

# 5 Ways

cognitus

## Professional Services Leaders Can Streamline Day-to-Day Project Operations

A quick guide to  
streamlining tasks for  
high efficiency



## Introduction

# Streamlining is survival

There is little room for error when it comes to project execution. Expectations are high, competitors are vicious, and your company must consistently deliver high-quality results. All this while keeping your costs in check and delivering on client satisfaction. Shifting client demands and increasing project complexity put additional pressure on you and your team, and you're likely experiencing a pressing need to optimize project operations.

Streamlining tasks can obviously lead to increased productivity, reduced operational costs, and improved client satisfaction, but it all seems easier said than done. While the path may be different for every organization, there are some fundamental operational practices that can contribute to the long-term success of any mid-market professional services firm.

**Let's explore five actionable ways to streamline day-to-day project operations**





# 01

## Implement Timely Collection Strategies

Cash flow is the lifeblood of any professional services firm, and timely collections play a vital role in ensuring financial stability and profitability. A healthy cash flow enables a business to meet operation expenses, invest in growth, and ensure the firm's financial strength.

Delayed payments, on the contrary, can and will most likely result in cash flow constraints, affecting the firm's ability to execute projects and deliver quality client services. The snowball effect of letting this become habitual at your organization can seriously hamper your operations.

An effective and efficient collection practice requires some discipline and anticipation, but we have some tips and tricks that might come in handy:



### Establish clear payment terms

Clearly define your payment terms and conditions in your client contracts, including payment schedules, due dates, late payment penalties, and acceptable payment methods. This will help you avoid miscommunication regarding when payments are due.



### Track receivables diligently

Maintain an up-to-date record of all outstanding invoices and track them regularly to ensure timely collections. Assign responsibility for managing receivables to a specific team or person to maintain accountability.



### Send regular invoice reminders

Develop a system for sending timely and professional invoice reminders, including follow-up emails and phone calls, to clients with overdue payments. Reminders are key in closing due bills sooner than later.



### Implement escalation procedures

Develop a structured escalation process for dealing with severely overdue payments, involving higher-level management or legal action if necessary.



### Offer flexible payment options

The more flexible your options, the more likely you'll get paid quickly. Provide your clients with multiple payment options, such as credit card, wire transfer, or electronic funds transfer, and make paying on time easy for them.





## Leveraging Tech

Leveraging technology and automation can transform the efficiency of your collection processes. Tools like invoicing software, automated reminders, and online payment gateways simplify streamlining collection processes and reduce the manual workload for your team.

### 1 | Automate invoice generation:

Use an invoicing software to automatically generate and send invoices to clients, ensuring accuracy and timeliness.

### 2 | Set up automated reminders:

Apply software that sends automatic reminders to clients with overdue payments, reducing the need for manual follow-ups.

### 3 | Use online payment gateways:

Implement online payment solutions that allow clients to easily pay their invoices through a secure and user-friendly platform.



# 02

## Optimize Billing Cycles for Time & Material vs. Fixed Price Projects



An optimized billing cycle will make it easier to estimate revenue and know exactly when to invoice customers. Ensuring a seamless, streamlined process here will go a long way in ensuring your company's profitability and keeping a forthcoming relationship with your clients.

Let's explore the differences between Time & Material (T&M) and Fixed Price billing methods, some best practices for each method, and the impact optimization has on project financials and client relationships.

## Time & Material vs. Fixed Price



### Time & Material (T&M) billing

Clients are billed based on the actual time spent and resources utilized during a project. T&M billing is often preferred for projects with uncertain requirements or when the scope of work is subject to change.



### Fixed Price billing

With this method, clients pay a predetermined, fixed amount for a project, regardless of the actual time and resources required. Fixed Price billing is suitable for projects with well-defined scopes and predictable outcomes.

## A Few Best Practices



For T&M projects, ensure accurate time tracking and resource allocation using project management and time tracking tools. Regularly review and update project budgets and communicate any changes promptly.



