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Section 1

Introduction

1.1 Summary

The professional services are a richly diverse segment of the services sector spanning those operating in information technology (IT) services, management consulting, accounting, legal, architecture and engineering, marketing and advertising, amongst many others.

These types of firms deliver a wide range of different services. However, one thing that they have in common is that they are all focused on cultivating trusted advisor relationships to generate long-term repeat business.

Professional services firms are challenged with selling an intangible product that is often difficult to price and hard to define. These organisations generally work on a project or contract basis therefore profitability and business success requires that projects are estimated correctly, completed on time and delivered in line with (or above) client expectations.

To succeed, professional services organisations must adopt strategic and comprehensive commercial, project and resource planning practices. Companies can adopt these practices with strong IT platforms. Implementing a platform such as Microsoft Dynamics 365 provides increased profitability and enhanced customer service. Behind the scenes, the platform enables firms to gain better control of internal processes and therefore improve their ability to take advantage of new business opportunities.

This guide is aimed at those operating in the professional services sector and covers:

- » Current industry trends
- » Key business priorities
- » The Microsoft toolkit
- » Dynamics in action – a customer showcase from the legal sector



Section 2

Professional services trends

Incremental Group has identified four key trends which are making an impact on the professional services sector. Many of these trends are not new, yet continue to be of the utmost importance to professional services organisations. These trends represent a range of challenges for firms to overcome but also huge opportunities in terms of optimising business outcomes.

2.1 Value Oriented

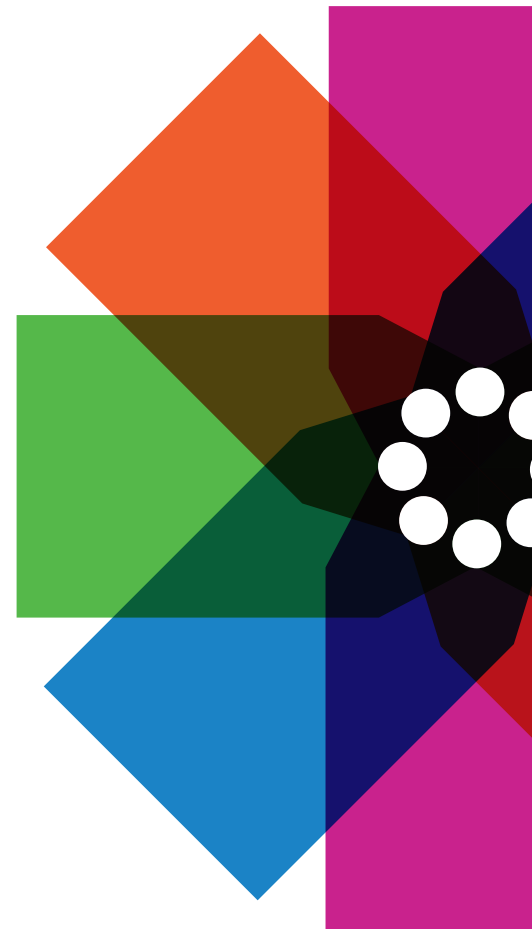
Traditionally, professional services firms have billed an hourly rate for the completion of a project or piece of work. In line with increasing wages, increased competition and pressure from customers to decrease pricing, we are seeing some professional services firms moving towards value-oriented billing.

Value-oriented billing is at times easy to apply in the professional services industry given that the value of some services is easily calculated. For example, consider a legal firm charging a set price for completion of the legal paperwork involved with purchasing a new home. On the other hand, other pieces of legal work are much more complicated and difficult (if not impossible) to put an exact figure on – for example, the cost of advising a company on the tax implications of restructuring that company depends on various factors such as what is being proposed and how large the organisation is. Different rates may also apply throughout the organisation as the cost for a trainee to carry out the work will be less expensive than that of a partner.

It is expected that we will see more professional services firms shift to value-based pricing, at least for some services, as they try to become viewed as “trusted advisors” rather than just being service providers paid by the hour.

