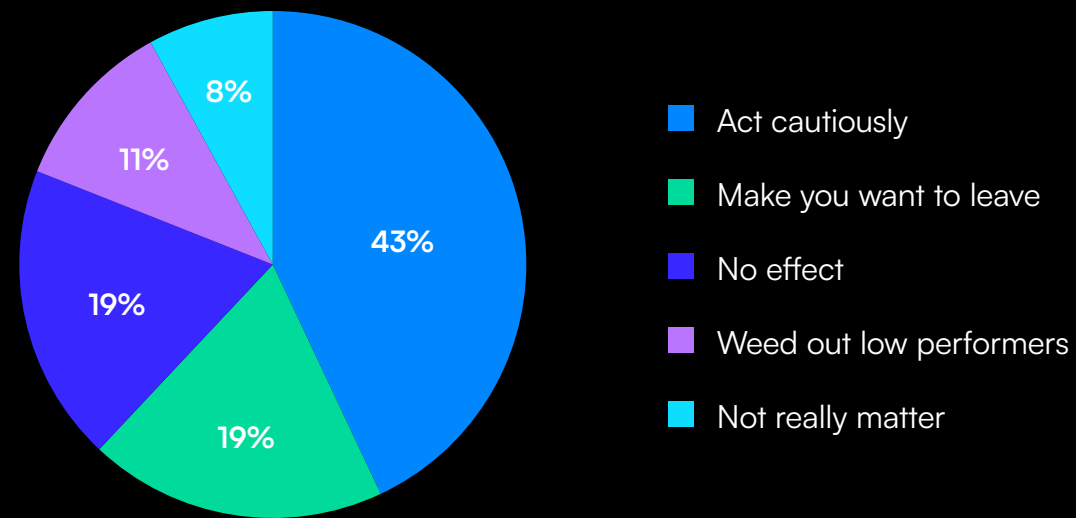
- Impacted
- Not impacted
- Not impacted but concerned

### Affected by layoffs by age cohort



- 25-34
- 35-44
- 45-54
- 55+

## Impact of workforce disruption



## Workforce disruptions leave current employees disengaged or looking

Beyond the obvious psyche pain of losing colleagues, and in the case of RIFs, the financial impact of paying for packages to minimize the legal jeopardy, the longer-term implications for organizations can be both widespread and insidious.

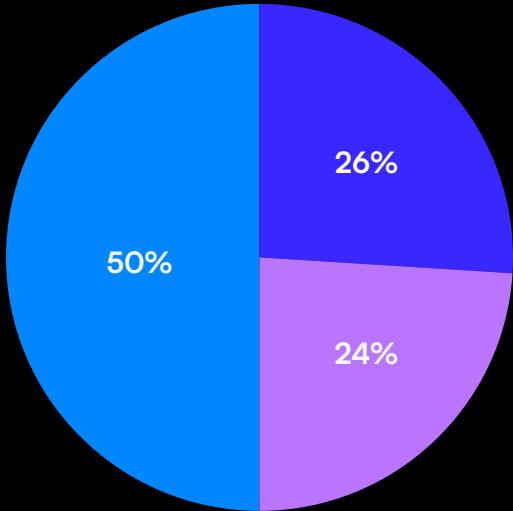
Among those employed, or unemployed and looking for work, a clear winner emerged in the question of how to deal with workforce issues: hunker down and try not to attract attention so you aren't next on the list. Over 43% agreed that mass layoffs would "Cause you to act cautiously to try and avoid finding yourself in the next round of layoffs". Meanwhile, although 19% said layoffs didn't bother them, an identical proportion confirmed that layoffs would "Make you want to get out of there — fast!"

**50% of employees are operating at lower productivity levels**

Having lost a chunk of the business' human resources, organizations have now de-fanged more than 4 in 10 of the remaining individuals, causing them to operate at a lower level simply to avoid finding themselves in future cross hairs. The effect on a business attempting to separate its services could be devastating.

Not only do the remaining team members operate at a lower level, they also have a way lower expectation of success for their employer: fully half assume businesses who employ mass layoffs will do worse than the market at large, while only a quarter believe that the action will have the desired effect and cause the business to overperform.

