



WHY THE RIGHT WORKPLACE TECHNOLOGY IS CRUCIAL FOR GROWTH IN PROFESSIONAL SERVICES

Businesses have seen a huge amount of upheaval and disruption over the last few years. Increased taxes, coupled with the rising rate of inflation, has caused difficulty for many organisations. Additionally, as businesses face rising costs caused by the UK cost-of-living crisis, many are having to make tough calls around price increases, budget cuts, or layoffs.

However, despite these circumstances, the professional services industry has managed to maintain headcount as demand for their services grows. The UK remains the largest of most developed markets in Europe for professional services, with accounting, management consulting, and legal services contributing £73.5 billion towards the UK's real output in 2023. Further, to bolster the optimism, a global survey last year found that 77% of professional services firms expect to see growth in their revenue, and 80% expected to grow their profit margins. The emergence of AI as a potentially mainstream technology has also prompted upskilling, developing changes to job roles and experimentation with new services for clients, adding to the sense of progress and change in the sector.



Considering this, Human Resources teams in the professional services sector could be looking at a very different set of goals and challenges compared to their counterparts in other industries. As so many firms continue not only to endure the waves of economic difficulties – but, in fact, to thrive despite them – HR and operational leaders need the right tools that are designed to scale and evolve with their growing organisation, to enable data driven decision making. A single platform which can provide full visibility of real-time people and business metrics, ensures that accurate and comprehensive data can inform decisions around utilisation, scheduling, and recruitment providing a crucial tool to support a fast-paced HR function.

Every HR professional will be able to tell you why people are an organisation's greatest asset, from the simple bottom line of churn or disengagement costs to the incredible value that employees can bring when their talents are strategically nurtured. However, in professional services, this has a whole new layer – because your product is your people. Your value proposition to clients is the expertise of your workforce. Because of this, the right HR solution will not only support HR, but also the wider business.





Therefore, a robust, scalable people technology is not a nice-to-have for professional services firms looking to continue or take their success even further – it's a necessity. Your HR team requires a solution that will evolve with your organisation while providing the crucial workforce insights that can inform your business to make the best possible decisions. There is also an undeniable need for HR teams to automate the processes that will allow more time for HR to focus on delivering value services. With this in mind, we explore the key workforce metrics which professional services businesses in the UK prioritise, and how a strong solution should be managing these for your team.

PRE-BOARDING, ON-BOARDING, & RAMP

A new employee is often expected to take months before they are competent enough to become a 'billable' resource, and studies have found that some roles can take up to 18 months for employees to fully ramp up to. Until this point, the employee is little more than a cost to the business and the sooner that new hires can become billable the sooner the organisation can see a return on the recruitment investment.

With this in mind, your people technology not only acts as a valuable data and reporting tool for HR, but also as a tool for management and the wider business. A strong HR platform will act as an interface between employees, line managers, leadership and HR teams. Whether it's through your organisation's unique performance management exercises or an employee's experience with your learning and development processes, technology that is designed to go the distance will act as an opportunity for the workforce to engage with HR and business strategy so that the organisation can achieve its growth objectives.

According to a study by Gallup, only 12% of employees strongly agree their organisation does a great job of onboarding new employees, which does not bode well for these employers being able to deploy new resources quickly, let alone retain their talent long-term. This is why the early stages of the employee lifecycle are so important.

