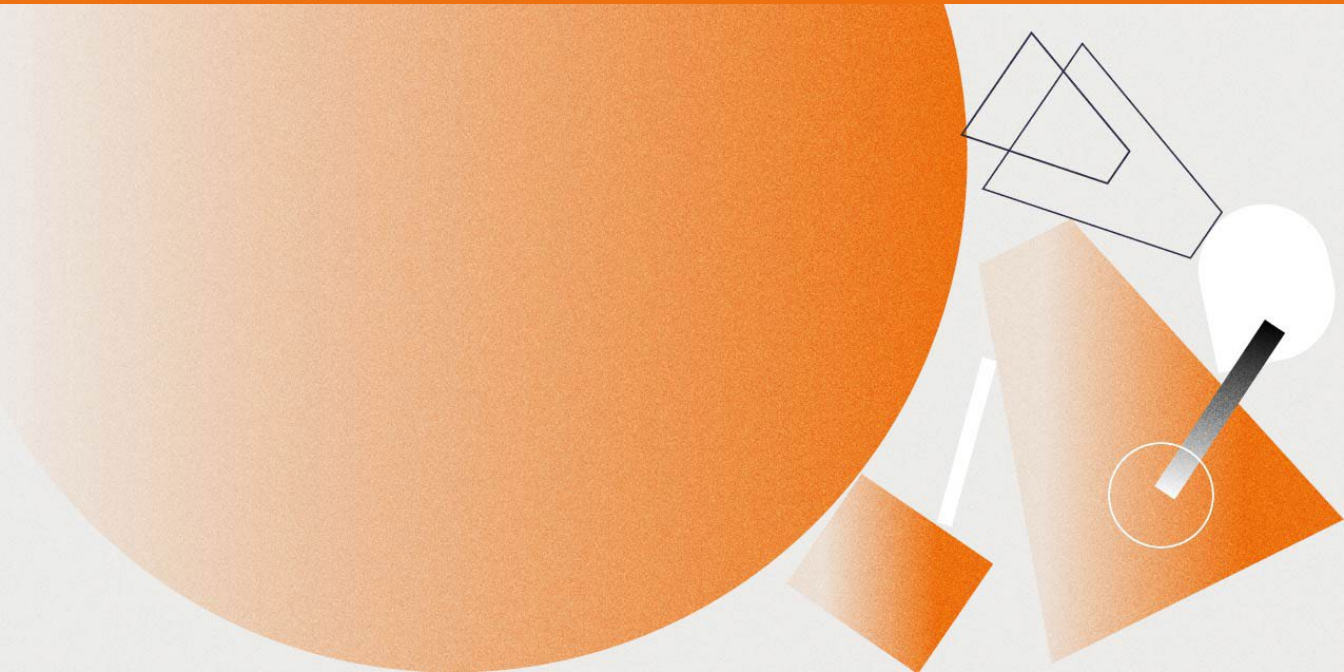


Kantata

Break Free From the Status Quo:

3 Ways Inaction is Holding Your Professional Services Business Back



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Why Change Can't Wait



Buckle up, folks, because the professional services industry has undergone (yet another) seismic shift. Thanks to relentless economic pressures, nothing is as it was. A recent S&P Global report confirms that clients are tightening their belts, scrutinizing every project scope with a magnifying glass, and demanding more flexible engagement models.¹

As companies scramble to adapt, they're juggling more responsibilities than ever. The buzzwords of the day? Fixed-price projects. Subscriptions. Value-added services. We're navigating a new, revenue-focused jungle, and the only way out is moving through with an agile, proactive approach.

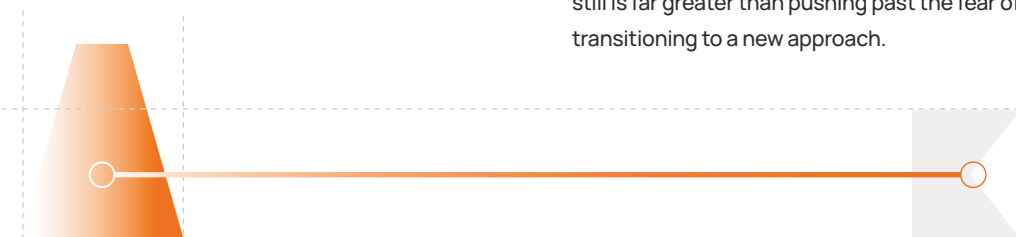
But here's the kicker: Many professional services organizations are still stuck in the past, weighed down by outdated processes and siloed operations that make adapting about as easy as turning a battleship in a bathtub. Businesses struggle to keep up with the increased pressure to do more with fewer resources, while relying on a technology infrastructure made up of dated, cobbled together systems that limit the entire services delivery lifecycle.

