Establishing a Professional Services or Customer Support Organization

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What are the key considerations in setting up a professional services organization?

Summary

Setting up a professional customer services organization requires a deep knowledge of the overall business strategy of an organization as well as the skills, motivating intent, and leverage points for adjunct products and services. Professional services are a fine complement to products and solutions when done correctly but can destroy your credibility and business if done haphazardly, so do it right!

Themes

Basic themes in setting up a professional services organization:

- Guide clients on effective use and management of products, ideas and resources; help them manage those assets to extract maximum value from current and new investments and to tightly link them into their business strategy
- Provide services that allow clients to link disparate internal systems and form factors and expand integration to end-users and business partners.
- Remove platform heterogeneity as a complexity point for clients by providing a seamless set of services across the different vendors and technologies in clients' current and emerging IT environments.
- Identify and implement the next generation technologies that will deliver highest impact to clients.
- Enable high availability and secure infrastructures that can easily adapt to changing requirements and support client's mission-critical computing.

Key Points

Considering the complexity of the task, start with the basics and expand:

- Set a clear vision, mission and value proposition that resonates with your clients and works collaboratively with the rest of the organization.
- Consider the "virtuous cycle" that you will use to provide services to clients while expanding your product/offering.
- Understand an apply value pricing by using consultative selling techniques while delivering consistently in each engagement and leveraging people and knowledge appropriately.
- Select the skills need to be successful and then partner carefully and utilize "stringers" (1099 based expertise) until you have defined and then refined your service offerings.

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Survey, Plan, Act, and Renew

Creating a successful consulting practice consists of setting the environment, establishing the practices and service offerings, creating a support infrastructure, staffing with the right folks and flawless execution, monitoring, and renewal (getting the next engagement). Here are the basic steps:

Set-up the right business environment

Consider the following items as critical success items or key business goals in the support / consulting practices you establish:

- Manage to client success
- Be clear and decisive
- Be a thought leader in chosen areas, be inspirational and visionary, but also be practical
- Set clear accountability at all levels
- Set high expectations, with rewards and payback for results
- Manage to business success across all dimensions of business performance, including:
  - ✓ Revenue
  - ✓ Operating Profit
  - ✓ Utilization
  - ✓ Cost variance from baseline
  - ✓ Client Satisfaction
  - ✓ On-time delivery
  - ✓ Proposal to win ratio
  - ✓ Percent re-sale/renewal
  - ✓ Personnel management / development
- Create an environment for your people to be self motivated and proactive about training, development, knowledge and intellectual property

Select the right space, then set up the appropriate practice and offering (learn the consulting terms)

The following provides an overview of a proven approach for putting together a consulting practice:

- **Client Need:** Identify top client needs to which you can provide a strategy and a set of offerings for technology and business needs evolution

- **Practice:** Define the broad set of capabilities and solutions to address the client need. Group multiple solutions and provide an overall answer to the client need - focused by industry "vertical" or technical/process "horizontal" as appropriate

- **Offering:** Define one or more consulting services, applications, products, operations, and support, combined with a sales and delivery methodology, to address a specific business and/or technology need within the client problem space

- **Service:** Define offering made up of one or many leveraged service components thinking how one service supports and/or leads to another and how they can be decoupled when the client need has been fulfilled by other means (previous engagement, internal staff, etc.)

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Determine by practice the level of consulting that you will do:

In each practice, select the best type of service offering that meets the client need; experience suggests making the value easy to understand:

- **Product Support:** Providing baseline support for your product including phone-based training and/or use clarifications, simple troubleshooting (1st level support), more advanced troubleshooting (2nd level support), and product corrections (3rd level support)
- **Strategy Consulting:** Strategy Consulting supports clients in the contemplation and elaboration of their business or technology strategy. By helping clients understand the implications of new business models and new technologies, consultants help them evolve their business.
- **Process Consulting**: Process consulting designs new business processes and drives the choice of the solution building blocks.
- **Application Consulting:** Application consulting configures, customizes and implements products, applications and solutions
- **Technology Consulting:** Technology Consulting delivers the Process and Application integration and implementation of the supporting IT-infrastructure.

Create a supportive infrastructure

Consider the following key elements in ensuring consultancy success:

- Business model that is synergetic with overall business goals
- A clear, repeatable methodology that is understood by delivery personnel
- An easily accessible, renewable knowledge asset (references, case studies, etc.)
- Quick, accurate response team and oversight, governance body (Project Management Office (PMO) or executive review team)
  - ✓ Proposal support
  - ✓ Pricing support
  - ✓ Pre-engagement review
  - ✓ Engagement quality review with client
  - ✓ Clearly defined decision and escalations
  - ✓ Post-engagement review

Staffing with the right personnel

Consulting support is a people business and your credibility will accelerate or decrease depending upon the people who are providing advice to your client, so select carefully. Identify an experienced, passionate leader and look for the following qualities in your entire consultative workforce:

- Information gathering capability: someone who continually gathers and effectively utilizes information about clients, colleagues, and work situations using every personal and professional method available
- Strong networking skill: someone (even when technical) who understands and leverage relationships that add true value to the organization and client results (not a politician who doesn't work)
- Roll-up-your-sleeves, action orientation: someone who puts ideas into action and encourages the same from colleagues and clients alike
- Knows how to listen and make unambiguous requests: hears what the client is really saying, asks clarifying questions and asks for exactly what is needed to be successful (no obfuscation)
- Confident and calm: someone who has the perseverance, ability to learn from mistakes, deals well with ambiguity, and enjoys the challenge of strong competition.

