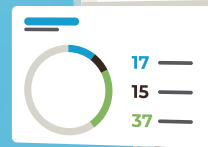


TRENDS *in* PROFESSIONAL SERVICES

Insights on revenue growth
and business development



Executive Summary



Based on research conducted by Salesforce, this e-book looks into business development in the professional services industry – in a pivotal moment of change. Here are some of the key themes we uncovered:

- In an industry often focused on operational efficiency, digital transformation is now happening at an accelerated rate.
- Rates of digital transformation are reflected in the adoption of business development technology.
- Empathy with clients is more important than ever.
- Human vision and technology can come together as firms get back to growth.

This e-book is part of our attempt to understand how business development in this industry works, and we've organized it around five trends.

About the Data

Data in this e-book comes from our double-blind “State of Sales” survey of full-time sales operations, sales representatives, and sales leadership professionals worldwide. Survey was conducted from May 13, 2020 through June 30, 2020 and generated responses from nearly 6,000 sales professionals – including 655 in professional services. See the “State of Sales” research report for full methodology.

Terms Used in This E-book

While survey questions used terms like “sales” and “customers,” this e-book will use “business development” and “clients,” since these are the terms used in this industry. “Business development professionals” refers to those working in professional services in a business development capacity.

TREND #1

Professional services firms face new challenges in maintaining client relationships and driving growth.

Professional services firms have always focused on relationships, often meeting face-to-face. Remote interactions with clients have been a major shift in this industry.

Current market conditions have not impacted professional services firms uniformly. Those that provide ongoing core services such as audit may find that their engagements continue, although in a virtual format. On the other hand, custom project work is more susceptible to cuts when clients take a hard look at budgets.

If a firm's clients are concentrated in hospitality or other industries that are heavily impacted by the pandemic, they are likely tightening their belts on non-essential spending. When developing a growth strategy or even just a stabilization one, firms need to understand the demand outlook for the sectors where they are the most exposed.

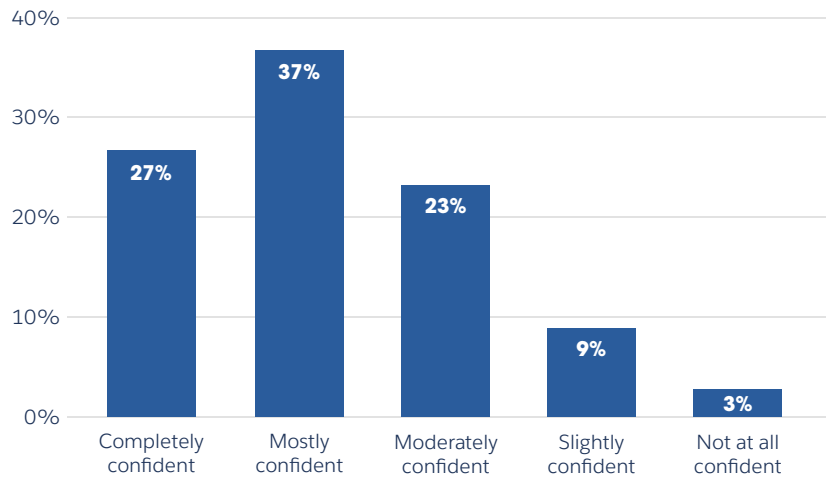
As a result of current economic trends, 80% of business development professionals working in professional services say their success metrics have changed. Similarly, 81% have had to adapt quickly to new ways of selling due to changing social and economic conditions.