When times are good and the work is flowing, it's easy to ignore the details and just live with the problem of having too much work and not enough time or resources. But, when the economy slows, it becomes imperative to take a more holistic approach to operations and make sure every aspect of the delivery lifecycle runs smoothly.

But change can be scary.

Turning the tide takes time, resources, and careful planning — all of which can be overwhelming when your team is already stretched thin. Adding new technology, learning new processes, and establishing stronger workflows seem more like a hindrance than a help.

That's why it's so tempting to stick with the status quo; it's familiar, it's comfortable, and it hasn't completely imploded yet, right? But, in reality, the cost of standing still is far greater than pushing past the fear of transitioning to a new approach.



In the World of Professional Services, Everything is Connected

The entire professional services project lifecycle is connected. When one element underperforms, it creates a ripple effect that ultimately impacts the entire value chain. If your time tracking is off, then you can't forecast accurately. If you can't forecast accurately, you can't plan resources effectively. If your resources are overutilized, they burn out and quit resulting in higher costs and less-than-satisfied customers. You get the picture.

That's why you need to take action, no matter how small, to optimize your operations. Whether it's something as simple as creating a template or checklist for tackling repeatable processes or fully transforming your system by investing in professional services automation (PSA) technology, you can save your team time (and headaches!) both now and in the future.

To help you understand the true impact of inaction, let's break down the cost across three key areas:

Reactive Resourcing

When resources are managed reactively rather than proactively, organizations often face utilization inefficiencies and missed opportunities.

Inconsistent Service Delivery

Without standardized processes and tools, service delivery becomes inconsistent, leading to project overruns, client dissatisfaction, and lower profitability.

Inaccurate or Untimely Business Performance Data

Inadequate data systems and a lack of real-time insights mean decisions are made based on outdated or incomplete information.

Making small, steady, strategic improvements in any of these areas can take your operations from inefficient to streamlined. And the key to unlocking these benefits? Being able to articulate what the cost of doing nothing is and understanding that a better way forward does exist. And it's easier to jump on than you may think.

Because the time to take action isn't a month or a year down the line. **It's now.**

The High Price of Inaction

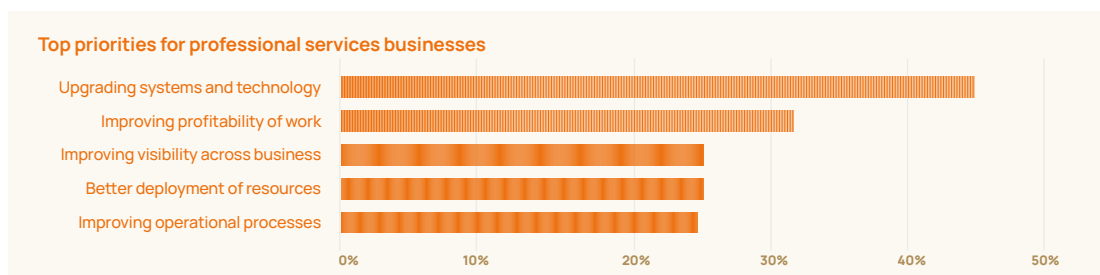


Before we dive into how inaction affects your business, let's start by taking a look at *why* it does — and what questions or concerns you may have about making a change.

One of the biggest culprits keeping your progress at a standstill is siloed data and operations. When your systems aren't connected and are working solo, visibility becomes a huge issue. And the bigger your business grows, the more fragmented things become. Despite well-meaning attempts to centralize staffing, visibility gaps leave managers blind to the bigger picture. This disconnect feeds a vicious cycle of disparate data that makes forecasting and future-planning feel like a pipe dream.

