Assuring project profitability

Taking the element of chance out
of profitable project delivery

Good luck. Two of the most irrelevant words to professional services project success. Because as any project manager worth their salt knows, it's not bad luck that causes an estimated 40% (or 70%, depending on who you listen to) of professional services projects to fail. It's bad management. And that's something you can tackle.

Key members of the team might fall ill; client requirements vacillate; premises be broken into; local contractors misunderstand their responsibilities about time and expenses.

But even if all this and worse happens, any project can still be delivered on time, on budget and to the quality your client expects, as long as it has the right foundations: a realistic and comprehensive plan and budget, and the right management tools and processes once you start delivering.

> " *If a project is headed south, companies with attentive monitoring will know right away and, most importantly, before it is too late to take action.* "
>
> *Aberdeen Group – Project Management in Professional Services: Managing People for Profits (July 2012)*

Plan and deliver

Experience shows that it's the latter that is most often absent. Organizations spend a good deal of time and effort on the planning process – involving a wide team of experts to win the business – but rather less on actually delivering it.

On a production line, that might work. (If you're lucky). In professional services. it's tantamount to negligence.

The fact is, things will change. Task deadlines will be missed. Unexpected costs will be incurred. These are the everyday realities of working on complex projects.

But if you have the visibility to see where and when these things are occurring, and the agility to respond before they escalate, there's no reason for such events to eat away at your project's profitability.

Visibility first

Visibility is the project manager's prerequisite. You need to know – or, more accurately, be able to check – what's going on with each task, on every project, at all times. It's not enough to wait for stage updates or weekly reports; in that time, there could have been significant developments that not only affect an individual task, but have significant knock-on consequences for the rest of the project, or in some cases other projects too.

At a glance

- On-time, on-budget delivery is not a question of luck

- Instead, it's achieved by comprehensive planning and effective, proactive management

- Project managers need real-time visibility of every aspect of the project

- Backed by the agility to respond when things deviate from the plan

- Together, these take luck out of the equation

There is a fine line to tread here between effective and obsessive, management and micromanagement. Project and program managers need to be able to delegate authority, and cannot be expected to keep abreast of every detail. Instead, the best project management tools will provide the ability to set thresholds and alerts, so that as soon as there is a deviation from the plan, however slight, you are made aware. Then, you can investigate further – quickly and easily drilling down into the project detail.

Clearly, it is therefore important that overall project managers are using the same tools, and same information, as individual task managers: a single version of the truth, from executive dashboard down to personal workplans and schedules.

But visibility isn't just about your own project; it's about the bigger picture too. That means that when a particular task goes behind schedule, you can identify whether it's feasible to keep the team in place for an extra couple of days, or whether this would damage other projects. You can see what additional resources may be available to help, and assess the cost implications of using them: will it damage your overall project profitability? If so, what are the alternatives?

The importance of agility

If visibility is the basis for these responses and decisions, it is nothing without the ability to act. Simply seeing what should be done is like spotting an iceberg before you hit it; you need to be able to turn the ship around too.

That's why the second crucial asset for project profitability is agility. Once you've decided how to respond, you need to be able to do so, quickly and comprehensively. That means not just telling those directly affected – the team on-site – what you're doing, but updating the entire project plan and wider documentation. Again, the best project management solutions facilitate this, allowing you to update once and roll-out the changes organization-wide.

That means instead of spending your time on paperwork, your focus remains on management. And the more you can stay focused on management, the less you need to worry about luck.

> *" 4% of leaders have real-time visibility into the status of all processes from quote to cash compared to 32% of followers. "*
>
> *Aberdeen Group – Project Management in Professional Services: Managing People for Profits (July 2012)*

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Product focus: Five ways KeyedIn™ Projects helps you ensure project profitability

KeyedIn Projects is a fully integrated suite of business applications designed to support professional services organizations at every stage of project and program management. Available via SaaS, it provides you with the ability to translate project plans, themselves developed within KeyedIn Projects, directly into quality delivery, on time and on budget – ensuring client satisfaction and profitability for the business.