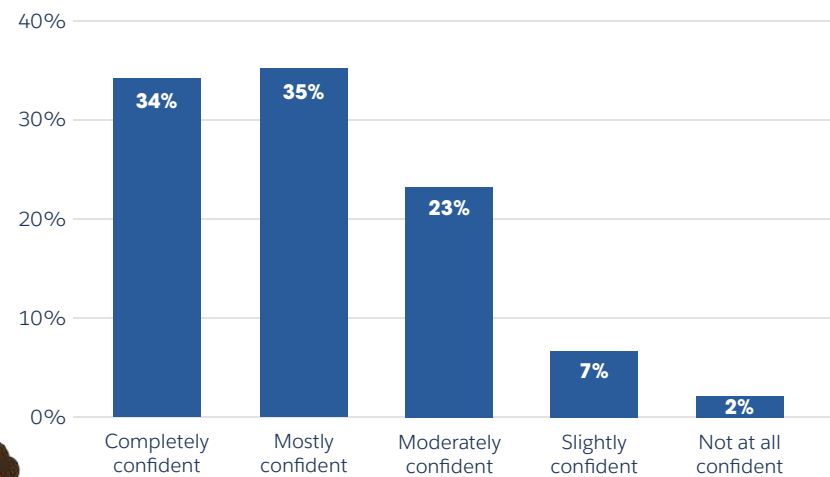
Despite this, over a quarter (27%) feel completely confident in their firm's growth strategy for the next 12 months, and 37% feel mostly confident.

Business development professionals also express confidence in their firm to pivot selling strategies. Thirty-four percent feel completely confident in their business development organization's agility, while 35% feel mostly confident.

Confidence in professional services sellers' growth strategy for the next 12 months

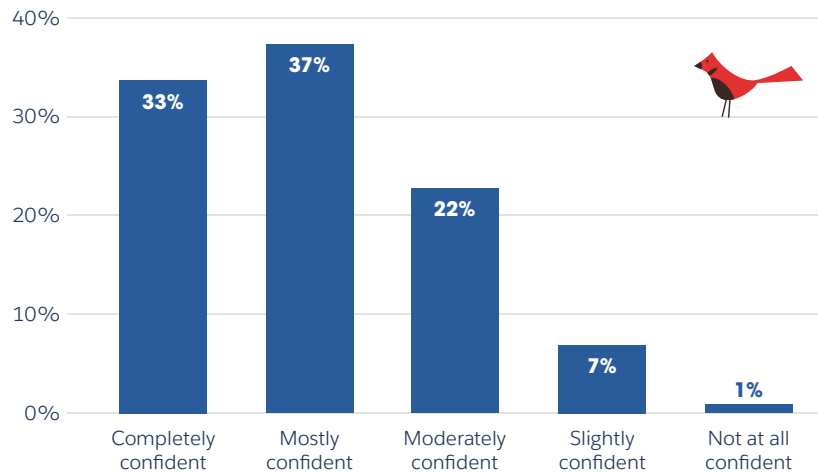


Confidence in professional services business development organization's agility



A third feel completely confident in their business development organization's ability to close deals in the current economic environment.

Confidence in professional services business development organization's ability to close deals in the current economic environment



Professional services firms have had to get more creative in building their profile, exploring tactics such as delivering webinars on Small Business Administration loans or increasing the output of free research around topics relevant to their current and prospective clients during this time.

This content may position the firm as a trusted authority. If the prospect has questions about how this content applies to their specific situation, they may engage the firm to advise their organization on new scenarios.

New Types of Work

- Mergers and acquisitions
- Bankruptcy
- Business restructuring
- Government loans

The current climate has also given rise to certain types of work: for example, mergers and acquisitions, restructuring, bankruptcy, and navigating the intricacies of government loans and payment protection programs.

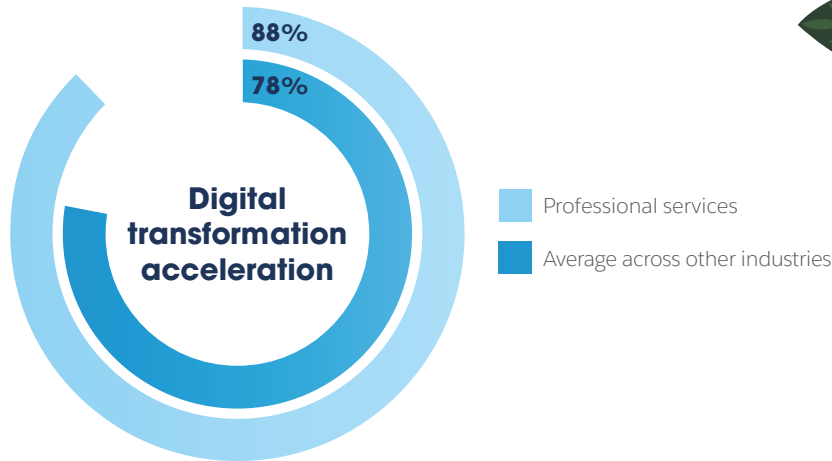
Most professional services firms are happy to onboard new clients, but it's even more profitable for them to keep existing clients. Firms that have maintained their relationships during this time have done so thanks to a combination of empathy and a focus on supporting clients who drive the most revenue.