A piecemeal approach to technology and operations comes with a hefty price tag. Sticking to outdated methods and disjointed processes makes your organization overly dependent on the heroics of dedicated employees, rather than on reliable information and tools. While the work gets done, it's far from sustainable.

This begs the question: “What changes does my organization need to embrace to get to the next level and position ourselves for success — and what obstacles are standing in our way?”



According to Kantata's [2024 State of the Professional Services Industry](#) report, upgrading systems and technology is by far the top priority for decision-makers in professional services organizations. But maybe the change you need right now doesn't involve a technology upgrade. Maybe the first step forward is a targeted reworking of key processes that stands to deliver the biggest gains for your organization. Or perhaps this is the year your organization sets up a true Resource Management Office (RMO) to centralize staffing decisions.

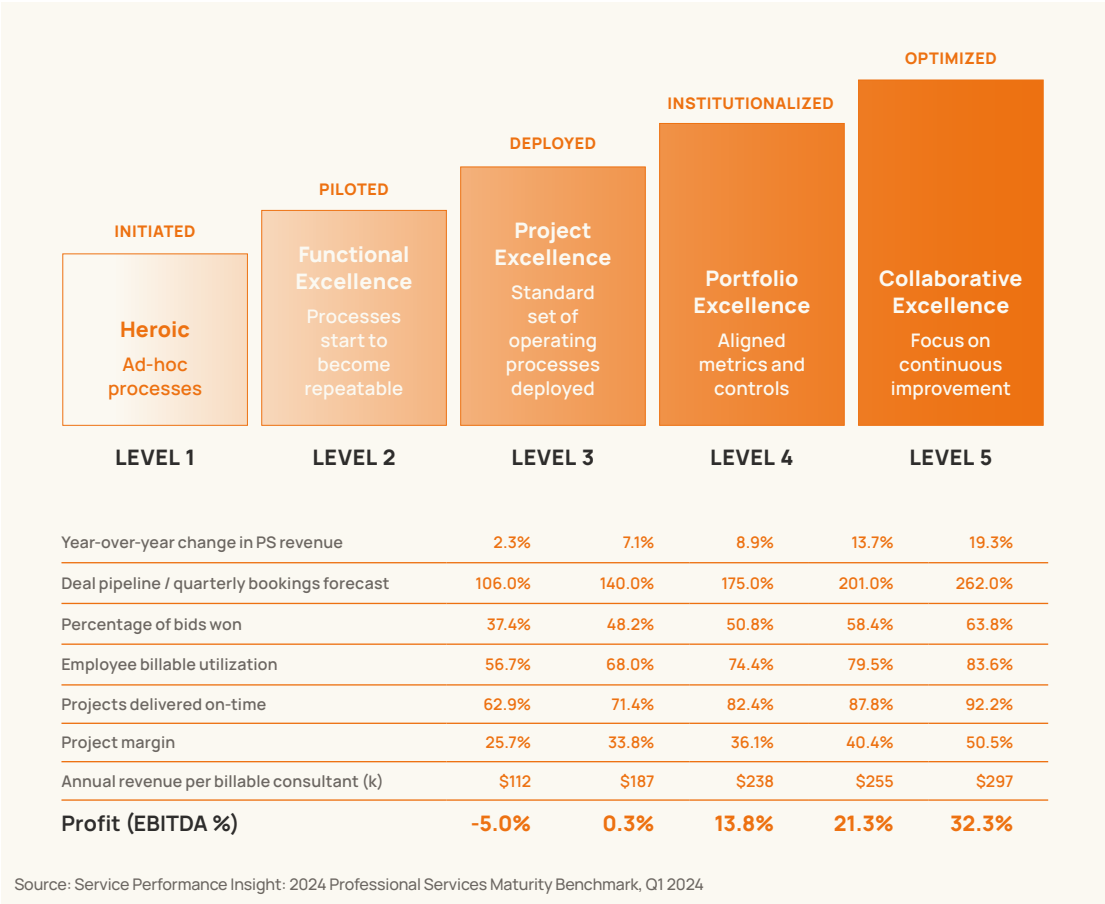
Whatever you do, don't do nothing. Because no matter what positive change looks like for your organization taking a small step will have far more impact than not doing anything at all.