KeyedIn Projects empowers you to:

1. **Track every detail, any time**
   If knowledge is power, KeyedIn Projects gives project managers all the power you need. You can access every detail of every task – current status, staff time allocated vs spent, line-by-line projected and actual costs, and more. Crucially, this information is kept constantly updated, rather than waiting for end-of-day reconciliation or weekly reports, meaning you always have access to the latest information.

2. **Provide a single source of the truth**
   It's not just project managers that can benefit from project management software. The whole team – from the boardroom to the frontline – can also gain from being able to access up-to-date project information, whether to help them manage their own priorities and workload or to raise concerns. KeyedIn Projects is designed to be used by everyone involved in each project or program, with role-specific interfaces, all based on the same central source of project data. What's more, it also covers the wider portfolio, making it easier to manage resources across the organization to increase profitability of every project.

3. **Set alerts**
   You know what the most obvious risks to delivery and profitability are. KeyedIn Projects makes it easy for you to keep track of them. You can set custom alerts that ensure you are informed the moment specific thresholds are exceeded or changes occur. That means you can respond instantly and effectively.

> ❝ *Running a knowledge and skill-intensive business like Professional Services with disconnected applications, spreadsheets and email is no longer a competitive option. Efficient execution of core business processes demands visibility, transparency and control.* ❞
>
> *SPI Research – The New Growth Engine: Sales and Service Alignment (May 2011)*

4. **Monitor budgets and cope with change**

   When it comes to maintaining profitability, you need to know exactly what you've spent, and what you expect to spend. That way, the costs of any changes to project scope or delays can be quickly calculated, and either absorbed or added to the overall project bill. With KeyedIn™ Projects, you can see exactly where you stand against the original estimate and capitalize on any opportunities to increase your margins when tasks are completed early.

5. **Ensure accurate, timely invoicing**

   Phased invoicing is now a norm for most professional services projects. But all too often, that means a client making their expected payments throughout the project, then being presented with a much higher bill at the end – incorporating all the extra elements that were added in as the project progressed. Understandably, that can lead to an acrimonious end. With KeyedIn Projects, you can make sure this doesn't happen. Each invoice is accurate and up-to-date, reflecting what the client has spent. It's more transparent, and less likely to cause disputes over often small amounts that cumulatively damage profitability.

> " *Time, cost, engagement progress and quality are critical elements which must be tracked throughout the client lifecycle.* "
>
> SPI Research – The New Growth Engine: Sales and Service Alignment (May 2011)

Discover how

Want to ensure your profits are protected, without trusting to luck? Talk to KeyedIn today: because of our SaaS delivery model, you could be up and running with KeyedIn Projects in just 2 weeks. Contact us on 888-960-5472 to find out more.

Put us to the test: visit www.keyedinpso.com to sign up for a free, no-obligation 15-day trial.

About KeyedIn™ Solutions

KeyedIn Solutions is focused on helping organizations simplify processes, improve performance and drive results. The company's Cloud-based software systems not only offer greater flexibility, but effectively scale as business needs dictate and can be implemented quickly, delivering a measurable ROI months, or even years ahead of on-premise systems. And KeyedIn offers a true SaaS model, making its solutions affordable for every budget.

KeyedIn Manufacturing is an ERP system that helps custom manufacturers work smarter so they can increase productivity and bring new products to market quickly, for a distinct competitive advantage. KeyedIn Projects, the company's project management suite, helps businesses and professional services organizations improve everything from project initiation to execution by managing programs based on top-line strategy and delivering profitable projects to the bottom line. And when new solutions need to be developed quickly, KeyedIn clients turn to KeyedIn Flex, the company's rapid application development (RAD) platform for affordable applications designed just for them.

When businesses need results fast, they look to the Cloud – and turn to KeyedIn Solutions. You should too. Keep up with us at **www.keyedin.com**

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