

TURNING CONSULTANCY PROFITABILITY AROUND



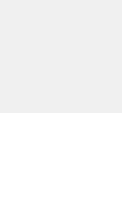
Many thanks to Sara Blannin, Finance Director of ECUS, for her input. ECUS are a leading independent multi-disciplinary environmental consultancy.



ENVIRONMENTAL CONSULTANTS

I joined ECUS in April 2015 as FD. We have 54 people here now. The company has been growing organically”.

ISSUES



“We previously used another system, but it was unfriendly and clunky to use and it didn’t give us the information needed to run the consultancy well.

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“Profitability was quite elusive. Everyone was working hard, but profits were hard to materialise. Migrating to Synergist was one of the key areas of focus for me when I joined.

“The old system didn’t provide our staff with the tools to see the wider impact of their actions. So this restricted their commercial awareness.

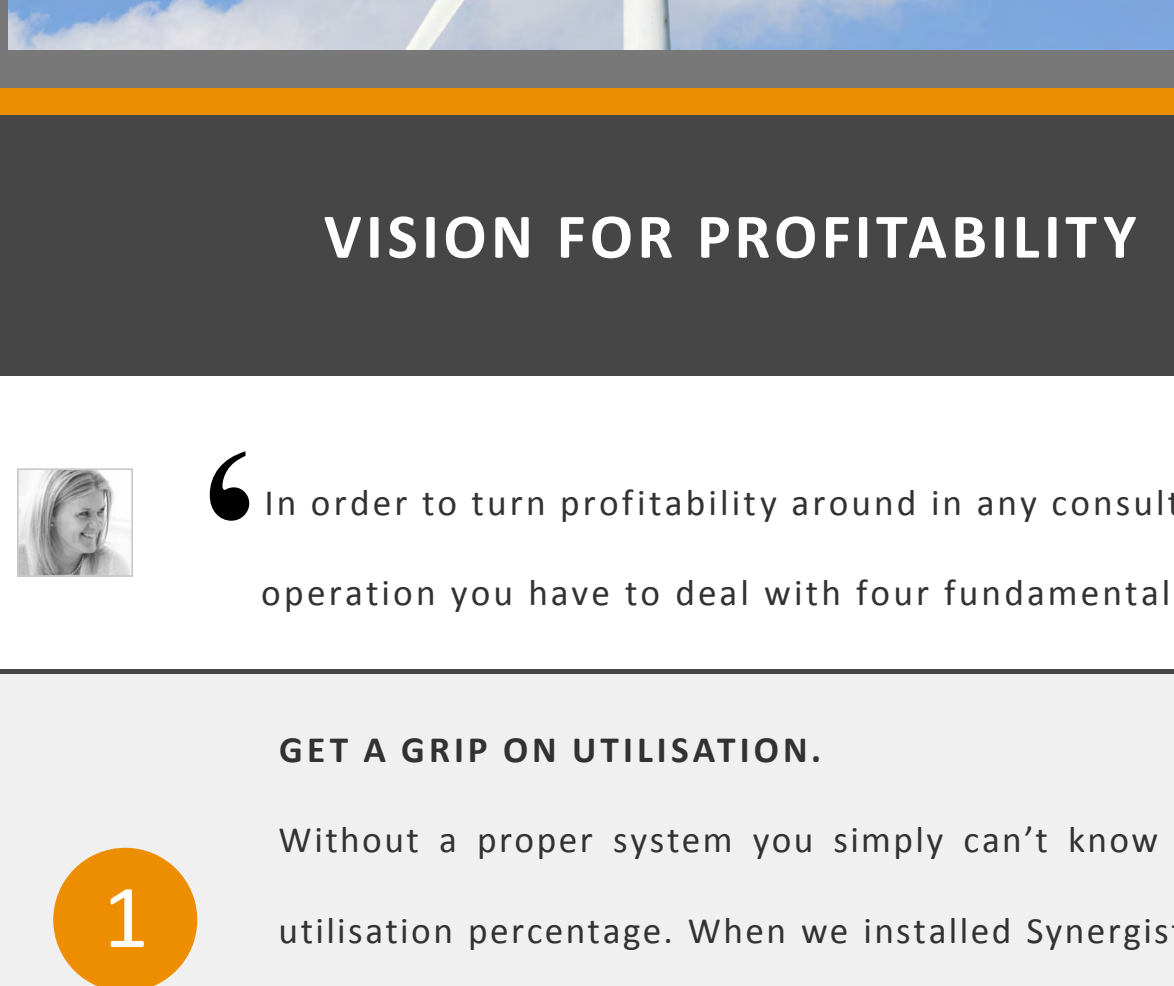
“Decisions therefore had to be made more on gut instinct than data. For example the old system didn’t give accurate utilisation rates, so we made assumptions. Some of those turned out to be wrong.