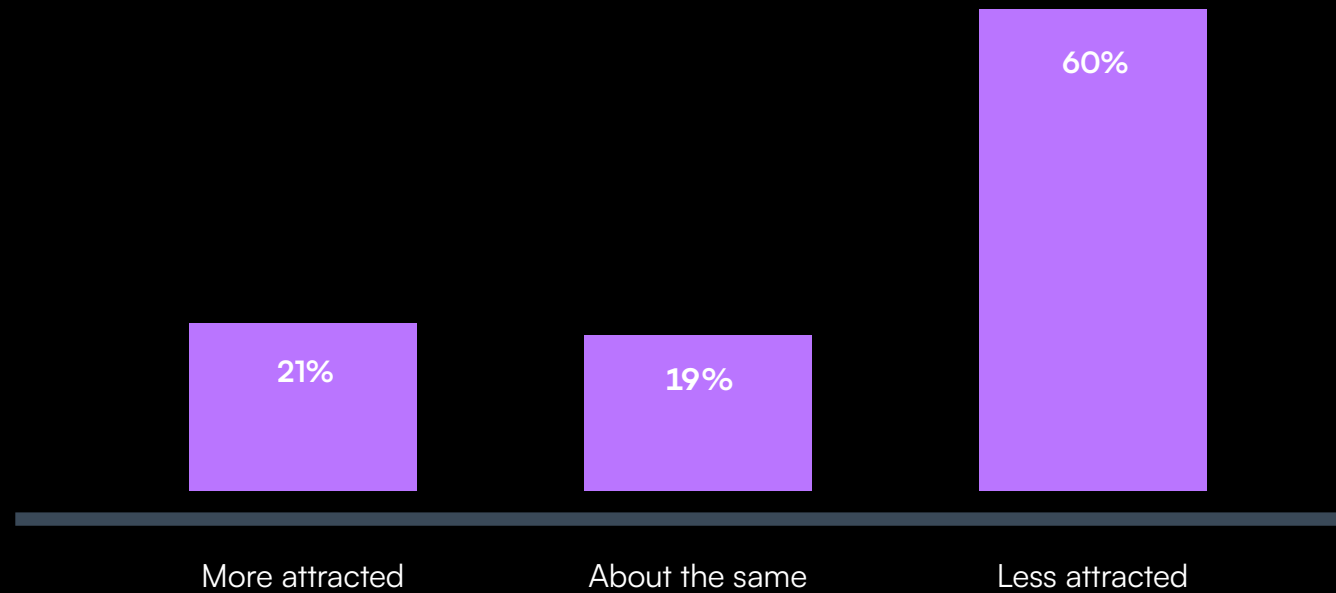
**Workforce disruption:  
Expected market performance**



- Do better
- Do the same
- Do worse



### Relative appeal of organization with workforce disruption



### Potential candidates (60%) no longer attracted to organization

With the current employee base suffering from low expectations, and trying to keep their heads down, an organization might pursue new team members - but our survey suggests they may struggle to do so: close to a full 60% responded that they would be less attracted to a business that has suffered recent workforce disruptions, while just 21% are more attracted to the idea that the business is healthier having right-sized its payroll.

