THE
IMPORTANCE OF SOFT SKILLS DEVELOPMENT

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Professional Services and consulting organizations are often quite proud of the technical expertise of their personnel—and deservedly so. It is common to hear things such as "Kelly is the best technical architect—there is nothing she cannot do with this product." At the same time, how many of us have seen situations where the great technical resource:

- Rubs the client the wrong way?

- Does not proactively close out issues with a client?

- Cannot seem to effectively communicate key messages?

- Avoids identifying up-sell opportunities?

In this white paper, we will explore what the PS organization can do to enhance the "soft skills" of its PS practitioners, leverage OpenAir to identify the appropriate resources, and ultimately drive more value to both the client and the PS organization.

Why is This a Problem?

The key to this issue is related to the customer experience. Anyone who has been in a retail environment in the past two decades has gone through a designed customer experience.

The concept of a customer experience is no different in the business to business environment. As your professional services resources are deployed in the field, they are not simply performing technical tasks. Rather they are:

- The face of your company to the end client.

- Your eyes and ears into new opportunities for your company's software and services.

- Creating a lasting impression (good or bad) in the minds of current and future buyers.

So, while your recruiting process identified great technical talent and your training programs educated the new hires on the intricacies of your service or product, it is very likely that you have not prepared your professional services resources to effectively operate and interact with the most important people to your business—your customers. And you may not have designed your own resource management processes and PSA solutions to facilitate the desired customer experience.

Developing Well-Rounded Professional Services Staff

The pyramid is an often-discussed shape in the consulting and professional services industry. In regard to developing professional services practitioners, the pyramid is an apt metaphor.
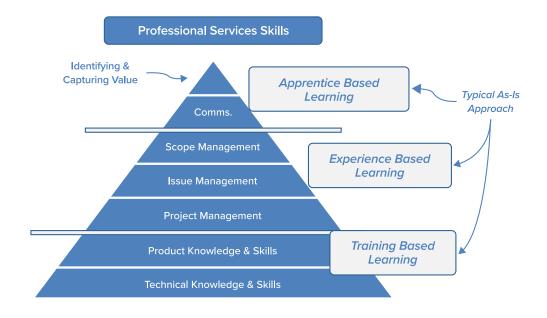
Typical Skill Continuum Development

As consultants enter an organization, they typically come with the requisite technical knowledge and organizations will then train them on a specific product or service. The training is very often well thought-out and extremely thorough. As it should be—no one wants to put someone without a depth of knowledge in front of the customer.

As these practitioners develop and are staffed on projects, they start to pick up skills based on experience. They see how project managers operate, how to put together a work plan and how to address an issue. Additionally, they are handed templates for issue management and status reporting. In effect, they learn by doing. Generally, they do a decent job, but in reality it is a little bit of luck that determines who succeeds and who does not.

Lastly, for those consultants that keep developing skills, if they are fortunate, they will find a mentor that can help them truly become a "trusted adviser" to their client. The nuances of communication these folks develop help them navigate difficult situations; explain difficult and challenging topics to a client in a way that the client not only understands the issue, but also the implications. Additionally—

Professional Services Skills

Identifying & Capturing Value

Apprentice Based Learning

Typical As-Is Approach

Comms.

Scope Management

Experience Based Learning

Issue Management

Project Management

Product Knowledge & Skills

Training Based Learning

Technical Knowledge & Skills

and more importantly—mentors help these fortunate few practitioners understand how to identify and capture value. Yes—the word dreaded by many consultants: SELLING— identifying client pain points and opportunities that your software or services can address.

Proactive Skill Development

The challenge to the traditional skill development approach is that it leaves too much to chance for something that is so critical to your business. Delivering a satisfactory— if not outstanding—customer experience requires that your consultants be able to address all layers of the skill continuum.

Many of the largest global consulting firms have well-defined training curriculum and comprehensive training facilities where consultants can learn a great deal about key topics such as technology and analytics. However, there is a key lesson learned around soft skills and managing communication and relationships that sticks with any consultants who goes through the following experience. It talks to the benefit of proactively addressing skill development. The experience goes like this: a client sponsor explains that they are very happy with how a project is going and the progress that the team is making. Then the client indicates there are a few more things that they want to happen—and it would help drive further cost benefits. The client sponsor asks, "could you make sure this list gets addressed?". "Absolutely!" the consultant confidently replies.