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“We couldn’t give team managers the information they needed to manage their staff as well as they wanted, or to make well-informed decisions.

“Our ecology work means that we have seasonality swings throughout the year, being extremely busy between April and September. We wanted to implement an annualised hours system, but our old system didn’t make it feasible.

“It wasn’t easy to create exception reports or to see patterns in profitability, making it impossible to be sure that our projects were going to contribute to the bottom line.”



SOME ECUS SECTORS
Development & Construction
Renewable Energy
Water
Waste
Waste and Waste
Education and Healthcare
Public Sector
Manufacturing and Retail
Conservation and Heritage
Professional Services
Rail Sector

VISION FOR PROFITABILITY



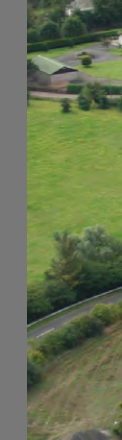
In order to turn profitability around in any consultancy operation you have to deal with four fundamentals:

GET A GRIP ON UTILISATION.



Without a proper system you simply can’t know your true utilisation percentage. When we installed Synergist we were in for a shock: In some cases, our utilisation was more than 10% worse than we had thought. That makes a huge difference.

CREATE TRANSPARENCY.



There are two ways that companies handle information. One is to keep it locked up tight, so only a privileged few see it.

The other is to share it so that everyone...

... is empowered to make smart decisions

... can learn from the facts

... can communicate constructively with colleagues and clients to everyone’s advantage

Clearly the latter is the way forward if profitability is a focus.

CHALLENGE ASSUMPTIONS.