# Certainty as a culture foundation

## 65% of workers are focused on strong leadership within employers

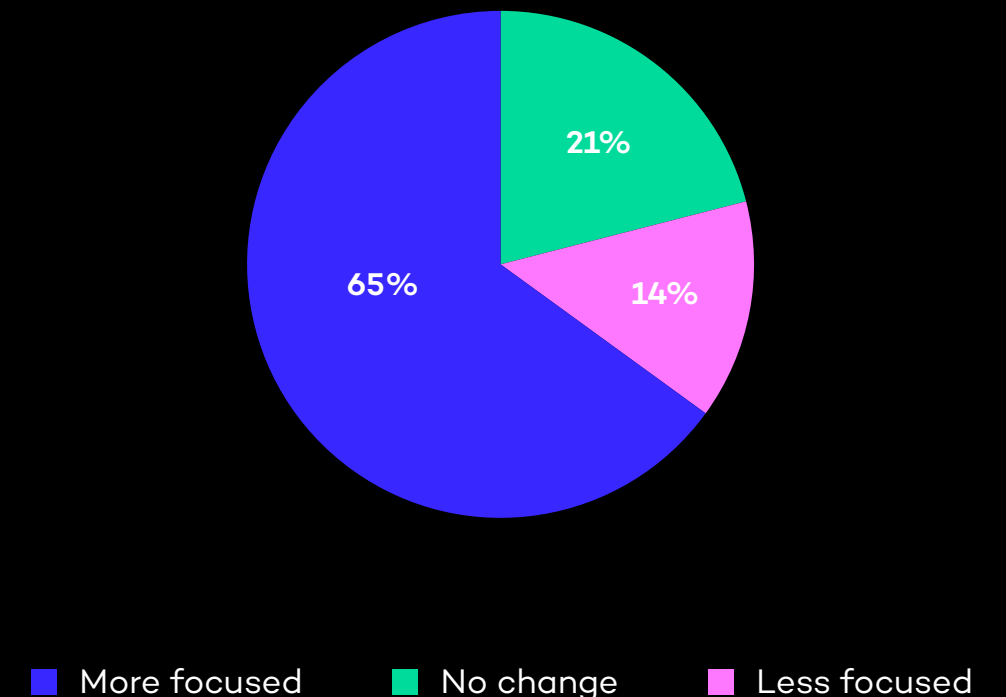
If the survey clearly shows that existing employees become disenchanted and disengaged, while future replacements become disinterested in joining uncertain businesses, the opposite also applies.

Today's employees are significantly focused on the leadership quality of their employers; not being forced into RIFs by pursuing certainty is an easily-identified route to demonstrating that quality.

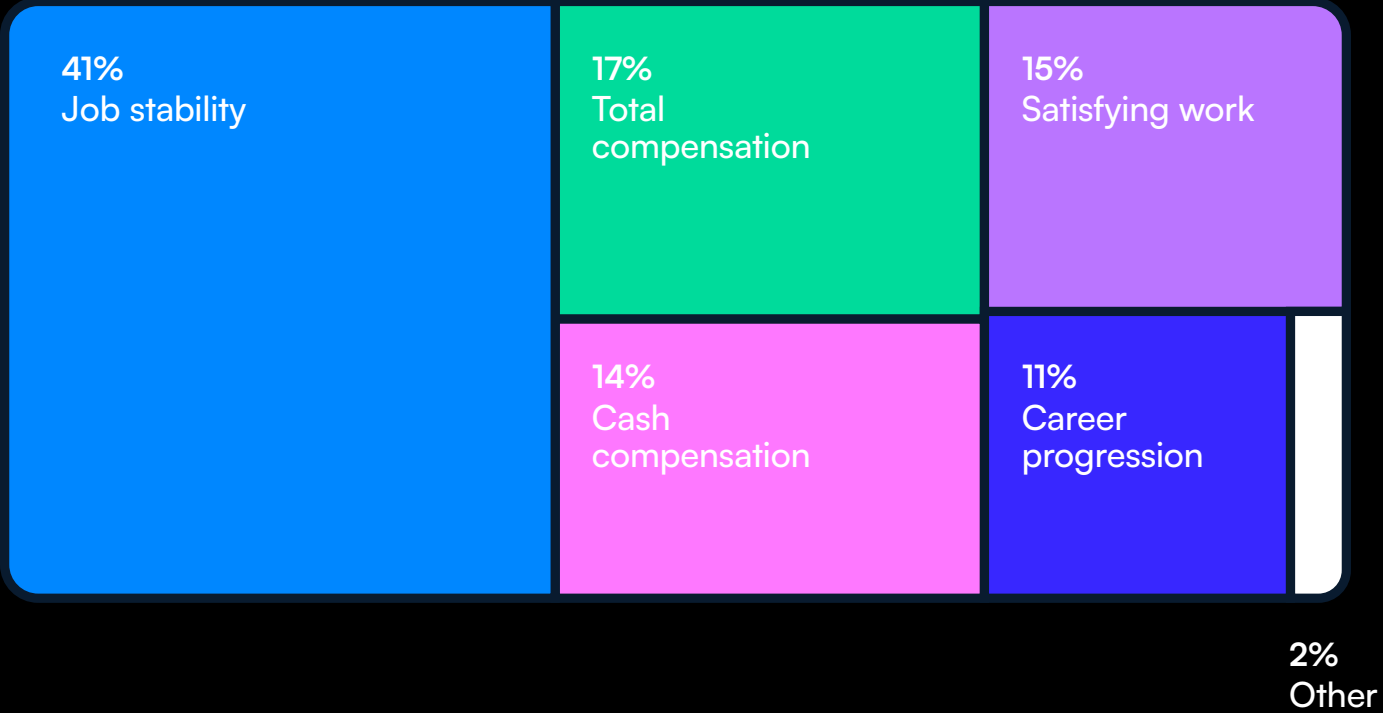
To be clear, employees today are far more focused on finding companies that have excellent leadership than before. According to our survey, nearly 2 out of every three employees has increased their focus on leadership.