This shift offers professional services firms the opportunity to increase their revenues, transaction rates, customer numbers and profitability. This trend highlights the importance of receiving timely and accurate timesheets from employees and requirements gathering from clients so that an accurate price can be provided for services. This is essential so that firms avoid operating at a loss by allocating more resource and spending more hours than expected on services which are offered at a set rate. The use of a system such as Dynamics 365 Project Service Automation can assist firms in this field.

The difficulty of accurately pricing many jobs continues to be a challenge. It is therefore unlikely we will see professional services firms adopt a value-oriented model for all their services however we may see further adoption of the model for those services which are easier to price.



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2.2 Client Expansion

Professional services companies of all shapes and sizes are expanding their operations into new regions and neighbouring countries, most often to follow and maintain their presence with key accounts. For example, consider an Aberdeen based PR agency which predominately works with oil and gas customers, it may consider expansion into Dubai or Houston where many of their customers have a presence.

This trend is fuelling the adoption of platforms which provide a 360-degree view into client portfolios with insights into segmentation, geography and potential (and missed) opportunities. These tools enable consistent pursuit and engagement practices which in turn enable companies to deliver a familiar service experience wherever in the world that their customers do business or seek their services.

2.3 Agility

As well as expansion into other geographical regions, we are also witnessing professional services firms expanding their service remits - it is becoming increasingly common for companies in the sector to expand their service offerings in response to their progressively varied and demanding customers.

To step up to this challenge, firms need to employ an increasingly diverse pool of skilled individuals and potentially utilise a partner ecosystem. This pool of talent and partners needs to be spread across multiple jurisdictions. It is also key that they are used in a targeted manner across different customer engagements across multiple markets. No easy task, especially if it is attempted manually!

This operational complexity means that companies must maintain alignment and consistency in project controls, administrative procedures and regulatory compliance requirements. Without doing so, organisations run the risk of missing opportunities. Therefore at both administrative and operational levels, firms require systems, processes and the in-house skills to respond in a fluid manner to changing business and client needs. Take for example, that due to an unexpected long-term staff absence, an accountancy firm needs to quickly amend the lead resource on a customer audit without it impacting the project timescales, budget and any other customer commitments/projects. A solution such as Microsoft Dynamics 365 for Project Service Automation, makes filling this gap simple (see section on this later in the guide).