BILLABLE UTILISATION

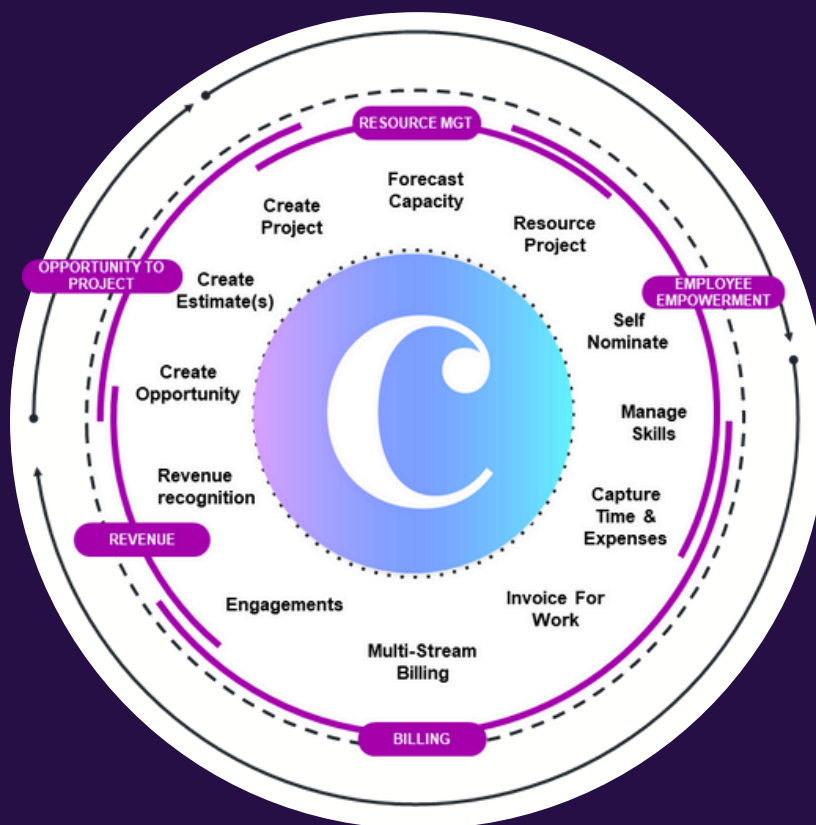


Businesses in the professional services sector rely on their people as their resource, as the service that their customers are paying for. Because of this, there is inevitably a drive to ensure as much of the work your people do is work paid for by the customer, as even a 1% increase in utilisation could have a dramatic impact on an organisation's profitability.

Despite this only a small fraction of professional services businesses said they had 'comprehensive visibility' into key people metrics like utilisation. This becomes even more of an issue when you consider how utilisation plays a critical role in how well your employees, and therefore the overall business, are able to perform. If your people are over-utilised, they are at significant risk of burnout, which place them at greater risk of churning or lower performance, which results in them providing low-quality service to clients. Helen Rogerson, xcd's Head of Professional Services adds to this, stating:

"Similarly, as the professional services sector often attracts highly ambitious talent, under-utilised employees are not only a significant cost to the business but also pose a high risk of turnover due to lack of desired career development."

This is why it's so important for HR teams in the professional services sector to have clearly connected metrics on utilisation. To ensure your organisation is on track for its growth goals, performance processes within your organisation should highlight anyone who is under or over utilised. Cross referencing this with sickness and absence data can give your HR team valuable visibility of employees who may be an expensive flight risk. A Professional Services Automation (PSA) tool provides the valuable link between your people data and valuable utilisation metrics. Such a solution is provided by our partners, Certinia.



CERTINIA PSA IS A PROFESSIONAL SERVICES AUTOMATION PLATFORM. CERTINIA'S PSA TOOL WAS CREATED TO OPTIMISE VARIOUS ASPECTS OF PROJECT MANAGEMENT, RESOURCE ALLOCATION, TIME TRACKING, AND FINANCIAL MANAGEMENT WITHIN PROFESSIONAL SERVICES ORGANISATIONS.



CLIENT SATISFACTION AND RETENTION

To continue the sector's impressive growth, client satisfaction and retention is key – but research has found that they can be lost quicker than one may anticipate. According to a PwC survey, 32% of all customers would stop doing business with a brand they loved after one bad experience. The same survey found human interactions are highly valued, with 78% of UK participants valuing human over automated interaction, and a similar 75% of global participants saying the same thing. Professional Services businesses don't sell a product – they sell people, and to be more specific, the expertise and talent of those people. Therefore, how your people perform is directly tied to how satisfied your customers will be, and whether you'll be able to retain them.

This means your organisation needs technology which can easily combine multiple data points to enable visibility of the sentiments of your clients and the performance of your people. With the xcd people platform, your organisation can link NPS scores, client surveys, and data around customers, resources, operational delivery and finances through Certinia with key performance metrics, allowing your management team to track employee's engagement with clients on a consistent basis. This can allow you to pinpoint and resolve any issues in the early stages to improve their performance and potential job satisfaction. You can also identify your top performers and analyse the skills and behaviours that are proving the most successful, in turn leveraging this knowledge to enhance your performance and development programmes to ensure that the service you're providing to customers is based on genuine customer feedback.

This presents how interlinked key people and business metrics are – while it’s easy to fall into the trap of viewing them in isolation, a holistic view often provides the most in-depth, actionable insights. For example, a key concern for HR can be retaining top talent due to the financial costs of re-hiring, with the CIPD estimating the average cost of filling a vacancy as £6,125, with the figure rising to £19,000 for manager roles.

However, this isn’t just a strain on recruitment budget and onboarding resource. This can also pose a significant problem for client satisfaction, as the difference between a current, experienced employee and a new hire still going through the gruelling ramp process can often be stark. Therefore, it’s a no-brainer that leveraging technology to effectively manage your core product – your people – will drive significant return-on-investment in all areas of the business.