Why? Because the professional services industry is moving on from the scrappy “do more with less” mindset it needed over the past few years. The game is shifting, and firms that make smart investments in their people, processes, and technology are the ones poised to pull ahead.

Arming yourself with the tools and resources necessary to achieve change is the first step in taking your PS operations to the next level. But this can only happen when you understand the cost of inaction, and how specific improvements can affect your entire professional services workflow.

A key industry benchmark of success is the SPI Professional Services Maturity Model, which breaks down the five stages of organizational maturity, from “Initiated” to “Optimized.” As organizations move through these stages, they shift from relying on individual efforts to using repeatable, scalable processes that lead to better, more consistent results.

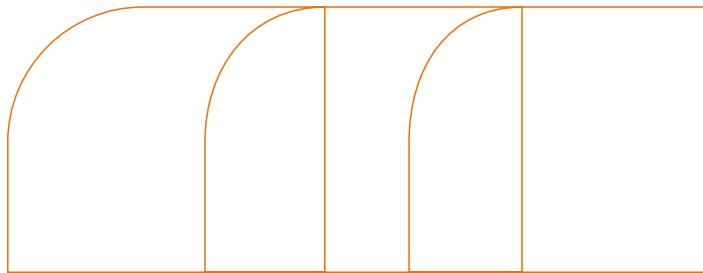
As you can see below, more mature organizations perform better across key metrics, like EBITDA, revenue per billable consultant, and on-time project delivery.





To model the benefits of change in the sections below, we're going to analyze the expected improvements an organization with 250 resources and a \$200 blended hourly rate would experience by moving from the Piloted level to the Deployed level. The level at which a best-of-breed solution designed for the unique needs of businesses in the professional services vertical would be expected to be orchestrating key service execution processes.

By breaking down how this 250-resource organization might be missing out on millions of dollars annually, we'll demonstrate how the status quo manifests in real dollars and cents – and how moving up the maturity scale can drive significant improvements in both efficiency and profitability.



01

Reactive Resourcing Puts Everything at Risk

For many resource managers, the status quo involves a healthy amount of distrust when it comes to both the sales pipeline and when resources will be needed, as well as the true status of current projects and when resources will roll off current work and be available. The resulting reactive resourcing mindset isn't just a headache — it's a chronic problem that chips away at profitability and leaves money on the table.

Hiring a contractor often seems easier than untangling the resource spaghetti, even though the right person might already be on your payroll. This leads to a seemingly endless cycle of unreliable resource forecasting and emergency staffing decisions.

In short, reactive resourcing goes beyond just being inefficient; it's an expensive game of guesswork that leads to unhappy clients, stretched budgets, and stressed-out teams.

How Big is the Problem?

If any of this sounds familiar to you, you're not alone. According to a [Forrester Consulting study commissioned by Kantata and Salesforce](#), 56.9% of professional services organizations report difficulty in forecasting the roles and skills they'll need for upcoming projects, while 58.5% struggle with visibility issues that make capacity optimization nearly impossible. And Kantata's 2024 State of the Professional Services Industry report found that 61.5% of firms had to turn down work last year because they simply couldn't figure out if they had the people for the job — all because of a lack of connected systems and foresight.

Quantifying Missed Opportunities

Reactive resourcing may be common, but it doesn't have to be your reality. The opportunities for professional services firms willing to embrace proactive resource management are huge. Let's look at what's possible when you replace the guessing game with the right technology and processes, using our example of what resourcing issues could cost a business with 250 resources and a \$200 blended rate every year.

	FROM:	TO:	RESULT
Admin Time (per resource per year)	157 hours SPI Level 2: PILOTED	142 hours SPI Level 3: DEPLOYED	+\$750,000
Non-Billable Project Time (per resource per year)	144 hours SPI Level 2: PILOTED	99 hours SPI Level 3: DEPLOYED	+\$2,250,000
Bench Time (per resource per year)	110 hours SPI Level 2: PILOTED	93 hours SPI Level 3: DEPLOYED	+\$850,000
Every year this business sticks with "good enough," they're missing out on:			+\$3,850,000

Think these numbers are shocking? There are even more costs associated with reactive resourcing that are harder to quantify. These include the cost of relying on expensive contractors to fill roles that could have been filled internally, having to turn down work due to lack of resources, and the overall negative impact this has on the clients you aim to please and employees you want to keep. It all adds up.