Professional services firms have had to get more creative in building their profile.

TREND #2

The majority of professional services leaders agree: Digital transformation is here to stay.

Companies often engage professional services firms to optimize their business processes, so it's perhaps unsurprising that professional services is more likely than other industries to say their own digital transformation has been accelerating.



A majority (88%) of business development professionals in professional services say their firms' digital transformation has accelerated since 2019. The average across other industries surveyed is 78%, showing that professional services is operating on an accelerated digital transformation timeline.

Similarly, 84% of those surveyed say the way their business development organization uses technology has changed since 2019, such as the adoption of video conferencing.

Top-performing firms have long focused on delivering a comprehensive client experience.

Top-performing firms have long focused on delivering a comprehensive client experience, and having the right digital tools in place makes that all the more possible. The client journey doesn't end with the project report and presentation, but extends to the insights and feedback that cap off a project.

For firms that advise clients on business processes (versus legal or staffing firms), the need for digital transformation is all the more pressing. To stay competitive and credible, those firms need to position themselves as "walking the talk."

TREND #3

With the imperative for digital transformation, professional services is a star innovator in many areas of technology adoption. That said, some key revenue growth tasks remain manual.

Business developments teams in professional services are ahead of other industries in technology adoption, particularly when it comes to automation and AI. If you're in professional services, your competition is also probably tech-savvy, so the stakes are high to stay ahead of the curve.

Adoption of the Following Sales Technologies*

	By professional services business development teams	By other industries' sales teams
Email/CRM integration**	79%	79%
Video conferencing tools	76%	71%
Account and contact management	73%	70%
Sales forecasting tool	70%	63%
Sales reporting/analytics	69%	66%
Sales coaching and training solution	68%	61%
CRM system	66%	65%
Sales prospecting tools	64%	57%
Compensation/incentive management	63%	58%
Mobile sales app(s) for employees	59%	56%
Customer insight tool	59%	50%
Marketing automation	57%	48%
Sales process automation	57%	52%
Opportunity management	56%	50%
CPQ solution	53%	47%
Competitive intelligence	52%	48%
PRM solution	50%	48%
AI	45%	35%

*Base: Sales operations and leadership

**Base: Sales operations and leadership at organizations that use a CRM



Despite the adoption of technology described above, 45% of survey respondents in professional services say prioritizing leads and opportunities is primarily manual at their company. Even more (48%) say the same for determining what next best action to take on accounts. For both of these tasks, professional services is slightly more likely than other industries to automate, but that's still a significant number of people investing time in manual activities instead of building relationships with clients.



Sixty percent of business development professionals say they spend too much time logging activities like emails and phone calls. Almost as many (58%) say the same thing about logging sales data and client notes, while 57% say they spend too much time generating quotes and proposals and gaining approvals.

Few firms want to see valuable employee time spent on activities that can be easily automated. Especially in professional services, time is money, and time spent on admin isn't as valuable as time spent delivering value directly to clients.

When you consider that many consulting firms maintain dozens of active conversations with prospects to reach a signed booking, firms need tools that make it as easy as possible for business development teams to manage those conversations. What's more, the business development function at these firms is not just the responsibility of a dedicated team, but more often than not undertaken by senior partners across the business. Their time can be better spent on work that drives billings.



Opportunities can get missed when business development professionals don't have a global view of what's happening across the business.

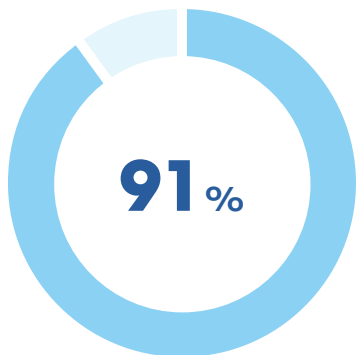
Aside from the time wasted on manual input and the potential for human error, opportunities can get missed when business development professionals don't have a global view of what's happening across the business. Without a central access point for data – for example, notes from client meetings – there's no opportunity to understand evolving client concerns or practice areas that should be explored further.

