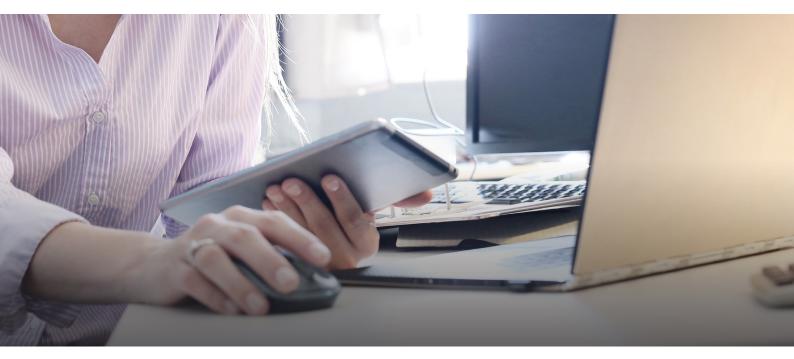**Whether your services business is an IT consultancy, a change management consultancy, an HR consultancy, you all have similar but complex business models. It's about people, putting boots on the ground and mobilising big teams to work on projects for client organizations.**

The balance for consultancies/professional services between being effective at new business and being able to deliver those projects if they win them is a careful one to strike.

The opportunity is significant if they do get it right. The total value of the global consulting sector is estimated at around $250 billion – making it one of the largest markets within the professional services industry.

So, the level of competition for new business is intense. This means that where new business is concerned, the services industry has to be ultra-efficient. Many rely on word of mouth, their relationships and networking to seek out new business opportunities. But having the right technological infrastructure to help deliver their new business strategy, identify opportunities for cross selling and upselling and underpin new business processes, is imperative if consultancies are to get a competitive edge.

TECHNOLOGY
is key

A good CRM tool is extremely effective at helping professional service find new clients, develop pipelines, manage new business teams and grow the bottom line. It will also help them exploit opportunities to cross sell and upsell.

A lot of consultancies are organized around their sector approaches or their service lines. So for example, you might have a banking team or a utilities team, or a project management division or business analysis team. This can lead to silos within the business, which is usually indicative of fragmented systems and disparate processes. Integrated data and processes across the company can improve efficiency, lower costs and dramatically improve real time access to management information.

Most consultancies help clients achieve these same goals – but they don't necessarily practice what they preach. How can client organizations task a service provider with a transformation project if the consultancy doesn't have an innovative approach itself? Research by a software provider, Deltek, found that 59% of consulting firms said they spend hundreds of hours producing reports and a further 57% say that these reports for important decisions come too late.

If service providers want to be on the front foot with new business, using technology to streamline and integrate their businesses is paramount. Having a technologically enabled, firm-wide new business approach, with the visibility of client accounts helps drive better client understanding, sell more effectively and creates a better impression. They can improve their communication with their client base, conduct targeted marketing and increase the effectiveness of their new business effort and gain a cohesive focus on customer delivery.

MAPPING THE CLIENT ENVIRONMENT

One of the biggest challenges for consultancies is the complexity of the organizations they work with. This can cause problems for lots of reasons. For example, they might have multiple 'clients' within one company, if they are working on projects for different divisions. Technologies like CRM can be an effective way to track those relationships and map the organizations, bringing the following benefits that mapping the client environment can bring:

- **Understanding client structures:** consultancies often work with large – global – organizations. If they are to be effective in new business, they need to be able to understand how their target companies are organized. From large public sector organizations to global corporates, professional services often deal with a wider ecosystem around one client organization, therefore the ability to map these organizations and the relationships within is key to a successful new business strategy and also key to cross-selling and upselling. Deltek's research said that 35% of respondents in their survey expected stakeholder management to be a top challenge in the next five years – CRM helps to manage that challenge.

- **Client intel:** a powerful business application like CRM helps build an understanding of the services different clients are purchasing and the services that the client might need that your consultancy doesn't yet provide to them – or might not even deliver. This can help give you the insight to cross-sell other services and it can help influence your service mix – you might decide to develop new services in response to client demand.

- **Risk management:** in any client environment there will be the inevitable bumps in the road. But identifying these issues before they become real problems is key. CRM can flag "at risk" clients – the account team can then proactively put in place a strategy to address the problems. And because the system is joined up across teams, it can highlight when projects are at risk of scope creep, allowing the project team time to develop a plan to bring the project back on track. This is common sense, but when dealing with large numbers of clients, mistakes can happen if the process is not integrated.