Given that we've already observed half of employees try to blend into the background when layoffs loom, and that 23% start looking for new opportunities the moment RIFs happen, it's not surprising that they are casting about for leadership teams that deliver certainty.

Focus on leadership quality



### Things employees care about most



### Stability is a top concern of today's employee

Indeed, when asked what characteristic they care most about in their jobs, the runaway winner was stability.

With over four out of every ten employees looking for stability (and for workers over 45, that moves over 50%), having the ability to provide certainty within the business is fundamental to hiring and sustaining a superior workforce.

# How to create certainty in a services business

With a goal of being able to confidently predict the outcomes of strategic plans, there are three key elements to building the foundations of Certainty.

1

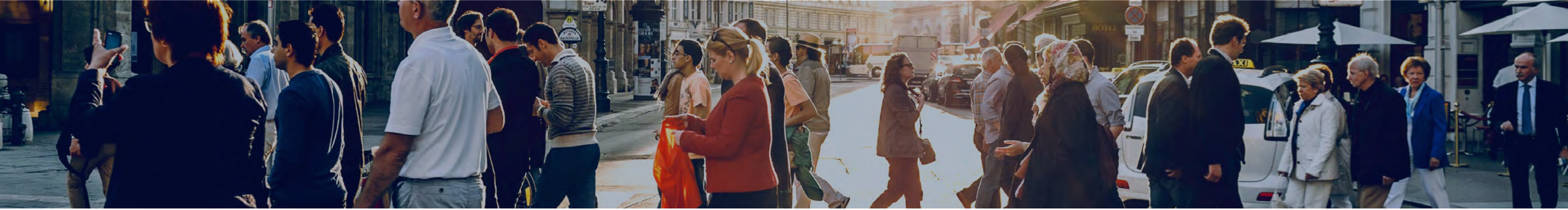
Connecting core processes to avoid miscommunication and increase efficiency

2

Creating broad analytical capabilities to deliver organization-wide intelligence

3

Using a single source of truth and scenario-based planning to drive agility



## 1. Connecting Core Processes

According to Salesforce.com research, 86% of employees believe that miscommunication is the underlying cause of workplace failures. Meanwhile, other research suggests that solving for that miscommunication is one of the keys to keeping a lid on employee turnover. Ask anyone in your organization, today, whether their lives would be made better if they shared key information with their coworkers in adjacent roles...or even just ask yourself!

This requires a commitment to some kind of platform to provide the connective tissue between neighboring departments and processes. That platform could either be:

- A middleware platform, which continuously synchronizes unique systems deployed by different disciplines; or
- A single platform, which houses the processes for all interdependent departments

While middleware platforms have been extremely popular over the last decade or two, they suffer from a singular disadvantage when it comes to true connection: by definition they are synchronizing *fundamentally disconnected* core systems. All it takes is for one system or another to either break, or simply be upgraded, and the connection can be broken.

By contrast, modern Platforms-as-a-Service (PaaS), such as Salesforce, house the systems for multiple disciplines. This allows them to share data, business logic, and customer interface designs. This, then, allows everyone across connected departments to see the same data at all times, albeit through different lenses based on their job: while Services and Sales, variously view future sales as ‘Potential Backlog’ and ‘Pipeline’, it is inarguable that each having access to the same, accurate projections ensures smoother interactions.