Make Proactive Resourcing a Priority

Standardize Project Scoping and Intake

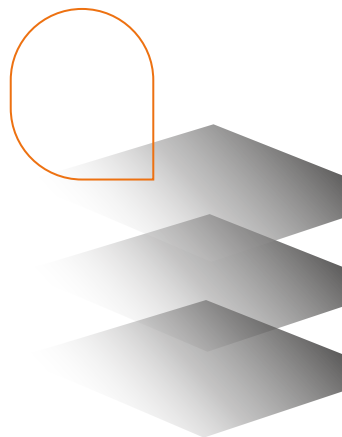
Last-minute project scoping often leads to reactive staffing. A standardized intake process with clear timelines, resource needs, and approvals gives resource managers the lead time to plan proactively.

Build Your Skills Inventory

A real-time skills inventory is essential to know what skills your team has, their proficiency, availability, and fit for upcoming projects. This clarity helps identify core capabilities to retain in-house talent and identify when external resources are needed.

Forecast Demand With Real-Time Data

Use historical project data and pipeline insights to anticipate demand. Pair this with real-time visibility into current team capacity and skillsets so you can start planning before the work hits. Tools that integrate sales and delivery data can be a game-changer here.



Embracing Change in Action: How Codal Gained Visibility and Control

For a real-world example of how embracing proactive resourcing can transform your business, take a look at Codal. Codal initially struggled with several common symptoms of reactive resourcing. Key information about resources and project budgets was buried in spreadsheets, making it difficult to get a clear picture of who was available and when.

This lack of visibility led to costly mistakes, like hiring external contractors when qualified staff were already on the bench, underutilized. Codal even attempted to build a homegrown professional services automation solution to address these issues, but ultimately found that it was too complex and time-consuming, diverting valuable resources away from their core business activities.

By ditching spreadsheets and opting for a centralized, purpose-built PSA solution, Codal achieved impressive results:

82% Increase in Billable Utilization: Codal was able to almost double its billable utilization, transforming their efficiency and optimizing their resource allocation. This increase translated to a significant revenue boost, allowing them to make the most of their existing talent.

25% Reduction in Non-Billable Hours: By eliminating inefficiencies, Codal cut non-billable hours by 25%, freeing up their team to focus on productive, client-facing work. This reduction in wasted time not only enhanced profitability but also improved employee satisfaction.

Predictable Project Delivery: Codal achieved smoother, more predictable project delivery, resulting in a consistent track record of meeting timelines and budgets. The impact on client satisfaction was substantial, contributing to long-term client loyalty.

[READ CODAL'S STORY](#) →

02

Inconsistent Project Delivery Reduces Margins and Future Business Potential

With professional services teams juggling hundreds of projects at once, smooth coordination throughout the project lifecycle is key to running a tight ship. This means getting a handle on every part of the process, from forecasting, sales, and staffing to billing, delivery, and analysis. But if you're not managing everything from a central, standardized hub, consistent service delivery is just a pipe dream.

Think of standardization as your go-to tool for every step of the project workflow. When every project is handled differently, it's tough to pinpoint what's working or where things are going totally off the rails. Having a single source of truth keeps clients happy and your business growth on target.

The Need for a Single Source of Truth

Staying on track is a tall order when you're juggling multiple projects with various systems or point solutions. But many companies find themselves constantly behind schedule because they still lean heavily on manual processes. In order to keep clients coming back and build lasting trust, you've got to deliver projects on time and within budget. Without centralized visibility and real-time insights, project success rates nosedive. A recent survey support this, showing that 53% of professional services leaders confessed their project success rates were crawling below 70%.²

Great collaboration starts with everyone being on the same page, and that only happens when information is up to date and easy to find. When data is scattered across tools and teams, it's tough to stay aligned. That's why having a single, reliable source of truth is so important. It keeps projects moving and clients in the loop — something that's hard to pull off if you're still dealing with outdated tech and disjointed workflows.

What's at Stake?