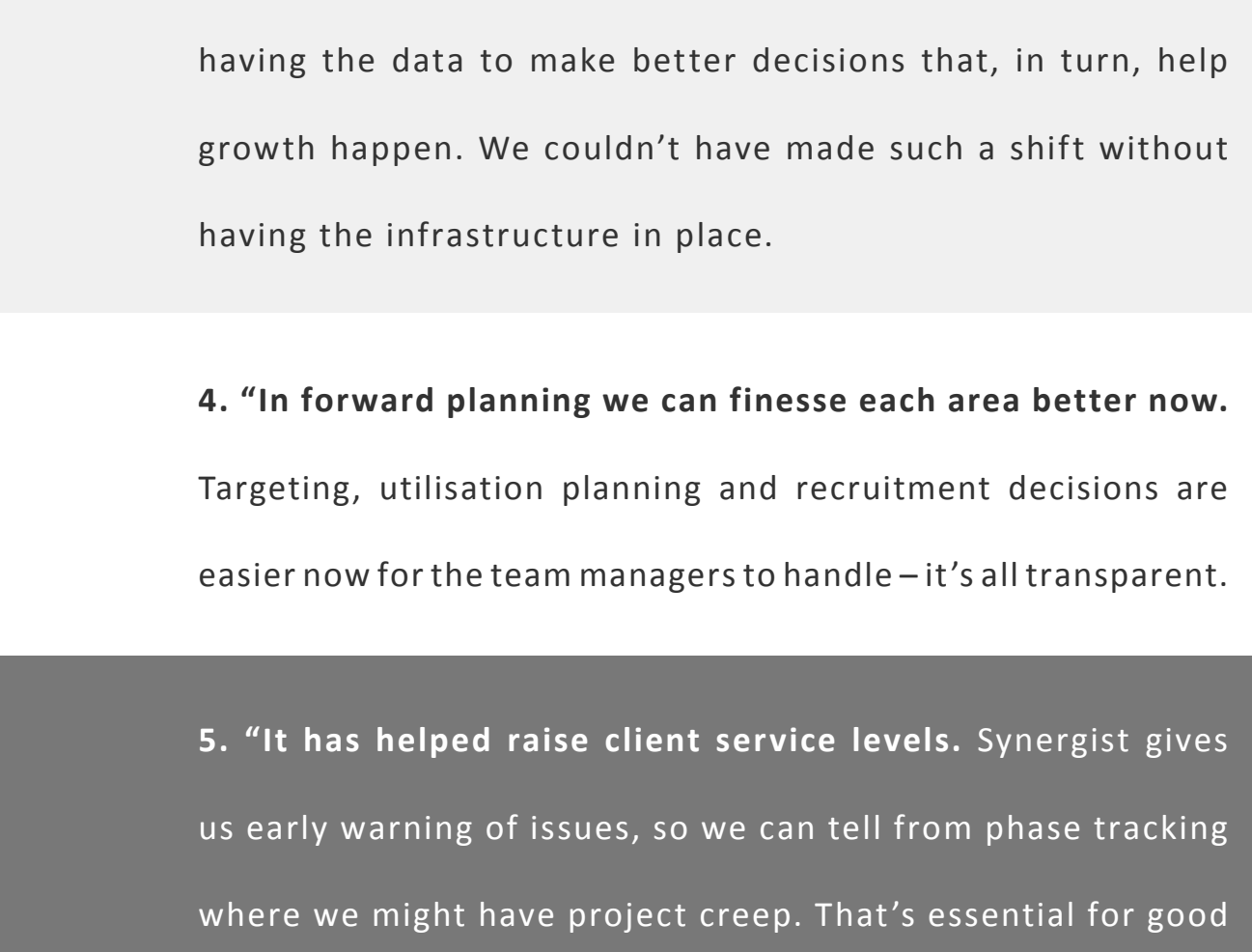


You can’t run a complex business properly unless your assumptions are being constantly tested. And the most effective challenge to assumptions is with evidence – clean data. So accurate real-time information on projects, clients and profitability is crucial.

ACCEPT THAT GUT INSTINCT ISN’T ALWAYS RIGHT.



You need to accept that being busy isn’t the same as being profitable. People can be busy on the wrong things.

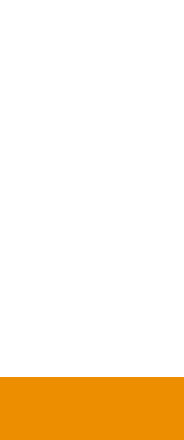


OUTCOMES AFTER SYNERGIST



These are the biggest outcomes of having our system:

A. PROFITABILITY.



1. “Solving the profitability problem was key. Now, our Exec team can go to the Board meetings every month and say ‘We’re getting it right!’ The list of things to sort out gets smaller every month. We’re down to finessing things now. There are no more instances of us not understanding profitability issues. That’s all behind us.

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2. “Profitability is very clear now, by project, by sector, by client – we can report on a variety of key categories.

3. “Knowing how many unallocated hours we have in any one month is very powerful and is a great asset when it comes to good staff planning and resourcing.

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4. “The system has improved our processes. This has been very useful in itself by improving efficiencies and avoiding errors.

5. “Prior to this, we could be focusing on the wrong areas. We had 54 people working hard but profits were still elusive.