For services businesses, which are inherently driven by the emerging needs and demands of their clients, the PaaS of choice should be anchored on their core CRM, ensuring that all decisions are seen through a market-oriented lens. While it is tempting to base a unified process host on HRIS or HRM software, these offer an ‘inside-out’ orientation, that fails to put the customer at the center of decisions, and thus creates less flexibility to respond effectively and efficiently to market dynamics.

The survey results clearly establish that the number one factor when employees assess their job is stability — and shared, clear communications is a short path to delivering on this need.

## 2. Creating analytical capabilities

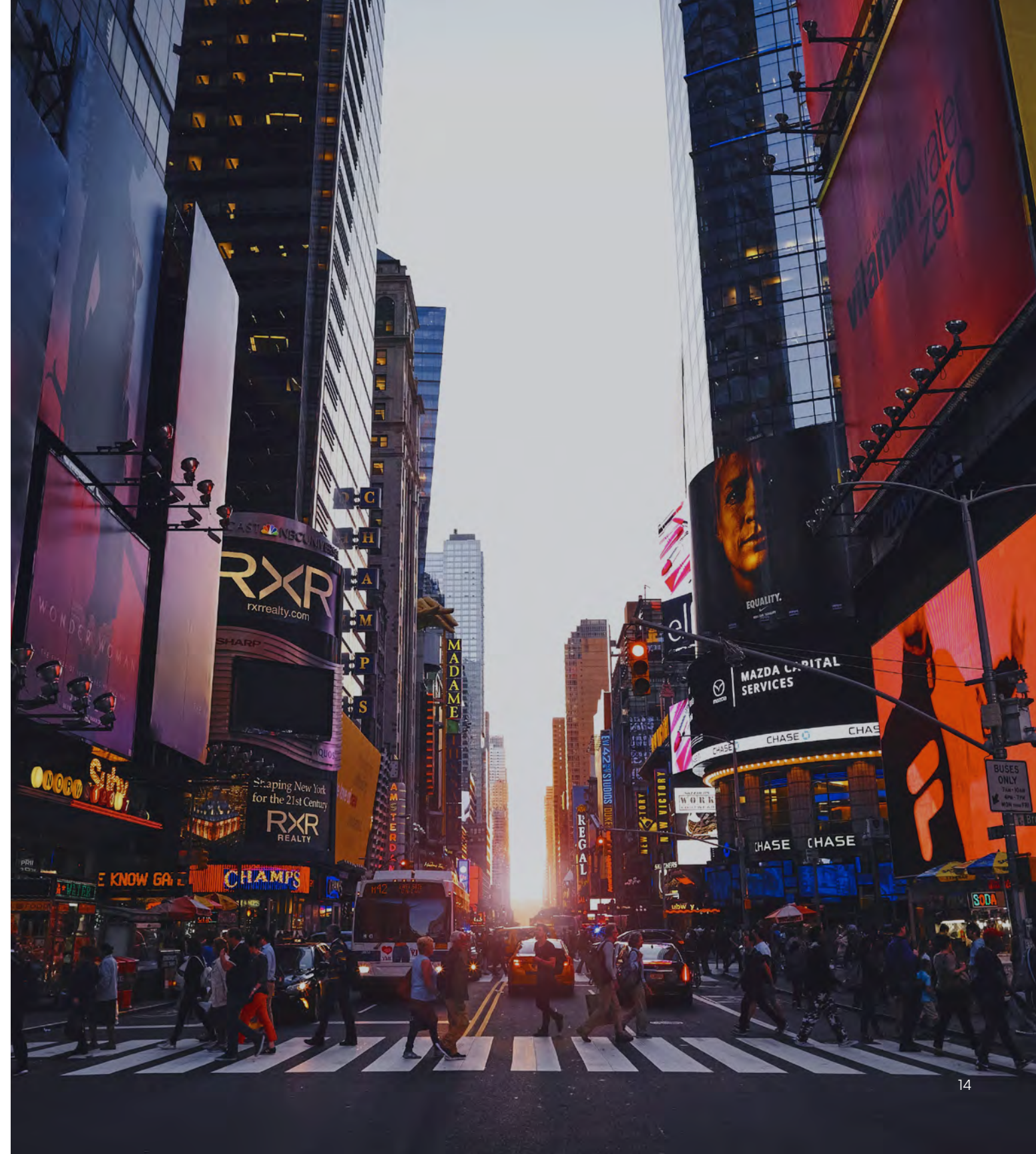
Forrester Research found that data-driven companies are 58% more likely to exceed their revenue targets, and the University of Taxes estimates that the average Fortune 1000 company's revenue could be increased by a cool \$2 billion with just a 10% increase in data usability. And even more broadly, the Harvard Business Review found that fully 87% of business executives say that frontline staff need improved insights to make the best decisions.