The most obvious hit from inconsistent delivery is on project margins. Overruns, poor estimation, scope creep, and revenue leakage all play a part. Adopting a purpose-built solution can help firms tackle these challenges and boost profitability through better rate management, smart talent deployment, and the ability to predict margins and catch issues early.

But there are less obvious ways inconsistent delivery and decentralized processes can affect your bottom line.

Here's what inconsistent service delivery might be costing a business with \$62,100,000 in revenue every year, according to SPI industry benchmark data:

	FROM	TO	RESULT
Incremental margin improvements	33.8% project margin SPI Level 2: PILOTED	36.1% project margin SPI Level 3: DEPLOYED	+\$1,428,300
Reduction in revenue leakage	6.8% of total revenue lost SPI Level 2: PILOTED	3.72% of total revenue lost SPI Level 3: DEPLOYED	+\$1,912,680

Every year this business sticks with "good enough," they're missing out on:	+\$3,340,980
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The real differentiator lies in building a delivery model that supports growth with clarity and control. High-performing firms don't wait to solve problems after they happen; they create systems that prevent issues from occurring in the first place. Operational maturity allows teams to work more efficiently and make smarter decisions that deliver consistent results.

Create Consistency in Project Delivery

Use Templates for Repeatable Processes

Ensure consistency with reusable templates for communication. This way, everyone across the project lifecycle knows what to expect, and when.

Portfolio Task Level Management

Enable repeat delivery methodologies through work breakdown structures, Gantt charts, and resource allocation tools that optimize scheduling and enhance project tracking capabilities.

Project Sentiment Analysis

Collect client and employee sentiment during project delivery for actionable insights and better project outcomes. Uncover trends that point to strengths and weaknesses within your organization.



Closing the Gaps: How POP Maintains a 97% Project Success Rate

Digital marketing firm POP is a prime example of what happens when a business transitions away from using scattered systems and an inconsistent approach to project management. When their previous setup could no longer support their growing needs, POP aimed to improve project reporting, eliminate information silos from disconnected tools, enhance the detail in resource planning, and provide leadership and project management teams with detailed planning and operational data from a single source of truth.

By consolidating their resources, project management, and project accounting into one centralized system, POP eliminated redundant tools and gained vital insights into client service delivery. This change not only improved their visibility into project timelines and resource availability, but also optimized resource utilization and significantly increased both their project completion accuracy and overall profitability.

By opting for Kantata's centralized, purpose-built PSA solution, POP achieved impressive results:

Maintains a 97% Project Success Rate: With all of its data available in a single solution, the agency gained crucial insights into its client services delivery, significantly increasing its project completion accuracy from 80% to 97%.

12 Week Resource Planning Horizon: Reduced scheduling conflicts through greater visibility into project timing and resource availability.

Improved Project and Overall Agency Profitability: By streamlining the way the agency assesses skill gaps and places resources in Kantata, POP can plan, staff, and initiate projects with a condensed planning horizon that mirrors the agency's agile "work quickly with the right information" ethos.

[READ POP'S STORY →](#)

03

Inactionable Data Makes it Impossible to Assess and Optimize Performance

Dealing with inaccurate or incomplete data can be a real challenge when you're trying to forecast and execute plans smoothly. According to a Forrester Consulting survey, more than half (56%) of professional services organizations struggle because they don't have the necessary data and insights for strong forecasting.³ Kantata's research agrees, highlighting that 91.1% of professional services companies find that constantly relying on outdated, inactionable data is affecting their operations.⁴

The Unknown Unknowns

When you don't have accurate, up to date data on how projects are tracking against your plan, it's tough to know if things are truly on schedule or meeting expectations. Without real-time insights or a centralized resourcing system, teams are left guessing — and that's when things start to veer off track.

Instead of focusing on delivery, teams end up buried in spreadsheets, trying to piece together the full picture, often from data that doesn't even match up. These blind spots create bigger problems, like over- or under-hiring, wasted resources, and delays in getting the right people on the right projects. It also opens the

door to misused time, billing mistakes, and unresolved tasks slipping through the cracks.