There are many other qualities to look for, but the characteristics above are universal for all consultative positions. In addition, business developers and sales personnel, when used, must take a consultative selling position (e.g. listen, don't talk) and must be coached carefully on qualification criteria or valuable time and money will be wasted chasing bad deals.

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Success Metrics

Each person needs to have clear success metrics and regular review and evaluation to be successful. Consider the following metrics:

- ✓ Financials (revenue, margin)
- ✓ Cost control (against plan)
- ✓ Knowledge management
- ✓ Teamwork
- ✓ Client Satisfaction / relationship
- ✓ Project management
- ✓ Ongoing personal development
- ✓ Quality
- ✓ Application of technical knowledge
- ✓ Performance against targets (sales, delivery, renewals, etc.)

Flawless execution

While “acts of god” are a good excuse for not fulfilling commitments made, they do not occur often, so it is up to you to ensure that you say what you will do and then do what you say.

There are really no excuses allowed if you expect to be successful in consulting.

If you don’t have a contract and a clear statement of work (SOW) with clear descriptions of deliverables, assumptions, dependencies, and acceptance criteria... don’t begin... you will loose money, time, and credibility.

Normally, derivative of the SPAR[1] process can be used iteratively in the engagement process. This is the process of Survey, Planning, Action, and Renewal and is summarized below:

Survey

- Assess and understand surroundings
- Understand overall strategy
- Identify thought leaders
- Interpret cultural and change climate
- Determine baseline measures
- Identify best approach for communication
- Determine best approach for facilitation
- Test best approach to move forward
- Document/communicate what you observe

Plan

- Consider multiple courses of action
- Determine best approach and validate
- Identify fit with strategic direction
- Set clear objectives and result measures over time
- Determine assumptions and identify triggers to alert team about changes
- Be specific: assign owner, timing, clients, inputs, outputs, integration points, review points, measures, and planning update process
- Insure that there is buy-in and alignment before you begin or identify obstacles to be overcome

Act

- Manage implementation / monitoring
- of the planned activities
- Manage risks and ‘white space’ especially at boundaries of plan
- Communicate status, issues regularly
- Monitor triggers and execute corrective measures proactively
- Proactively manage changes to plan and watch out for scope creep
- Look for adjunct projects and activities that should be pursued to enhance this implementation

Review

- Assemble information collected during the project
- Collaboratively review results against baseline with all participants looking for positive results and desirable changes
- Take actions on findings of meeting with specific actions
- Provide documentation, communication and feedback (including a case study if possible) highlighting results
- Identify and prioritize follow-up items (including adjunct activities) for next step planning

[1] SPAR is the consulting methodology used by Tenacity Unlimited consultants.

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Monitoring and client feedback

Specific steps must be taken before, during and after and engagement to insure client satisfaction, communication, and change management:

- Regular status reporting and ongoing client dialog (at multiple levels)
- Change Management - key to controlling profitability of projects; *Never implement a significant change without written approval from client*
- Utilize a tool that matches the engagement process and provides a means for the project manager to plan, monitor, and control project schedule and cost - demonstrates professionalism in project management
- Before, during and after and engagement, ensure that there is a method to gauge client satisfaction, measure compliance against standards (the SOW) and course correct in the following areas:
  - ✓ Scope
  - ✓ Timing
  - ✓ Cash Flow/Revenue
  - ✓ Costs
  - ✓ Resources
  - ✓ Quality
  - ✓ Risk
  - ✓ Communication
  - ✓ Contract adherence
  - ✓ Client Satisfaction

Renewing the client relationship (continuously)

Each engagement is an opportunity to provide tangible value to the client and identify opportunities to do additional work that is beneficial for the client and the company. Can you answer affirmatively to the following?

- Is everyone in the organization focused on satisfying the client with an eye on long-term retention?
- Are there specific steps taken to identify future opportunities and to follow-up at the right time with the right personnel?
- Is there a network of associations at the board, executive, operational, etc. levels to insure an ongoing, robust client relationship?
- Are the right metrics and incentives inculcated in the organization to create the right behaviors for repeat business?

About **Tenacity** *Unlimited*

Tenacity *Unlimited* was incorporated in 2001 with the goal to deliver what our client needs, and no more…

• To build credibility through action, integrity of purpose, and focus on value to you, our client

• To extend our service by utilizing a reliable network of experienced and trusted associates that are available to step-up when requirements exceed capacity or capability in a client company

• Finally, to earn referrals from a job well done and to build our business from networked associations…

We believe in a *"Do Good, Be Good"* work-ethic that will return long-term results for everyone. We know that if we are responsible to our world community, environment, and associates and expect the same, we will raise the bar on business and social quality in those entities.

We are a premier collaborator, utilizing our talents and business networks to help our clients navigate tough times and exploit growth periods. We will do this by listening and understanding our clients' needs and then provide a unique combination of experience, research, and advice that makes you more successful (improved bottom-line).