- **Actionable insights:** a system such as CRM can help to track and spot opportunities for cross selling and upselling. For example, one of the consultants on client site might hear about a tender coming up for a change management project in six months' time. If this is logged in the system, the new business team can act accordingly. The marketing team will also be able to use website data to find out if existing clients and prospects have shown an interest in different services - the marketing team can use this intelligence to orchestrate a campaign to target them, possibly with an offer or an incentive to get them on board.

SMART BUSINESS DEVELOPMENT

Project delivery is a combination of art and science. The art is the flair of your consultants and directors at building relationships and creative problem solving with your clients. The science is the process and the technology that underpins this - how knowledge is captured and shared and how the insight from the data in the system can help the consultancy do its job effectively. Some key points of how CRM can facilitate business development in professional services?

- **Business development cycle and pipeline:** a clearly defined project cycle and pipeline is important for the consultancy's various teams to understand at what stage the prospect is. CRM can be used to analyze what is happening across the pipeline – the conversion rate, how long deals take, the win and loss ratio and deals according to what stage they are at in the cycle, or what member of the team owns it. This type of management information is a valuable tool for eradicating needless operational costs, such as disparate teams duplicating effort.

- **The customer journey:** the process should reflect the different stages that a prospect goes through before they become a client. The qualification process, for example, should consider if the prospective client's requirements match the consultancy's capabilities. If they do, it will lead to a more effective engagement.

- **Integrating business development with marketing:** an effective marketing function will ensure the right messaging and tools are provided at the right stage to move prospects through the sales cycle. The sales director can set lead generation targets and define what a marketing qualified lead looks like - for example, they might want to target C-suite executives at financial services companies - and they can set pipeline targets and ask marketing to source opportunities of a certain value. This can help to define the marketing strategy and ensure marketing is engaging in sales driven behavior.

- **Embedding the process in CRM:** using a sales and marketing funnel it's possible to embed this process in the CRM system and use the knowledge to underpin the sales execution process. For example, different grades of leads can be color coded, or flags can be used to highlight different actions.

IMPROVING NEW BUSINESS TEAM EFFECTIVENESS

CRM is a tool which can help to improve the productivity of sales teams, empower them and make them more effective. A few ways in which CRM can help:

- **Improving sales team performance:** using CRM, sales leaders can look at the performance of individual sales people. From their activity levels, meeting reports, deal planning and conversion rates, the new business director can see what is and isn't working. For example, one sales person might have a better percentage of securing meetings but make less calls and go to fewer networking events – he might need some help managing workload. Another might make more calls, attend more industry events but have a poorer meeting rate – this might indicate they need some training. Activity management provides an important insight as it highlights good performers within the team and identifies areas for improvement and training.

- **Prioritization:** if a consultancy is using an excel spreadsheet to track the pipeline and log their activity, it won't be intuitive enough to help teams prioritize their work load. CRM uses dashboards and colour coding to create a daily to do list. The activity list can be looked at in the context of how much it is worth – it can use scoring to say which leads should be followed up, depending on their shape and size. It can also flag up neglected opportunities. All of this can be used to track if the sales team is on top of its activities or not.

- **Best practice:** building best practice into the new business process is important. For example, good new business people know they have to speak to the prospect's project director, board member or procurement team as part of qualifying the lead – the main stakeholder will vary according to the project. Locking this knowledge into the process means everyone follows the same path and knows what they need to do to get the best result. Sharing best practice will raise the sales game across the firm.

- **Maximizing resource and time:** CRM can make new business teams more efficient – for example, if someone is meeting a prospect in London, the system can flag up any other prospects who are in a certain radius that might be worth meeting too. CRM can also track references and match case studies to prospects without sales people having to search – because it integrates marketing with the sales systems, it makes everything more efficient.

SUMMARY

It's not easy operating in the services industry sector – it's very competitive, involves working in highly regulated industries and it's a juggling act to deliver great service at cost, whilst aiming to save time and reduce operational costs.

So, when it comes to business development and maximizing new business opportunities within their own client base, they need their processes and systems to be as effective and efficient as possible. CRM helps consultancy sector leaders & their teams stay ahead of the curve – it helps them map their client environment and gives them the visibility and management information they need to spot opportunities and maximize them.

In a nutshell, CRM helps the services industry to work smart.