PROJECT PROFIT AND MARGIN



Project profitability and margin should be a key driver for everyone including operations, project managers and HR, as it has such a direct impact on the financial success and long-term growth of the business. It may not initially be considered as an important metric for HR teams, however it's highly relevant when your business is selling your people's expertise.

Therefore, data around project profit and margin should not only be visible to HR, but also easily consolidated with people analytics in order to make the best decisions regarding your workforce and overall business strategy.

When HR is given visibility of potential project sales based on data in the organisation's CRM (such as Salesforce) and visibility of employees and their capacity to take on more work through a PSA tool (such as Certinia) this can allow the team to have the right data to make the right decision regarding personnel. Having a solution like this in place allows an organisation to go out to market quicker than others where such information and processes are siloed.

This can have a positive impact on profit and margin by allowing HR teams to plan regarding their personnel in advance, allowing permanent hires to be made in good time, rather than relying on contract resources who have a higher cost base and therefore erode margin.

RESOURCE SCHEDULING

For Services based businesses, understanding the ebbs and flows of project work and managing resources is critical to organisational success. Effective resource planning is made infinitely easier when you have technology that can provide a holistic view of your business and people, allowing resources to be identified, allocated and utilised productively.

This is where the right CRM, PSA tool and HR solution come in.

Organisations that have already taken the leap into using the Salesforce CRM to manage their Sales pipeline can extend this further by incorporating other native applications which will allow them to manage the full “360” customer journey, for example, by adding Certinia’s PSA and Accounting Applications too. This is where, for even greater success, a business should also extend to a Salesforce native HR solution, with ease of integration into their other operational systems, just like we offer here at xcd.

Certinia PSA and Salesforce CRM provides users with crucial visibility of upcoming projects which need resourcing, allowing personnel to be organised efficiently, and clients to be offered the best resources available for the job at hand.

With the Certinia solution your organisation’s resources will have rate cards applied so both the cost and revenue for the chosen consultant is visible to prevent workforce decisions that could negatively impact customer experience. Certinia also allows individual consultants to select projects that they would like to be considered for when the project is being resourced. This supports their personal development objectives and contributes to improving employee engagement. Additionally, users in Certinia have their skills and availability pulled through from the xcd people solution. These combined solutions allow HR to be highly informed and put the right processes in place.

Our users have visibility of their sales pipeline, the upcoming projects, and the skills available to them. They can easily see available capacity and can make informed hiring decisions based on demand. They can operate in a more agile fashion and drive improved project margins by reducing their reliance on contractors - right people, right place, right time.

Being able to organise your workforce like this is crucial to preventing project delays, which impact customer sentiment or reveal a need to engage contractors, both of which can influence margins and project profitability.



WHAT DO XCD AND CERTINIA LOOK LIKE IN PRACTICE?

Bridewell is a cyber security consultancy business with offices across the UK and now with presence in the USA. The company celebrated their 10th anniversary this year and is one of the fastest growing cyber businesses in the UK, experiencing 50% year-on-year growth. Bridewell currently has 200 employees and counting, with an equal number of customers, and up to 250 active projects running at any given time, with ambitions to continue growing in the UK and abroad.



Bridewell had a patchwork of disparate systems that couldn't integrate or communicate with each other. With all these different systems, a lot of data had to be handled manually. This meant they were slower to react and had limited trust in that data because of the number of hands and systems it had to pass through. For a business that sees utilisation as a key metric, making sure that the right people are working on the right projects at the right times is what drives revenue. Yet they simply did not have the right level of visibility to ensure that people and resources were being utilised correctly.

Working with both xcd and Certinia, Bridewell have implemented solutions that seamlessly integrate with each other and the Salesforce platform, bringing all their business-critical processes into one place. With their HR and finance teams no longer spending all their time trying to reconcile data from multiple systems, they now can add significant value, with their time instead able to go towards analysing that data and using it to make better decisions for the business. Again, with utilisation being central to everything they do, they now have a single platform that can help them manage capacity, and gain visibility of how and where their time, resources, money, and people are being used.

Most critically, Bridewell knows that they now have a solution in place that is going to help drive their continued growth. The rapid pace at which they've grown meant that they needed a solution that could evolve with them.

“I have run five new system deployments across finance and HR systems previously and this was head and shoulders above the rest.” – Ruth Billen, CFO at Bridewell

To discover more about the xcd single HR & Payroll solution or Certinia PSA:

🌐 peoplexcd.com

🌐 <https://certinia.com/about/contact-us/>

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