Deal structure, from pricing to billing, is another area that requires a complete view of the client and the business. In a downturn, buyers have the upper hand, so professional services firms often lose pricing power. They have to accept larger project scopes or discount projects to stay afloat. Rather than leaving this to chance or at the discretion of individual reps, pricing and volume relief should be an informed decision made across the entire business.

TREND #4

Despite productivity challenges and market distractions, business development professionals in professional services are finding new ways to connect with clients.

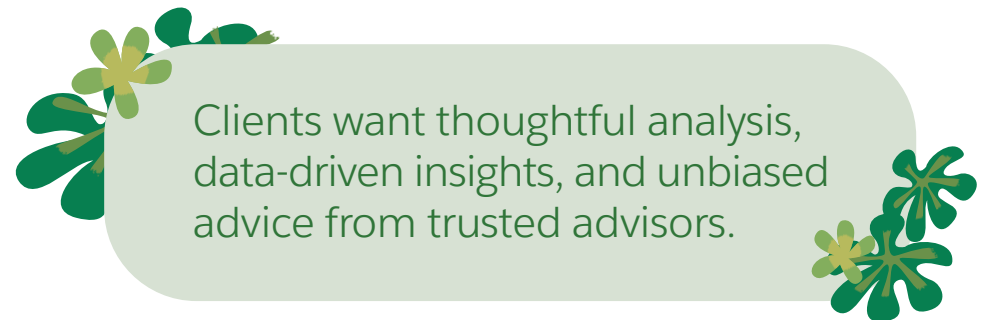
The quality of client interaction matters immensely in an uncertain environment. This is a very challenging time for clients, so showing empathy is key. In most cases, that empathy is genuine. A majority (91%) of business development professionals in this industry say they care about the challenges their clients face. Almost three-quarters (72%) say they connect with clients on a personal level.



91% of business development professionals in this industry say they care about the challenges their clients face.

For many, that approach appears to be working. Sixty percent of business development professionals say their relationships with clients are stronger than they were in 2019. Also, 70% say their leadership encourages them to prioritize long-term client relationships over short-term wins.

When it comes to selling new projects, client budgets are still there, but the bar for projects is higher. Eighty-eight percent of business development professionals in this industry say current economic conditions increase the need to build trust before a sale.



Clients want thoughtful analysis, data-driven insights, and unbiased advice from trusted advisors.

When business development teams and partners reach out to clients, they can't just forward the same content that anyone can find online. Clients want thoughtful analysis, data-driven insights, and unbiased advice from trusted advisors. Most firms feel they are already doing this. In fact, 84% of survey respondents in professional services say they serve as a trusted advisor to clients. Firms need to consider where they have strong expertise and double down on their perspective when doing outreach.

A majority (91%) say current economic conditions make it important to anticipate clients' needs. With so many demands on business development professionals' time, it's more important than ever for them to focus on the relationships they're building - both before and after engagements with clients begin.