Long story short: making data not just available, but usable, through the organization can contribute to immediate success. Equally importantly, McKinsey research demonstrated that “culture correlates with performance”: when this is a two-way street, excellent performance can drive a resilient culture, which in turn provides the necessary bedrock for continued market success.

There are three keys to valuable analytics:

- Recency
- Accessibility
- Usability

For organizations that have already connected the core processes, delivery recency is easy: all the data needed to cast a light on core processes is already in one place, and is therefore likely to be as up-to-the-moment as possible.





By contrast, organizations using separate departmental systems, albeit connected through some kind of integration or middleware platform, will by default suffer from some time lag, as synchronizations may happen only on a predetermined schedule.

Accessibility is also aided by aggregation of departmental systems to a shared platform: the common user interface and visual metaphors mean that users need only be trained once. By contrast, those seeking to understand data derived from, and presented in the context of, multiple freestanding systems, must generally learn another analytics system, with its own set of challenges.

The most usable analytics are those that are accurate to the moment, and connected with all the relevant processes — because then the user can not only determine their present, but also map out the future implications of the various decisions they might now make. Identifying a project that is trending towards a bad time and profitability conclusion, for instance, is interesting; but being able to calculate changes to the team makeup that could change the project trajectory is valuable.

Employees in the survey noted that they are looking ever more closely at leadership: delivering clarity and accuracy in analytics empowers leaders to show at their best.



### 3. Single source of truth and scenario-based planning

69% of all CFOs agree that a single source of truth is a necessary element for them to be effective in their jobs, and a simple Google search for the term yields over 100 million results, making it clear that this is a universally accepted need.

For the purposes of this paper, we'll say that a single source of truth is one system within an organization that contains, and provides canonical information about the business. If you've ever argued about why the numbers from one system to another disagree, then you'll recognize the benefits of making that a memory rather than a daily occurrence.

Moving to a single platform makes delivery of a single source of truth substantially easier, as it is less a matter of data aggregation, and more a matter of deciding the statistics that matter most. By contrast, those still using a range of systems to manage discrete processes must first build an infrastructure for lifting, normalizing, and reconstructing the full panoply of data from around the business before a single report can be run.

Importantly, with a single source of truth, organizations can start to build strategic plans through scenario-based approaches: with the entirety of the past and present clear and available, planners can evaluate the likely future impact of decisions they propose to take. This avoids scenarios like over-hiring during anomalous business cycles; making financial commitments based on forecasts that would be wildly out of line with previous results; slashing budgets too deeply in response to short term market pressures; and so forth.

While employees are assuming businesses that have been forced into layoffs are likely to perform less well — and thus provide them with less stable employment, likely managed by lower-quality leadership — those that use a single source of truth to drive scenario-based planning are at a competitive advantage, knowing they will not be fooled by short term market noise into making poor long term decisions.



# Conclusion

Every year that passes increases the pressures and challenges to business in the services industry. Fortunately, systems now exist that can merge disparate systems together, resulting in improved communication, analysis, and planning. This brings certainty, not only allowing organizations to succeed in the marketplace, but to build resilient cultures that can handle short-term challenges over the long haul.

21st century employees aren't just looking for a job — they're looking for superior leadership, predictable results, and stability in their worklife. Organizations with resilient cultures deliver on those needs, allowing them to recruit and retain the highest quality workforces, perpetually spinning the flywheel that allows them to succeed and grow over long periods.

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