For Fixed Price projects establish clear milestones and deliverables, and tie billing to these milestones. This approach can help manage client expectations and reduce the risk of disputes related to project progress and payments.




In **both cases**, maintain regular communication with clients regarding project status, upcoming invoices, and any adjustments to project costs. Transparency and proactive communication can help prevent surprises and foster trust with clients.




# How does this affect the project and clients?

Optimizing billing cycles can deliver several benefits:




**Improved cash flow and predictability:**

Regular, well-managed billing cycles help ensure a steady flow of income and reduce the risk of cash flow disruptions.



**Enhanced client satisfaction:**


Transparent, well-communicated billing processes can lead to stronger client relationships and increased trust in your firm's services.



**Reduced disputes and delays:**


Proactively addressing billing issues and maintaining open lines of communication can minimize conflicts and payment delays.

Ultimately, how you optimize your billing cycle depends on your unique needs. Professional Services firms come in all shapes and sizes, so each project needs to be adapted to each company's specific business scenario.




**Advisory Firms**

Advisory firms can benefit from straightforward project scoping and regular communication with clients, ensuring that the billing method aligns with the project's nature and complexity. For example, a management consulting engagement with high uncertainty may be better suited for T&M billing. At the same time, a merger and acquisition advisory project with a well-defined outcome may be more appropriate for Fixed Price billing.



**Accounting Firms**

Accounting firms can leverage their financial expertise to develop and implement efficient billing processes, ensuring accuracy and compliance with industry standards. Additionally, they can provide clients with valuable insights into their financial health, which can help facilitate timely payments and reduce the risk of disputes.



**Tech Consulting Firms**

Tech consulting firms can use their technical knowledge to implement cutting-edge project management and billing tools that streamline processes, enhancing the client experience and fostering a culture of prompt payments.



# 03

## Effective Client Dispute Management

Client disputes can be a major disruption to day-to-day project operations in professional services firms, leading to delays, cost overruns, and damage to client relationships. Disputes that go unresolved will likely result in negative reviews and reduced referrals, impacting the long-term success of your firm.

Client dispute management should be a smooth procedure that leaves reputations untarnished upon closing business. As someone in leadership, this needs to be one of your superpowers.

Let's discuss a few ways to improve dispute management effectiveness:

### Best Practices Checklist

1

Establish clear communication channels and protocols for addressing and resolving disputes, including escalation procedures and dispute resolution mechanisms.

2

Document all communications and interactions related to the dispute, including emails, phone calls, and in-person meetings.

3

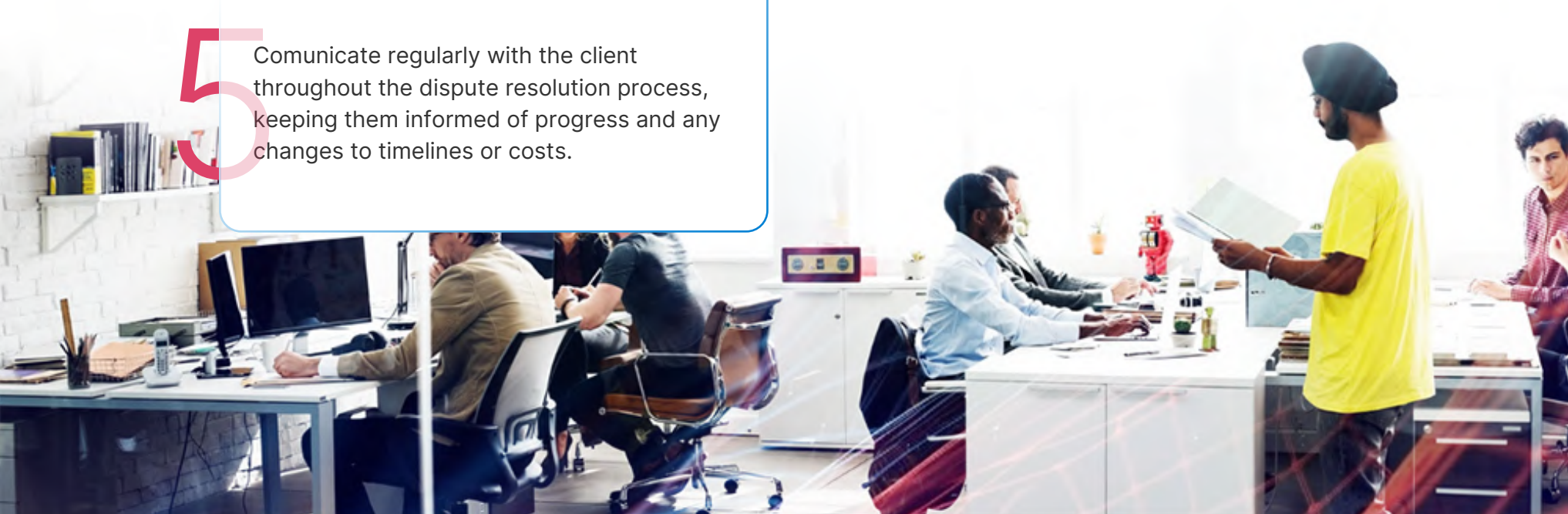
Conduct a thorough review of the dispute, including the client's concerns and any relevant documentation or evidence.