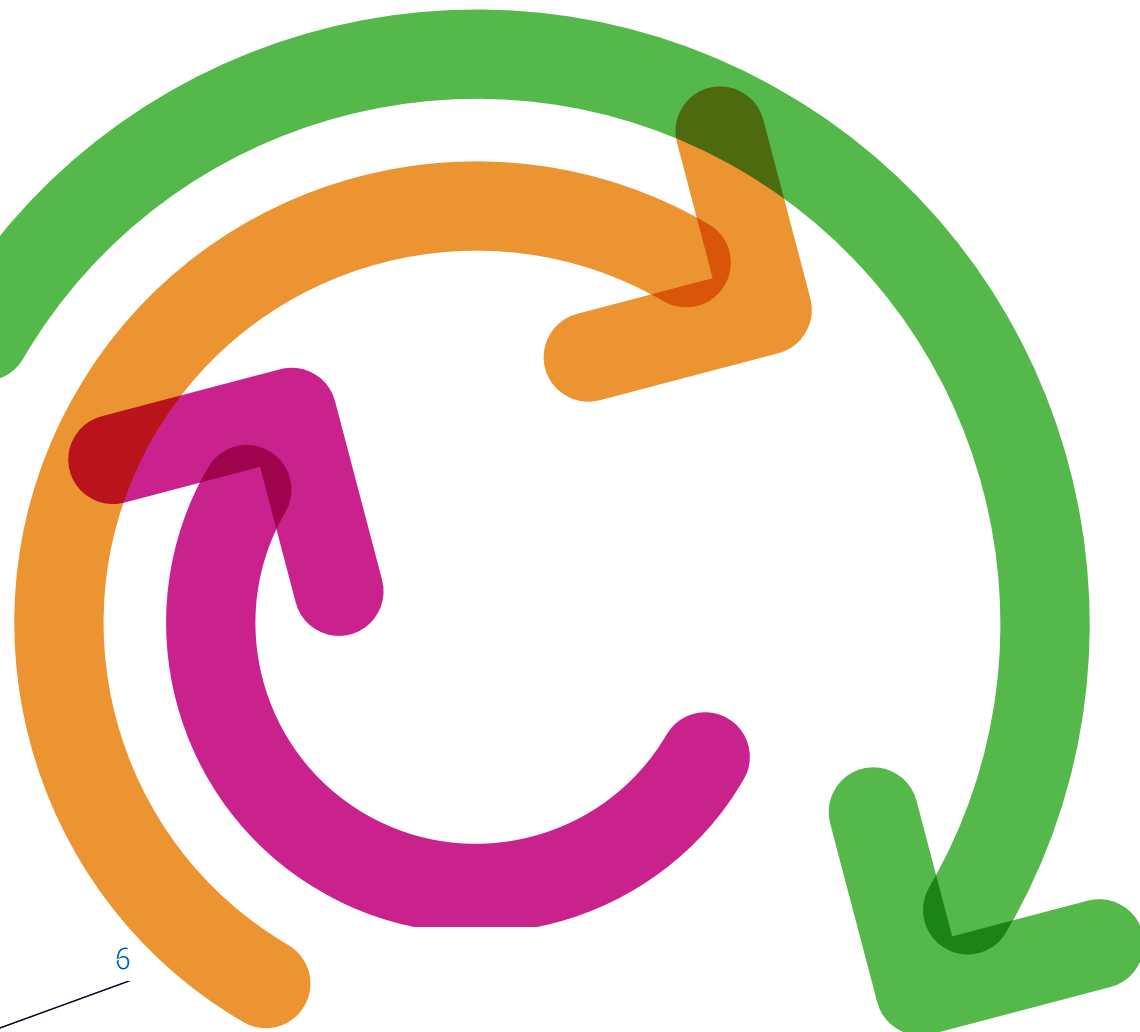
2.4 Collaborative Execution

A trend we are seeing at a more detailed project level is collaborative working enabled by technology. The modern workplace is made up of people who work remotely, in various office locations and/or on the move. Technology driven improvements are being made, enabling project teams made up of various stakeholders across different locations to communicate easily.

More and more, firms need to deliver services using a combination of both service provider and client resources. This is driving the adoption of systems (such as portals) that support virtual teams that span geographic distances to offer service and advice wherever or whenever it is required.

These types of systems also give firms the ability to maintain common processes and tools that can simultaneously support many local languages and currencies. In other words, true cross-border collaboration.

To effectively face the above business challenges head-on, professional services organisations need embrace these trends. This requires increasingly integrated technology solutions that brings together, optimises and enables skilled talent.





Section 3

Business priorities

Professional services firms are predominantly people focused, both internally with their talent pool and externally through their client relationships.

Microsoft outlines four persistent business priorities which professional service firms all have in common. These four priorities should be paramount for professional services firms when looking to optimise business outcomes.

1. Client Relationships

Leaders of firms are concerned with better understanding their client portfolio, the hallmarks of a lasting and profitable relationship and what they can do to expand the profitable segments of their portfolio most efficiently. To grow revenue, firms must be able to effectively mine customer data in order to identify opportunities and coordinate a consistent, firm-wide approach to prioritisation and new client targeting.

2. Billable Expertise

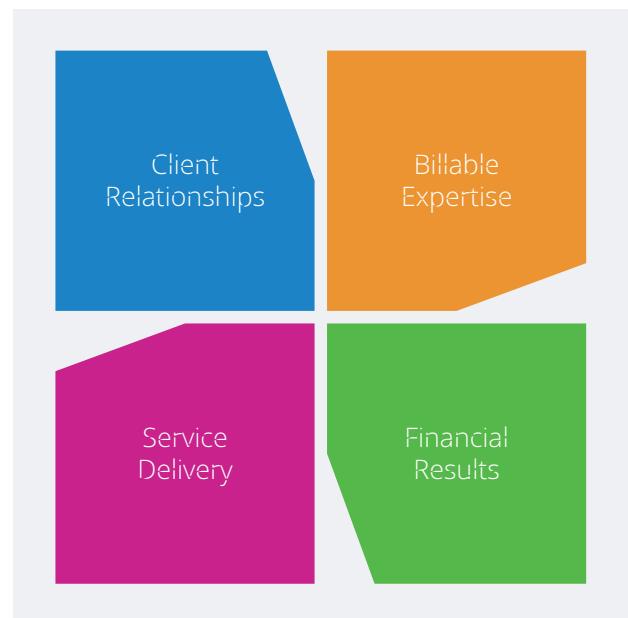
Maintaining customer relationships, delivering on commitments and building the firm's brand all depend on assigning the right talent to work with the right customer or project. Professional services firms live or die by their ability to attract, hire, retain and motivate exceptional employees. They also need to be able attract freelancers and subcontractors when required and/or make use of a partner ecosystem.