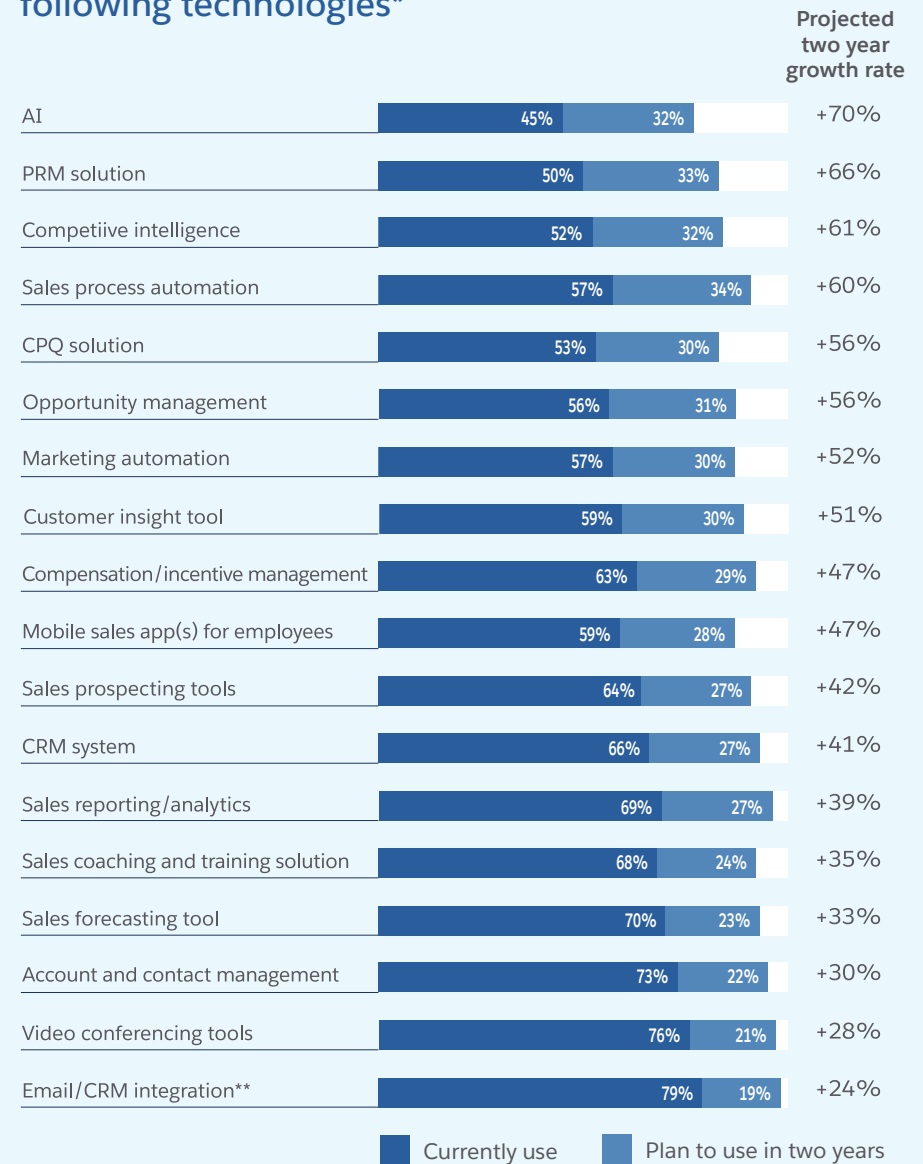
TREND #5

The path forward: professional services firms are looking to new growth strategies, processes, and tools as they build and sustain client relationships.

When asked to rank the strategies most important in driving their company's growth over the next 12 months, business development professionals in professional services chose expanding routes to market (which 76% rate as critically or very important) and expanding inside key accounts (which 79% rate as critically or very important).

Despite being forward-thinking in their technology adoption already, business development teams have significant investments on deck, with particularly aggressive plans for AI.

Professional services business development organizations that use, or plan to use, the following technologies*



*Base: Sales operations and leadership

**Base: Sales operations and leadership at organizations that use a CRM

AI offers real opportunities as firms seek cost-effective growth. Firms can use automation to predict revenue shortfall by client mid-project and generate automated staffing recommendations based on client interactions and consultant performance or availability. Automation can also provide suggestions on how to engage with clients for smarter relationship management. But harnessing the power of data to achieve this is no small feat, which is why licensing a third party solution rather than building it internally can pay off.

Once teams see the value of automation, they'll support more complex integrations.

At the same time, firms don't need to jump in at the deep end of sales technology by automating everything at once. Rather, a staged approach starting with basics like opportunity management and email integration can provide internal wins that build momentum. Once teams see the value of automation, they're better placed to take the next step with more complex integrations.

As firms begin to move beyond stabilization to refocus on growth, they can apply segmentation by spend to their clients. Often it takes a highly targeted approach to engage with clients in this more sophisticated manner. For example, Eide Bailly, a top 25 CPA and business advisory firm, created a program called EB CARES that was targeted to its top 15 clients per advisor. Advisors then reached out to understand how these clients were managing, and if there was any way they could be of service. This program led to nearly 200 new projects within four months of the start of the pandemic.