4

Work collaboratively with the client to find a mutually agreeable solution, including options for mediation or arbitration if necessary.

5

Communicate regularly with the client throughout the dispute resolution process, keeping them informed of progress and any changes to timelines or costs.





“

“Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often the real loser - in fees, expenses, and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man. There will still be business enough.” – Abraham Lincoln.

Lincoln's perspective on meeting in the middle when it comes to disputes recognizes the importance of compromising, moving forward, and taking advantage of the business up ahead instead of spending too much time, effort, and money trying to win.

## Leveraging Tech

Many tools and applications are available in the market that help streamline dispute tracking and resolution. Leveraging this technology is a sure way to improve efficiency and reduce the risk of errors.

Modern CRMs, like SAP® CRM, include dispute management tools that integrate with your organization's data and infrastructure. There are also standalone solutions that are purpose-built for different business scenarios.

When shopping around for a client dispute management tool, remember to ask these questions:

### Is the decision-making rules-based?

Any automated process you use should be based on dynamic and responsively-structured rules.

### Is it scalable?

Your tools and strategies need to grow with you. It's ineffective to have to redesign your processes every few months.

### Is it software agnostic?

Your dispute management system should be compatible with your other technologies.

### Does it offer relevant reporting?

Accountability requires detailed, relevant reporting. It has to tell you what's working and what needs adjustment.

Finding the right technology to address your challenges depends on your business's unique needs. Join forces with a partner who can help you assess your situation and give you a solution that suits your needs and budget.





# 04

## Integrate Day-to-Day Project Operations with Your Project ERP



Managing day-to-day project operations can be complex and time-consuming for professional services firms, often requiring significant manual effort and attention to detail.

Enterprise resource planning (ERP) systems are designed to provide an integrated view of an organization's business processes and resources and make it easier for business leaders to make critical decisions. Your ERP can play a crucial role in managing day-to-day project operations and succeeding at every step.

ERP systems can help allocate resources and establish project budgets, ensuring that projects are appropriately scoped and resourced. They also manage resource allocation and track project progress by integrating with project management tools and time-tracking software. You can also leverage your ERP to track project costs, invoicing, and payments and provide a comprehensive view of project financials.

The more centralized your IT infrastructure and data are, the easier it will be to make accurate decisions using your ERP. Let's take a look at a few best practices for integration:

## Integration Best Practices



### Develop a clear integration plan:

Outline the goals and objectives of the integration and identify the key stakeholders and systems involved.



### Ensure data synchronization:

Sync project management tools and ERP systems, minimizing the risk of errors and reducing manual effort.



### Automate project management processes:

Free up staff time and resources for other tasks.



### Regularly review and update integration processes:

Ensure your processes remain relevant and practical.



Seamless integration and process automation make it easier to get things done, leaving more room for innovation and growth. Your ERP's improved project visibility will enable real-time monitoring and proactive decisionmaking. Tracking project progress provides clients valuable insights into their financial health and enhances their experience.

