

# DRIVING CONSULTANCY PROFITABILITY



**DRIVING PROFITABILITY** involves some famous dilemmas that businesses have to wrestle with every week. How much over-servicing is going on? How can you reduce the likelihood of account managers being pressured to make just one more free change? And how do you know when to let a client go?



## 1 MANAGING CLIENTS WHO WANT FREE CHANGES

It's a common refrain. A project is progressing smoothly, and then a small change is made at the client's request, free. And then another. And then a larger one...

- *"Clients are cute. They subtly ask for amendments here and there, which used to get nodded through for free. But the extra work really mounts up.*
- *Our (previous) system didn't make it easy to track those changes, causing big problems."* Steven Clark, Financial & Commercial Manager, Tayburn.

Synergist doesn't eliminate scope creep but mitigates it. Reviewing the financials with your team alongside project progress means new commitments of labour or materials show up immediately for all to see and discuss. People become less likely to add them. It takes some of the pressure off the PM — the whole group "owns" scope creep.



## 3 KNOWING WHEN TO LET A CLIENT GO

Consultancies fire clients sometimes...

- *"Synergist showed us that we had been grossly over-servicing one big client for a long time.*
- *"Before Synergist we had never been confident enough to risk letting a client go. But now the data is clear. We know the time spent, job history, our capacity, everything.*
- *"Previously, we acted like the client had us over a barrel. We don't do that anymore. Decisions like this are really hard if you don't have all the facts. They are so much easier when you do."* Lisa McLaren, Director of Finance at a project-based business.
- *"[Synergist] tells us that we need to turn some jobs down. And we have done that. It's based on knowledge. You know you're right in those circumstances."* Simon Butler, co-Founder, Purestone.



## 2 HAVING THE TOOLS TO IMPROVE PROFITABILITY

Synergist's '7 Ways to Increase Consultancy Profits' lists them as Save Time, Staff Utilisation, Job Health Monitoring, Better-Informed Decision-making, Resource Scheduling, Accurate Estimating and New Business Pipeline Management. Here are some user comments:

- *"Many of the tasks which had taken weeks in the previous system could be reduced to hours, and...would certainly improve productivity and profitability. The system allows us to see exactly where we are with every job in terms of profitability and progress."* Michelle Earl, Managing Director, Earl & Thompson.
- *"Proper data... pulls everyone together, shows which projects are going to be profitable and which aren't."* Kent Valentine, Director, Draw.
- *"Before we went with Synergist, our time wasn't integrated with revenues. We couldn't track capacity or client profitability. We used lots of spreadsheets. Information was never up to date"* Lisa McLaren, Director of Finance, ClickThrough.

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## 4 IMPROVING ESTIMATES

Improving estimates is not merely a question of accuracy but also of empowering more team members to create them.

- *"Time is completely visible now. It's helped us improve future estimating and quotes and a lot more. What it gives us is phenomenal. It's given us efficiencies from beginning to end."* Phil Robinson, CEO, ClickThrough.
- *"We used to spend masses of time searching for information or pulling together reports or estimating work or doing invoices. Such a waste. Now, that's all cleaned up. It leaves more time for client focus."* Kent Valentine, Director, Draw.
- *"We don't need an estimating department, we need everyone to be given the tools and the data to estimate their projects accurately."* David Ladds, Director, Bladonmore.
- *"Another benefit is that today, everyone can estimate fees. It doesn't just fall onto my desk."* Steven Hunt, founder of Steven A Hunt & Associates.



## 7 SAVING TIME

Just about all Synergist users tell us of the substantial time savings it brings...

- *"We used to spend masses of time searching for information or pulling together reports or estimating work or doing invoices. Such a waste. Now, that's all cleaned up. It leaves more time for client focus."* Kent Valentine, Director, Draw.
- *"We can immediately see the state of net sales. It only takes a second. We can now get live results like that at any time of day."* Steve Lawrence, Operations Director, LHM. He told us they save **41 hours per month** with Synergist. They costed it at £90, the equivalent of **£3,690 saved every month**.

## 5 REDUCING OVER-SERVICING

In a recent survey by Magnifeye / The Agency Works, 66% of respondents saw their biggest financial challenge as over-servicing.

- *"Over-servicing isn't automatically wrong, but you need to know exactly where it's going on."* David Ladds, Director, Bladonmore.
- *"[With Synergist] Clear has been able to reduce over-servicing considerably."* Julie Clare, Chief Executive, Clear Communications.
- *"Sometimes a client asks a favour and wants some extra work without paying more. So our engineers can now sit down with the client and show what's happening, and they can articulate exactly when an extra fee is needed. And clients respond to that. It's in the open. Whereas before, we would just leak away those extra hours and lose them."* Steven Hunt, founder, Steven A Hunt & Associates.



## 6 SELLING RETAINERS MORE EFFECTIVELY

It's harder today to win retained work. Clients are less comfortable with long-term commitments. It means that more and more work is, by definition, unplanned. But the rise of systems that can give visibility and transparency helps. One Synergist user told us:

- *"Time is completely visible now. It's helped us sell retainers... and a lot more. What it gives us is phenomenal."* Phil Robinson, Founder & CEO, ClickThrough.

## 8 REDUCING COST OVERRUNS

Cost overruns were the number two reason clients terminate relationships, according to a 2015 report by SoDA. Alexandros Iakovidis, Managing Director of consultancy Europe Economics, told us:

- *"Synergist has definitely done what it should: 1) We have seen a reduction in project overruns. 2) It allowed us to have a more timely view of costs and profits."*

Finally, and on a wider issue, we couldn't resist including what Steven Clark, Financial Manager of Tayburn recently told us:

- *"If Synergist was somehow taken away from us, it would be worse than us having a fire. We have disaster recovery for fire. But not having our system would bring delays in everything we do, and we'd lose the visibility everybody wants."*