3. Service Delivery

The service delivery lifecycle is where a project is mapped out, step by step. It is where firms most need industry-specific capabilities. Being able to impose controls on the planning and execution of projects is critical to the predictable, repeatable and ultimately profitable delivery of an engagement. Firms should invest time and effort into developing structure for projects with phases, milestones and deliverables outlined.

4. Financial Results

If a professional services firm is effectively managing the preceding business priorities, financial results should, in theory, take care of themselves. However, financial controllers and CFOs will be quick to point out the practical reality that cost controls, oversight and direction-setting don't happen on their own. Service line and practice managers with P&L responsibility are similarly concerned with looking at their data from many different angles, identifying concerns before they become problems and taking early corrective action.



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This combined set of challenges - effectively mining data, finding the right talent, properly planning and executing projects and managing the business holistically - is persistent within the professional services segment. These four key foundational needs must be addressed in any market situation.

To effectively meet these business priorities head-on, professional services organisations need to take a logical approach to change and embrace new technology. This in turn requires increasingly integrated solutions that bring together all individuals within the organisation.



Section 4

The Microsoft toolkit

4.1 Introduction

Microsoft has invested a lot of time and effort into deeply understanding the concerns of those who work within the professional services sector when designing technology solutions.

It has long been Microsoft's mission to help individuals and businesses realise their full potential. Microsoft's solutions are designed to help people perform at their best and achieve greater job satisfaction through improved ability to collaborate with colleagues and productively serve their clients. Microsoft's solutions are designed to work together seamlessly, supporting and linking key people in businesses and enhance both individual performance and firm-wide operations.

Microsoft Dynamics 365 gives firms a holistic business management approach that ties together their customer relationships, global resources and consistent service delivery while providing predictable financial results. Microsoft's CRM offering is Dynamics 365 Customer Engagement. This solution has been designed in a way which enables firms to improve their customer experience, increase GM and optimise resource utilisation.

Dynamics 365 Customer Engagement is effectively three modules designed for different roles, targeting sales, customer service and marketing. All of the solutions sit on the customer engagement platform with inbuilt intelligence, the same database and much of the same functionality.

This section of the guide will provide a breakdown of the three modules of Dynamics 365 Customer Engagement and how each of the modules can help professional services firms. This section also provides an overview of the capacities of Dynamics 365 for Project Service Automation which is of particular relevance to those firms with billable resource.

4.2 Dynamics 365 Customer Engagement

4.2.1 Dynamics 365 for Sales

Dynamics 365 for Sales is Microsoft's CRM Solution for Sales teams. It is a flexible, cloud-based solution that provides an abundance of functionality straight out of the box and can be easily tailored to suit any firm. It provides capability that supports client and project tracking, sales workflows, reporting, opportunity management, pipeline management and more.

