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## flawless project execution: the road to greatness for professional services companies

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# flawless project execution

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To do so, they must execute their projects with surgical precision according to their particular best practices. But many companies do not have firmly established best practices for project execution across their entire organization. Hence, delivering projects on time and under budget represents a vital, unexploited potential for Professional Services companies.

## **More value for less money**

The recent profit drive in project-based Professional Services companies across the globe appears to have left no stone unturned. Cutbacks and postponed investments have been the reality of virtually all companies during the past few years. The goal of a profit drive is often to make up for lost revenue in an attempt to protect the bottom line. Accordingly, this is mere symptom treatment that does not address the real problem: Having to deliver more value to your clients for less money.

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### Best practices must be integrated

A recently released study by the Aberdeen Group shows that efficient project execution is a key driver in differentiating the best Professional Services companies from their competitors.

Aberdeen Group found that best-in-class Professional Services companies deliver 91 percent of their projects early or on time and 96 percent of their projects within budget. The study clearly shows that this is no coincidence. In fact, best-in-class Professional Services companies are 57 percent more likely to have deployed an integrated solution based on best practices for their project management, project scheduling and project costing than their lower-performing industry peers. This indicates that best practices must be deeply integrated in the project workflow to enable these companies to consistently deliver projects on time and within budget.

Research shows that the investment pays immediate dividends. Best-in-class companies achieved a staggering year-on-year improvement in project profitability of no less than 37 percent. This number is particularly impressive in light of the industry benchmark of 14 percent.

### Increased competition and lower business volumes

Professional Services companies are adopting integrated project management solutions at a rapid pace these years and there is nothing dubious about the timing of this surge. Asked by Aberdeen Group to identify their Top Two business drivers, Professional Services companies cite increased competition (50 percent of surveyed businesses) and declining business volumes (37 percent) as their main drivers. According to Aberdeen Group, the surveyed companies consider the consequences of these difficult challenges to be dire. The overriding issue is lower profit margins caused by price cuts, cited by 48 percent of the surveyed businesses as one of their Top Two project-specific pressures. Second on the list is the increased need to optimize time-to-market on projects, cited by 35 percent as an urgent project-specific pressure.


### The elimination race has begun

Rather than complain about the bleak realities of the business world, however, Professional Services companies should take this golden opportunity to trim their operations for the future. Lower profit margins

	Best 20%	Industry Average
Projects delivered early or on time	91%	71%
Projects delivered within budget	96%	80%
Project profitability improvement (YoY)	37%	14%

Source:  
"Delivering Project Profitability", Aberdeen Group, January 2010

“ The business world is starting to realize that sound project execution is a highly efficient way to boost your bottom line and take full control of your business



put great demands on project execution – for Professional Services companies and for their competitors as well. This is their best chance to build a long-term competitive advantage over their peers as they are forced to slash prices similarly. However, the clear difference between best-in-class companies and their lower-ranked competitors is that the former will be able to deliver their projects on time and under budget, keeping their clients happy and their bottom line healthy.

It is striking that many Professional Services companies still have not exploited the one source of business optimization that would make the greatest difference in terms of fixing their fundamentals and boosting their bottom line: Implementing best practices for flawless project execution across the entire enterprise. This will be one of the determining factors in the elimination race that will play out over the next few years.

### **Complex projects call for best practices**

The complexity of projects in the Professional Services sector has grown dramatically over the past few decades – especially in recent years – but not all businesses have adjusted their project management processes accordingly. Therefore the project managers in these businesses will have a hard time ensuring project delivery on time and under budget when the going gets tough.

If you decide to act now to brace your company for the future elimination race, there are a myriad of different solutions on the market to address your need. But how can you be sure you select the right solution for your unique business? Our recommendation is that you team up with a vendor with proven expertise when it comes to streamlining project execution and supporting business processes. In short, you should look for industry expertise.

Representing a company with over two decades of experience delivering ERP solutions to Professional Services companies, we can tell you that best practices is a true playmaker for our clients. Our narrow focus on Professional Services companies allows us to deliver maximum value to our clients rather than adopting a one-size-fits-all approach.

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### **BDO member firms streamline operations with Maconomy**


In 2009 some of the member firms of BDO, a leading global accounting network with offices all over the world, were looking to streamline their operations.

After a thorough evaluation of financial integrity, optimal client management and engagement control capabilities, BDO's member firms in South Africa and Hong Kong selected the tailored Maconomy ERP solution for Accounting, Tax and related firms. The solution integrates the following key business domains:

- Client Management (CRM)
- Engagement & Work in Progress Management
- Total Financial Management
- People and Performance Management
- Business Intelligence

*“Maconomy integrates the best practices of the accounting profession regarding job management and CRM with back-office processes such as General Ledger, Accounts Payable/Receivable and reporting. This workflow-driven technology over an ERP platform makes Maconomy extremely attractive.”*

*– Michael Riley, COO, BDO Cape Town*



Every industry has its own unique set of best practices, and these best practices should be standard functionality in a truly industry-specific ERP solution. Many ERP vendors claim to possess industry expertise within Professional Services, but few can produce tangible evidence to this when challenged. When you make an investment of this magnitude, you should make sure your selected vendor has a profound understanding of your business.

**Take full control of your business**

There is a strong global trend these years toward business automation among Professional Services companies. The business world is starting to realize that sound project execution is a highly efficient way to boost your bottom line and take full control of your business. Based on our experience optimizing the operations of Professional Services companies, we believe this is an imperative step for any company that wants to be considered best-in-class. But make sure you look for proven industry expertise. It's not about the system – it's about best practices.

Adopting the right solution for flawless project execution will have a profound effect on two of your most vital success factors: growing your bottom line and keeping your clients happy. And it will enable you to take full advantage of your untapped project execution potential and chart your course for greatness.

**Top Two Business Drivers**

In a recent survey by the Aberdeen Group, over 300 project-based companies were asked to identify their top two business drivers in the current business climate. The most frequently cited drivers were:

Increased competition forces us to lower or freeze prices	50%
Market and business volume are down	37%
Increasing risk exposure across project portfolios	27%
Cyclical or volatile nature of our business (feast or famine)	25%
Global environments and distributed teams introduce complexity	22%

Source:  
*"Delivering Project Profitability", Aberdeen Group, January 2010*

## organic business solutions

Maconomy is a global provider of industry-specific business solutions for Professional Services Organizations. We create a natural relationship between people and processes in professional services organizations and provide the basis for overview, follow-up and decision-making in a way which ensures human as well as financial gain.

Our clients in the US include Millward Brown, Cohn & Wolfe, Ogilvy PR, Opera Solutions, RGL Forensics and RES PUBLICA Consulting Group Inc. International clients include Semcon, ErgoGroup, Devoteam, Deltares, Millward Brown and agencies within all of the big four global networks Interpublic Group, Omnicom Group, Publicis Groupe and WPP. Maconomy's client list includes three of the "Big 4" international accounting firms.

Maconomy A/S was founded in 1989 and the corporate headquarters is located in Copenhagen, Denmark. We service and support more than 600 clients in 58 countries through our offices across Europe and in the U.S., and through an extensive partner network. Today more than 126,000 users worldwide use business solutions from Maconomy.

For more information, please visit

**[maconomy-usa.com](http://maconomy-usa.com)**



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