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6. “Synergist saves us a lot of time. The previous FD had to spend two and a half days just preparing the WIP, for example. That’s all in the past now. The time taken to complete our invoicing has greatly improved, not to mention reducing the time spent validating the data.

B. BIG PICTURE.



1. “Patterns emerge that we couldn’t see before. For example we didn’t have the visibility that some projects, or working for certain clients, always resulted in a loss. Knowing that helps our decision making, our pricing, our prioritising.

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2. “We are now able to be more selective over which projects to take on, which is especially helpful when we’re busy. We can ensure that we focus on the projects that are both productive and profitable. You can’t run 250 projects by gut feel alone.

3. “We have a growth culture here. Before Synergist the drive for growth would mostly come from the top, but now it’s more a part of the culture across the company. Growth isn’t at the expense of quality or clients – quite the opposite. It’s having the data to make better decisions that, in turn, help growth happen. We couldn’t have made such a shift without having the infrastructure in place.

4. “In forward planning we can finesse each area better now. Targeting, utilisation planning and recruitment decisions are easier now for the team managers to handle—it’s all transparent.

5. “It has helped raise client service levels. Synergist gives us early warning of issues, so we can tell from phase tracking where we might have project creep. That’s essential for good communications and solving problems before they escalate. Client feedback is part of our ISO culture, along with billing plans, visibility, client engagement.

6. “Regarding our decision to get Synergist, I haven’t heard a single person here question it. Instead, I hear things like ‘Why didn’t we do it sooner?’ With Synergist we’ve moved forward significantly. It’s exciting, we’ve progressed. And we still haven’t used it all fully.

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7. “Synergist delivers information that gives us confidence with which to challenge assumptions, both for management and the teams. Transparency exposes wrong assumptions.

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8. “Synergist is our platform for the future.

C. PROJECT TRACKING.



1. “Utilisation is a lot easier to manage now. No more surprises.

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2. “Solving our WIP has also been a major step forward.

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3. “Synergist has helped communications between our regional managers. Now they all have the visibility to know what the others are working on and what their resourcing levels are, so they can quickly sort out issues together.

4. “Before, people would ask for more resources and justify it by saying they’re really busy. They were indeed busy, but busy doing what? Synergist now shows where their priorities should be. When more resources really are needed, that’s clear too.

5. “Going forward, it’s about learning better from what we do today. We’re better at avoiding common mistakes, such as underestimating the time needed for certain types of jobs.”

D. TEAM DEVELOPMENT.

1. “The transparency of data has helped us develop a company culture of responsibility and progression. Because people are more aware of the wider implications of their work, it helps them understand their Line Manager’s position better. It even increases the chance of them rising to that position themselves.

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2. “We now run annualised hours to offset the seasonality within our ecology team and it’s been very well received. We operate it by staff working 45 hours per week for six months during our busy period and then 30 hours per week during the quieter months. This means that they work only 4 days a week from October to March, having a day off each week. Obviously we make sure that we always have the right level and specialist cover at all times, and that not every ecologist takes a Friday off! They plan it together. It’s very good for staff morale, and good for productivity too.

3. “Sometimes the new system highlights that someone needs more training. It helps in managing the teams. It’s not used to check up on people – it’s about team development.

4. “And it’s not just a question of managers using it to develop their teams. Individuals use it too, because they can share data with their Line Manager to show if they believe we’re putting too much load on them. That’s helpful and means the system is not just a one-way street.

5. “It’s given project managers more confidence. It’s empowering for them. I always say that the only way you can be convincing is to be convinced yourself. With the data in front of you, your actions and communications are backed up with evidence and reality. So people are more self-assured now.

6. “You could say that Synergist is a career development accelerator. Today, a team member thinking of working for any major consultancy has to understand the big picture, be familiar with key processes, be financially astute and commercially savvy. They learn these things at ECUS now. This helps their careers, and it helps us.”

Implementation and consultation by