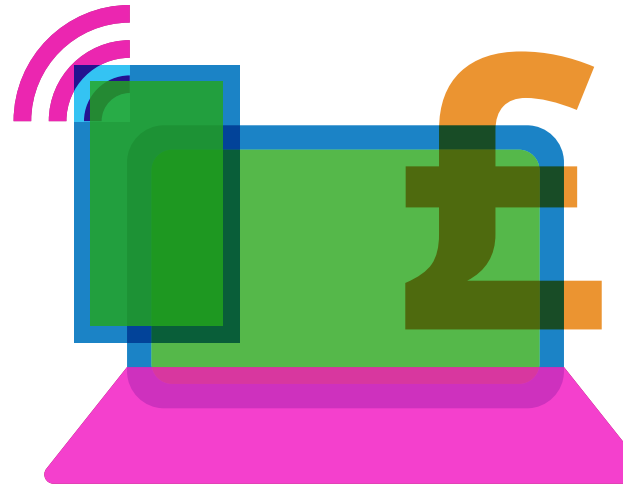
- » **Boost productivity** – Seamlessly connect business process data with Office 365 and LinkedIn data to save time at every step of the sales process.
- » **Track sales performance** – With analytics dashboards showing historical and predictive data, organisations can have greater visibility of sales performance and their team's activity. Sales forecasts can be automated, helping firms plan their resource commitments in advance and spot any resource gaps.



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- » **Tailored** – The system can be easily configured to fit an organisation’s sales process and extended/connected to other apps and services already used within the business. Dashboards can be easily personalised for different users to show them everything they need to know at a glance.
- » **Sell smarter with artificial intelligence (AI)** – The system provides recommendations and guidance at every stage of the sales process with built-in intelligence, helping to move deals and prospects forward.
- » **Make it personal** – Using the integrated LinkedIn Sales Navigator, users can easily find out more about their target audience and engage with them on a more personal level.



4.2.2 Dynamics 365 for Customer Service

Dynamics 365 for Customer Service is Microsoft’s CRM solution for the service area of a business. It is perfect for firms who need to manage call centres or manage queries, operational actions, complaints and cases. It comes with personalised workflows for any action or process that staff need to follow. This can all be monitored and improved with easy reporting to show how staff are performing against targets and areas that require improvement.

- » **Engage with clients on any channel or device** – The system allows organisations to deliver effortless experiences on their clients’ terms, through any channel and on any device.
- » **Deliver a fast, personalised service** – The system makes it easy for agents to meet ever rising client expectations. Intelligent processes easily guide agents to the right action every time with set SLAs.
- » **Learn from every interaction** – Teams can continuously improve while reducing costs by using data and intelligence to transform how services are provided.
- » **Innovate with a modern and adaptable platform** – Customer Service helps organisations to drive innovation as the application is easy to tailor, extend and connect to other apps and services that are already used.

4.2.3 Dynamics 365 for Marketing

Dynamics 365 for Marketing is Microsoft’s marketing tool, built on the same platform and database as Sales and Customer Service. Marketing gives organisations the opportunity to manage their entire pipeline all in one system with an easy handover to sales.

Dynamics 365 for Marketing enables companies to:

- » **Create and nurture leads** – Firms can generate more leads across multiple channels and nurture sales-ready leads with personalised experiences.
- » **Align sales and marketing** – Enables companies to prioritise leads, automate handover and track client progress with shared information and connected processes.



- » **Make smarter decisions** – Improves marketing ROI with embedded intelligence and analytics that track marketing performance.
- » **Innovate with a modern and adaptable platform** – Just like the rest of Dynamics 365, Marketing empowers organisations to drive innovation with an application that's easy to tailor, extend and connect to other apps and services that are already used.

4.3 Dynamics 365 for Project Service Automation

Dynamics 365 for Project Service Automation is a tool used by many professional services firms to improve the productivity of their projects, resources and services. Used by the likes of KPMG, Project Service Automation provides an end-to-end experience to enable firms to build trusted relationships with clients by delivering outstanding projects.

Project Service Automation empowers firms, through the capabilities listed below, to deliver profitable projects on time and within budget while increasing the productivity of their most valuable resource – billable staff.

4.3.1 Manage projects with confidence

Project Service Automation enables businesses to plan and deliver successful projects using a predictable and client-centric service delivery model.

- » **Earn clients' trust** – Allows firms to ensure project deliverables reflect the terms of their contract, approved work and expenses.
- » **Plan for success** - Visualise accurate costs, effort and revenue and achieve predictable project delivery using robust project planning capabilities such as native Microsoft Project integration.
- » **Manage with precision** – Provides firm's project managers with intuitive dashboards to review, monitor and approve project costs and time.