Eide Bailly generated 100 active projects in two months through EB CARES and a webinar series.

[Learn more about how Eide Bailly is growing during tough times.](#)



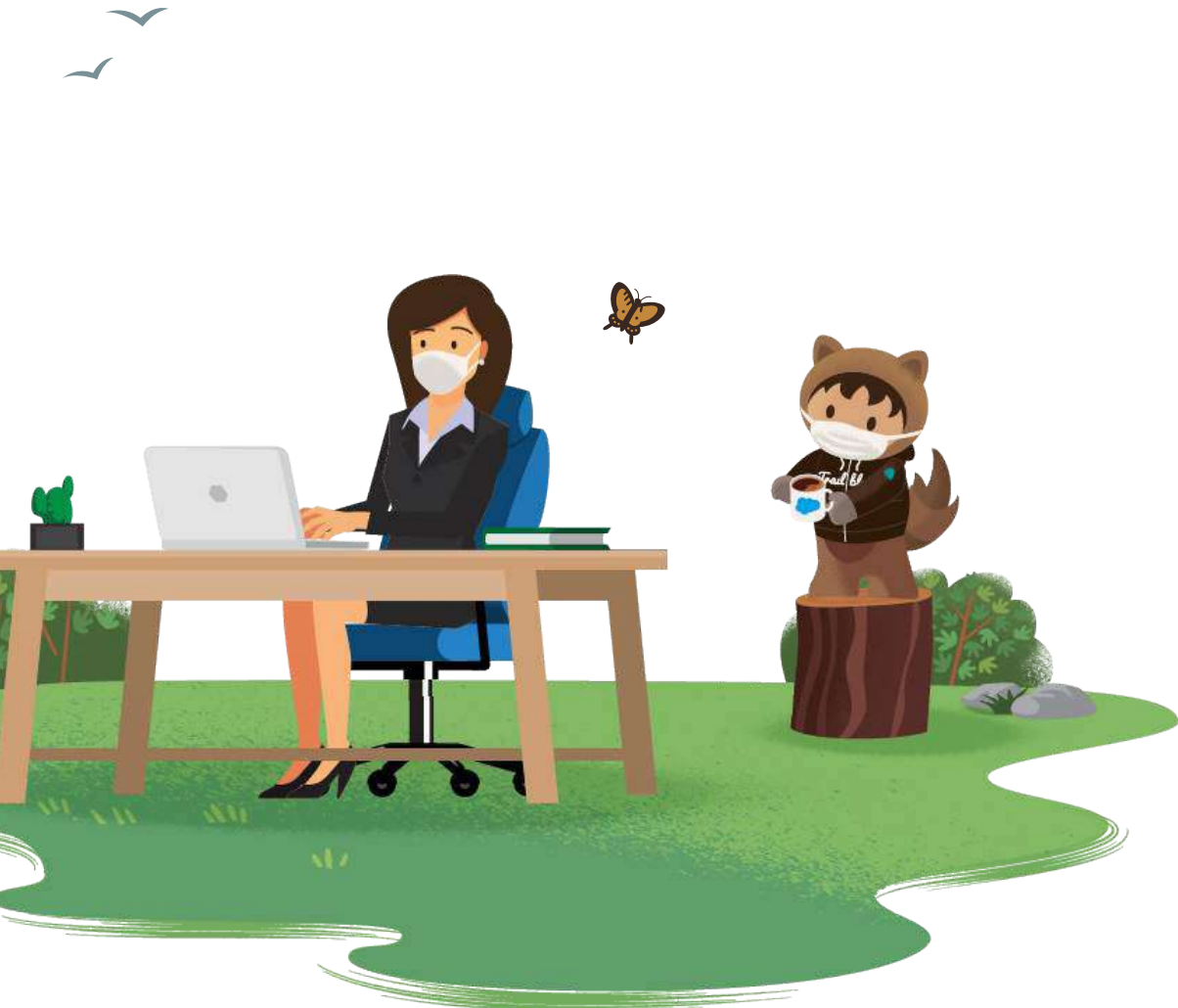
For bullish firms that wish to develop new practice areas and territories, the growth strategy might involve acquiring firms already active in those areas or territories. But acquisitions are not without their pitfalls. According to Deloitte, 46% of surveyed M&A professionals reported that fewer than half of their deals generated the expected value or return on investment.*

A combination of unintegrated data systems and unfamiliar processes means it's often painful to join two businesses and cultures. At the same time, executives need a real-time view of revenue to drive the operational efficiencies and revenue expected from an acquisition. This is not to say M&A can't be a winning strategy, but it stands a greater chance of success with the right systems.