According to a 2024 benchmark report, only 47% of professional services respondents strongly believe their tools provide the data needed for leadership, delivery, and finance teams to make informed decisions for organizational improvement.⁵ Investing in a platform that offers real-time access to more immediate data can enhance decision-making and operational efficiency. Eliminating data silos and delays also allows teams to proactively spot and address issues, ensuring better project outcomes.

Boosting Efficiency for Impressive Returns

With back office team members chasing necessary updates, closing the books can be time-consuming and costly. Kantata's research shows that a staggering 87.6% of professional services organizations say the inability to close their books in a timely manner each month affects their business.⁶

Technology and automation simplify these processes, leading to significant cost savings. Forrester analysis indicates that improving month-end close efficiency through better data access can save nearly \$7,000 per accounting team member. Plus, cleaner, more efficient invoicing can reduce days sales outstanding (DSO) by reducing your risk of errors or client rejections.

Here's what unactionable data might be costing a business with \$62,100,000 in revenue and a 5% finance charge for every outstanding day:

	FROM	TO	RESULT
Reducing Days Sales Outstanding (DSO)	44.6 days outstanding SPI Level 2: PILOTED	39.3 days outstanding SPI Level 3: DEPLOYED	+\$45,086

Reduced admin time for accounting staff (based on an avg \$36/hour salary and 4 team members)	32 hours/month per team member	16 hours/month per team member	+\$27,648
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Every year this business sticks with "good enough," they're missing out on:

+\$72,734

Optimize With Actionable Data

Connect Systems for a Single Source of Truth

Siloed tools lead to fragmented data. By integrating your systems — project management, time tracking, financials, and resource planning — you can consolidate data into one place. This unified view makes it easier to analyze performance across projects, teams, and timelines.

Build a Data-Driven Culture

Help your team understand the importance of timely, accurate data and what their role in maintaining it is. This creates an environment where each person knows why clean, clear data is needed and is held accountable for keeping data up to date.



Embracing an Optimized Approach: How Talan Boosts Data Visibility, Accuracy, and Accountability

For Talan, an international project management, software, and business consultancy, managing financial transactions across a broad portfolio of legal entities and business units presented a series of increasingly complex challenges. For too long, Talan relied on an aging, in-house, time and materials management solution that struggled to keep pace with its steady growth and evolving needs.

“Our old system just couldn’t adapt to the way we were expanding and integrating new companies into our global network,” explains Julien Weill, Talan’s Group Delivery Director. “With our aggressive growth projections, it was crucial we find a more scalable, functional, and reliable platform to manage our customer-facing and project-related activities from pre-sales to invoicing.”

Replacing their old systems and processes with Kantata, Talan was able to automate many of their processes, making them much more transparent and efficient. Intercompany billing, improved accountability and data, and redefined roles for project managers all contributed to a 70% increase in KPI retrieval speed and a 40% faster monthly close process.

By investing in Kantata’s PSA solution, Talan was able to achieve:

Improved Accountability and Data Accuracy: Consolidating delivery and financial data into one system has allowed Talan to significantly reduce the time it takes to compile reports and retrieve important KPI data.

Stronger Financial Visibility: With organizational data housed in a single system, the Talan team has greater visibility into every aspect of the project lifecycle, from delivery status to project margins.

Shorter Monthly Close Cycles: Enhanced reporting and financial oversight has shaved days off the team’s global monthly closing and invoicing cycles, helping them save time across the organization.

[READ TALAN’S STORY →](#)

Standing Still is the Fastest Way to Fall Behind

“There are risks and costs to action. But they are far less than the long range risks of comfortable inaction.”

John F. Kennedy

While a “leave it alone” mindset may work in certain situations, it’s the key to failure in the world of professional services. While your team goes above and beyond to get the job done, clinging to outdated methods and avoiding investment in integrated technologies puts their time and talents at risk, thanks to slow updates, inconsistent data, and fragmented systems.

This is why many PS organizations still experience...

- Service escalations that blow up
- Mismatched client expectations
- Clients with low adoption rates

Taking steps towards creating a better, more streamlined system is critical to maintaining and growing your operations. Even small steps can have a big impact, depending on your organization’s needs, size, and goals. And for firms looking to scale their entire delivery workflow, a larger investment may be in the cards: a purpose-built PSA solution.