4.3.2 Optimise valuable resources

Project Service Automation allows businesses to anticipate resource demand and ensure the right resources are on the right projects, keeping utilisation high.

- » **Streamline scheduling** - Enables intelligent and relevant skills-based assignments with real-time visibility to resources using a unified scheduling engine.
- » **Increase billable hours** – Allows firms to accurately measure utilisation and make intelligent decisions to get the most out of their billable resources using real-time dashboards.
- » **Empower service professionals** – For external staff, Project Service Automation allows consultants and sub-contractors to update their skills profile and apply directly for relevant projects.





4.3.3 Forecast project profitability

Project Service Automation enables firms to prioritise project-based sales opportunities with built-in intelligence to plan for successful outcomes.

- » **Collaborate with clients** – Allows businesses to engage directly with their clients on quotes, project scope and resource requirements through a secure portal.
- » **Simplify the contract process** – Ensures a seamless collaboration with the sales team by creating project contracts, tracking resource rates and generating statements of work directly within Dynamics 365 for Sales.

4.3.4 Increase resource productivity

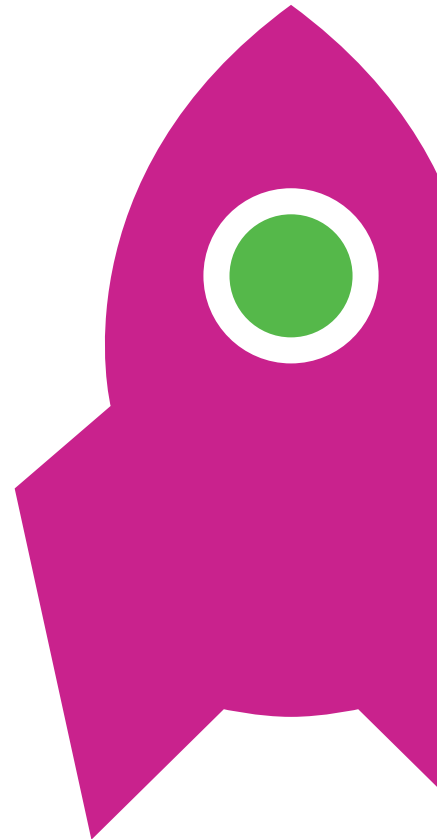
Project Service Automation empowers people to deliver their best work through intuitive and collaborative tools.

- » **Elevate collaboration** – Firms can foster collaboration across project teams using audio, video and document management with integration to Office 365 applications.
- » **Manage with agility** – Empowers managers to respond quickly to scope changes and project risks by managing critical key performance indicators to ensure profitable service delivery.
- » **Simplify time and expense management** – Allows staff to submit, approve, process and reconcile time and expenses anytime and anywhere, for timely client billing.

4.3.5 Innovate with a modern and adaptable platform

Project Service Automation empowers organisations to drive innovation with an application that's easy to tailor, extend and connect to other apps and services that are already used.

- » **Adapt quickly** – Firms can accelerate their time to market and adapt the application to their specific needs with no-code visual editors and tools that make it easy to build and deploy web and mobile apps.
- » **Unify service environment** - Processes can be automated across Dynamics 365 applications and third-party systems for better service engagement experiences.
- » **Invest with confidence** – Firms can rely on the Microsoft cloud platform to reduce the cost and complexity of operating a global infrastructure. Leaders can rest easy with the knowledge that their data is safeguarded by Microsoft's state-of-the-art data centres.
- » **Drive innovation** – Firms can transform their interactions with clients with deep insights provided by artificial intelligence that guide them to the right business outcomes.



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Section 5

Dynamics in action - customer showcase

5.1 Introduction

Today's law practices are becoming increasingly competitive. Many leading firms are developing aggressive growth strategies, including mergers and acquisitions, as well as adopting more sophisticated marketing and sales practices.

As a result of this heightened competition, law firms of all sizes, from small practices to those with global reach, are redoubling their efforts to not only maintain their existing client base, but also increase their new client acquisition efforts.