# 4 Integration Mistakes to Avoid

1

**Poorly defined requirements:** The easiest way to avoid problems is to anticipate them from the very beginning. Ensure well-defined project objectives and integration requirements and review them thoroughly with all stakeholders.

2

**Shifting priorities and lost focus:** New ideas that arise can experience a surge in popularity that strays focus away from the primary goal. Sudden fires that need putting out can also distract. Integration projects deserve priority; fight for it.

3

**Scope creep:** Unexpected changes in scope and requirements can be a budget pit. Enforce your scope of work by ensuring conditions are documented from the beginning and detailing that additional requirements will need an additional budget.

4

**Quality assurance crunch:** Don't rush your QA team into validating at crunch time; this can lead to costly mistakes that must go back to the drawing board. The best way to QA is to integrate it into the process from the start.



# 05

## Continuously Improve Project Processes and Performance

The ability to continuously improve project processes and performance will ensure a business has a competitive edge and is driving growth. Continuous improvement is a mindset that emphasizes the ongoing evaluation and refinement of business processes to enhance efficiency, effectiveness, and customer satisfaction.

Identifying areas for improvement and implementing targeted process improvements is the path toward enhancing your organization's day-to-day project operations and positioning it for success in a highly competitive marketplace.

## Monitoring and Measuring Project Performance

Spotting areas for improvement in project operations comes from effective monitoring, measuring, and reporting. The three key sources for this information are:



### KPIs:

These specific metrics provide insights into project performance and progress, allowing for targeted evaluation and improvement. This includes project profitability, client satisfaction, and project completion time. You may have different KPIs depending on your project goals.



### Project reviews:

Regular reviews will let you know how your project is performing and what you are doing right that can be applied to other projects.



### Client feedback:

Client feedback provides valuable insights into project performance and customer satisfaction, helping you identify where to implement targeted process improvements.

Once you understand where you can improve, implementing process improvements into your day-to-day operations will require a few overarching strategies:



### Culture of continuous improvement:

By fostering a culture of constant improvement, firms can encourage staff to identify areas for improvement and propose targeted process improvements.



### Process improvement plan:

A process improvement plan should outline the goals and objectives of the improvement effort, the key stakeholders involved, and the specific actions to be taken.



### Process evaluation and refinement:

Process improvements should be regularly evaluated and refined to ensure they remain effective and relevant.

## How can you apply these strategies?

Continuously improving project processes and performance can be adapted and applied across various professional services firms by considering the unique needs and characteristics of each sector:



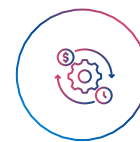
### Advisory Firms

Advisory firms can benefit from regular project reviews and client feedback, identifying areas for improvement and implementing targeted process improvements that enhance project efficiency and effectiveness.



### Accounting firms

Accounting firms can leverage their financial expertise to identify potential areas for improvement in financial processes and implement targeted improvements that reduce costs and improve accuracy.



### Tech consulting firms

Tech consulting firms can use their technical knowledge to identify potential areas for improvement in project management and implement targeted improvements that streamline processes and enhance the client experience.





## About Cognitus

Cognitus combines deep expertise with a passion for innovation to help businesses thrive in today's dynamic market. Our team of skilled consultants brings a wealth of experience across industries and functions, empowering our clients with tailored solutions that drive growth and maximize value.

From strategy development to implementation and beyond, we partner with businesses every step of the way to deliver measurable results and lasting impact.

As an SAP Partner, we have access to the latest SAP technologies, tools, and resources, enabling us to deliver cutting-edge solutions that help our clients gain a competitive advantage.

Our commitment to excellence, coupled with our deep expertise and strong partnerships with SAP, has made us the preferred SAP partner for many businesses across the globe.

At Cognitus, we are dedicated to helping businesses achieve their full potential.

## Powered by Technology, Driven by Innovation

Contact us today to learn more about how we can help you leverage the power of SAP to drive growth, innovation, and success.



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