According to the latest benchmark study by SPI, nearly 90% of high-performing professional services organizations have adopted a PSA solution.⁷ With a streamlined, unified approach to managing their services, these forward-thinking companies are excelling. They’re reducing revenue loss from inaccurate invoicing, unfilled bench days, delayed project starts, and sourcing challenges — all while cutting down on revenue leakage and margin loss from over-reliance on contractors, project overruns, staffing issues, and losing top talent.

And this all adds up.

The total potential impact of an organization with \$62,100,000 in revenue sticking with “good enough”:

Reactive Resourcing	\$3,850,000
Inconsistent Service Delivery Reducing DSO	\$3,340,980
Unactionable Data	\$72,734
Total Lost Revenue Per Year	\$7,263,714

There's a Better Way: Take Action With Confidence



Imagine a solution that seamlessly manages every step of your professional services journey. No more digging through data across disparate systems or lacking clarity on which team members are available when.

Instead, your people, projects, budgets, and timelines all work in sync. Everything works together, giving you complete visibility and trust in the data behind every decision. Nothing slips through the cracks. Workflows become streamlined, cohesive — and finally, under control.

Adopting a next-gen PSA solution can turn that imagined scenario into reality.

The benefits of a PSA are tremendous. Real-time insights allow you to optimize people, projects, and profits, creating a seamless flow from employee engagement to client satisfaction and financial success, while accurate data empowers dynamic resource management and leads to better forecasting, smoother project closures, optimized margins, and more effective pricing strategies.

When your data and insights come together, you gain:

- Consistent project delivery
- Proactive resource planning
- Smarter decision-making
- Better use of resources
- Higher work quality
- Greater efficiency



ONE STEP AT A TIME

Transforming your entire business doesn't happen overnight — it's a step-by-step journey. Start by focusing on one area, such as resource management. Once you've achieved clarity and efficiency there, you can confidently move to the next phase. By systematically improving each step in your services delivery, you'll build a stronger, more efficient business overall.

The One Action That Sets Everything Else Up for Success: Choosing Kantata Next-Gen PSA

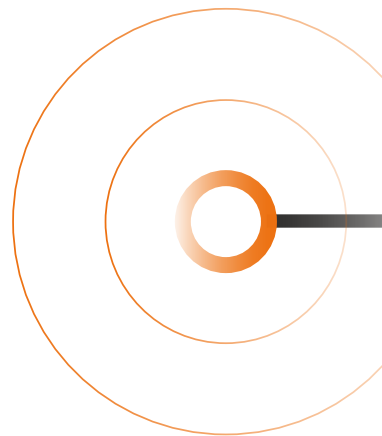
Kantata is the purpose-built PSA that empowers better decisions — across delivery, resourcing, and financials by giving your entire organization a single source of truth. With real-time visibility and consistent workflows, every decision is clearer, faster, and backed by data you can trust.

We've done more than study how services businesses run. *We've lived it.* That's why we built Kantata with AI-powered insights that don't just show you what's happening, they tell you what to do next. From avoiding risks to seizing opportunities, Kantata helps you make the right call, every time.



“Working in our previous system became more and more of a struggle as we grew. I would often need to wait days to get the KPIs I needed. Now, using Kantata, we run reports and extract current KPI data on demand, multiple times daily, and we are confident the results returned are both accurate and actionable.”

Julien Weill, Group Delivery Director, Talan



Endnotes

- 1 [S&P Global. "The Macro Technology Shift Impacting the Professional Services Industry." Q4 2023](#)
- 2 [S&P Global. "The Macro Technology Shift Impacting the Professional Services Industry." Q2 2023](#)
- 3 [Forrester Report: Vertical SaaS Snapshot, Q3 2022](#)
- 4 [Kantata, The State of the Professional Services Industry, Q3 2024](#)
- 5 [Service Performance Insight: 2024 Professional Services Maturity Benchmark, Q1 2024](#)
- 6 [Kantata, The State of the Professional Services Industry, Q3 2024](#)
- 7 [Service Performance Insight: 2024 Professional Services Maturity Benchmark, Q1 2024](#)

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To learn more about how Kantata can help optimize your operations
and take your business into the future, [visit Kantata.com](#).