Unfortunately, convincing many legal professionals to use technology is still a difficult challenge. To overcome this barrier, law firms require solutions that can automate the capture of client interactions, enable across-business development initiatives and provide professionals with critical insights about the firm's relationships and growth initiatives. The business and personal productivity benefits need to be crystal clear to, firstly, justify investment and, secondly, drive user adoption.

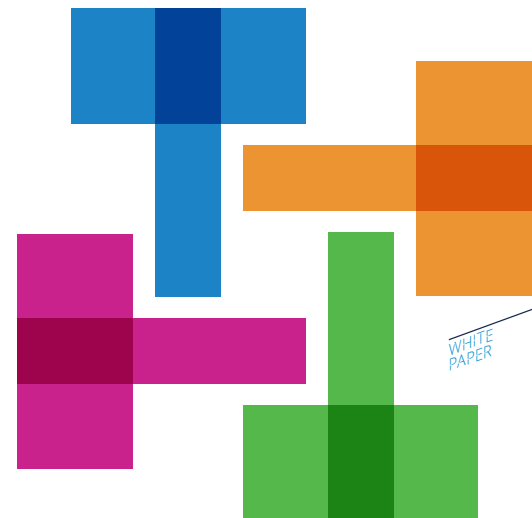
5.2 Customer showcase – Slaughter and May

Slaughter and May is a prestigious international law firm with a varied client list including leading corporations, financial institutions and governments. The firm has offices in London, Brussels, Hong Kong and Beijing.

SLAUGHTER AND MAY

Slaughter and May wanted to give certain areas of their firm access to a CRM solution to enable them to become more efficient from an administrative point of view. The firm had Microsoft Excel based information spread across multiple disparate systems. It was therefore difficult to ensure visibility of both legacy information and up-to-date data on clients and prospects who were being contacted by the firm.

For seamless communication and integrity of client relationships, it was imperative that individuals were contacted only with relevant information tailored to their needs. With the current way of working there was the potential for duplication of data and, in addition, data accuracy could not always be guaranteed.





Personalisation is a key element to the firm, who offer a customised service. Therefore it was important to us that we could very carefully tailor our communications according to a client's information needs."

Alison Brown, Programme Manager, Slaughter and May.

Slaughter and May worked with Incremental Group to implement a Microsoft Dynamics CRM solution that would drive improvements in a number of key business areas.

As a law firm there are strict codes of conduct Slaughter and May need to abide by for the usage of their system. To abide by this and also to help drive adoption, specific role based training was delivered to all staff who use the system.

Microsoft Dynamics has brought a wide range of benefits to Slaughter and May, including:

- » **Single view of client information** – Staff can now dynamically manage their contacts and view all information relating to that client in one place.
- » **Centrally updated information** – If a contact moves organisation, this is centrally recorded so that the contact can continue receiving relevant information about events and newsletters.
- » **Ability to provide dynamic real-time reports** – The principle client contact has an up-to-date record of all events and individuals registered to allow staff to create tailored reporting and feedback.
- » **Clarity of client distribution lists** – One record for one client provides all the information about all of the distributions that they receive, rather than having multiple disparate lists.
- » **Auditability of information** – Staff can share the information on the system and provide a clear history and an audit trail of data.
- » **Process efficiency** – The system provides a more efficient process within the organisation of managing the client record and for sending out newsletters and event information.
- » **Time saving** – Administrative staff save time by having a snapshot view of a client record which highlights circulation and events that the client is invited to.



Find out more

With our strong track record and expertise in helping professional service firms, Incremental Group can help your organisation to improve operations and deliver projects and services as effectively and efficiently as possible.

We have been supporting professional services firms for over 20 years, working with some of the biggest names in the industry including ACS, Rathbones, AMI and Willis Towers Watson. As a Microsoft Gold CRM Partner we have deep expertise and a large team of certified Dynamics 365 Consultants to deliver Microsoft CRM solutions.

See Dynamics in action - Book a free 2 Hour Demo Microsoft Dynamics 365 Customer Engagement

At Incremental we use our expertise to provide a CRM that delivers for your business and customers. This demo and briefing highlights the key functionality available from Microsoft Dynamics 365 Customer Engagement and demonstrates the areas most relevant to your organisation.