[*Source: "The State of the Deal," Deloitte & Touche LLP, October 2019.](#)

Next Steps

In the current period of uncertainty and a quickly changing environment, there is no single path for all professional services firms to grow their client relationships and their revenue. The stakes are high. However, those firms that set up the right processes and technology will be best positioned to succeed in what comes next.



More Resources

The EVOLUTION of NEW BUSINESS DEVELOPMENT

IF YOU'RE A PROFESSIONAL SERVICES FIRM, YOU'RE ALWAYS LOOKING FOR NEW BUSINESS

Client organizations have the ability to professionalize their needs, with other staff members handling legal, accounting, HR and countless other roles that need your help. But how do you find them, and help them find you, so you're being discovered when you need to at all the times you're already working?

DEVELOPING NEW BUSINESS MEANS NON-BILLABLE HOURS FOR VALUABLE STAFFERS

There is significant opportunity cost when senior professionals who could be called on billable client work shift their focus to new business development. There is one reason that nearly 70% of professional services firms use CRM systems: in addition to keeping contacts and client data secure and visible across the firm, it also provides the automation and integrations capabilities needed to track leads, for senior partners, and the hours working on the business development.

Read on to see 4 ways that professional services firms are boosting productivity in their new business development efforts.

MAINTAIN A SINGLE VIEW OF YOUR NEW BUSINESS LEADS, EVEN WHEN THEY BECOME CLIENTS

New business leads will interact with your firm and your teams through a multitude of channels, including speaking engagements, educational and thought leadership content, social media posts, and your firm's website. Not every channel is equally valuable, nor is every lead equally ready to engage. Firms need a connected system to capture, score, and nurture their new business leads until the time is right to engage. At that stage, the sales team will need to be briefed on the history of the client and how the project budget evolved over time. Retaining the full engagement history as a new business lead converts to a client account is a huge productivity boost for the firm.

CENTRALIZE ALL CLIENT CONTACT DATA

Business development teams are hungry for contact and title information. In many cases, the best new business opportunities

[Learn How to Stay Productive While Finding New Business](#)

STREAMLINING all the EXTRA WORK KEEPING YOUR TEAM from their CLIENT WORK

IF YOU'RE A PROFESSIONAL SERVICES FIRM, THEN YOU KNOW THE VALUE OF PRODUCTIVE TEAMWORK AND COLLABORATION

Whether the engagement is performance based or time and materials, it's no accident an professional services firms consistently require their productivity. This of course applies to retaining the work product itself, but it also applies to the communication and business processes your firm needs to conduct in support of that work product. Staffing, legal, billing, consulting, accounting, all professional services firms need to determine their better resource model back from the client and within the organization.

NO CLIENT WANTS TO BE BILLED FOR HOURS SPENT ON INTERNAL ADMINISTRATIVE

Every new client engagement produces issues of critical data that the firm needs to keep secure and organized. This is one reason that nearly 70% of professional services firms use a CRM system. By automating billing, contacts and client data, secure and mobile records, it also provides the automation and integrated capabilities needed to document all the administrative and collaboration requirements to support a successful project.

Read on to see 4 ways that professional services firms are avoiding productivity traps in their client engagements.

GET NEW PROJECT STAFFERS UP TO SPEED QUICKER

One of the most tedious processes for professional services firms is briefing new staff who join the project, and on major long-term engagements it can feel like a constant productivity drain. Rather than manually summarizing the client and project history for new team members, productive firms maintain complete client account, contact, and project records in one secure system that team members can access from any device. This allows individuals to sign-up meeting summaries, scope and requirements documents, SOWs and change orders, meeting notes, and all other relevant documents and details.

[Discover How to Help Make Your Project Teams More Productive](#)



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