Any idea how this story turns out? More often than not, it fails miserably at achieving the real goal. The consultant had just agreed to perform $1.5M of scope creep. It risks the project's success and more importantly, the client relationship and firm's reputation.

Scope management should never be left to chance. Neither should any other layer of the skill continuum be left to chance.

The Professional Services Skills Continuum highlighted above identifies the core skills required to develop a well-rounded consultant:

Skill/Capability Area	Core Skills
Project Management	How to effectively manage through difficult projects—and there are typically no easy projects!
Issue Management	Navigating issues—and turning difficult situations into a demonstration of your problem-solving capabilities.
Scope Management	Successfully defining, managing and navigating scope expansion.
Communications	Appropriately communicating both good news and bad news (there are different methods for delivery)—and successfully engaging the client in the overall project process.
Identifying and Capturing Value	Overcoming the fear of the word "sell" and developing a capacity to create a compelling value proposition that addresses a client need.

Any consultant who's worked for one of the leading consulting firms will tell you that you need a formal program that includes a combination of lecture, case study and experiential learning. As in any classroom setting, you need to explain the "theory" of what you want the practitioner to learn. Typically, this is best delivered by experienced professional services personnel so that the theory is coupled with real-life examples—making the course a rich mix of both theory and experience. To ingrain the lessons with the student, integrating case studies into the lecture have shown significant impacts. Done right, case studies force the student into an experiential learning process. That is, they have to think and act like they were out in the field. Since the material may be new, it may be uncomfortable for them—this is good. They are in a safe environment, where experimenting and trying new techniques can help them better incorporate the learnings into their own behaviors.

Lastly, do not end the education at the end of the lecture and case study. Create follow-on forums (e.g., brown bag lunches, monthly conference calls) where the students can come together and discuss how they are applying the lessons they have learned. These follow-on forums have multiple benefits: practitioners get to hear what others are doing—giving them the confidence to try the same methods; in a safe environment, you can discuss how you might potentially address a situation and gain the feedback of others; and you force the practitioners to continue to think about the lessons learned so that it is not "just another course" that was attended then disregarded.

Proactive Skill Management

There is intrinsic value in conducting the type of training defined above. Your personnel will return to their roles better able to meet your client needs. That said, the whole point of defining a training program is to remove the "chance" of the more traditional skill development approach. Leading PSOs are taking an additional step to remove the "chance" and get more proactive. They are using their PSA solutions to track, monitor and enable an improved staffing process.

When you staff an engagement that needs deep product skills, you go looking for the product Subject Matter Experts (SMEs) on your staff that you can assign to the role. Perhaps this is done by name—that is, you know the names of the experts. Ideally, it is done using a skills inventory that documents and details the product and technical knowledge of your resources. Your resource management and staffing process should also account for a scoring and analysis of the softer skills of your resources.

Think about it, different client situations call for different types of resources. Some projects and clients need the softer, hand holding approach. Other projects may need the more dictatorial project manager and technical architect to come in to make decisions and navigate difficult situations. Leading PSOs are leveraging their PSAs to evaluate these

factors as they make staffing decisions going into an assignment—and ultimately drive to project completion on-time and on-budget at higher rates.

The Case For Proactive Skills Management
There are many key benefit streams associated with Skills Management including:

Enhanced billable utilization
One percentage change in utilization for a 100-person professional services organization is worth $350-$400K annually. A 5 percent improvement (only 100 additional billable hours per person per year) is worth nearly $2M. By speeding time to utilization, using technology (as opposed to a manager's memory) to identify resources with the needed skills and staffing a broader set of resources, achieving a one point improvement is a reasonable goal. NetSuite has worked with PSOs to achieve considerably higher improvement rates.

Improved delivery performance
The softer skills—communication, issue management, risk management—are valued but PSOs typically underinvest in the development of those skills. Scope, issue and risk management are key drivers of project profitability. If you can deliver on-time and on-budget with increasing frequency, the typical 100 person PSO can add $500 to $800K to the bottom line annually.

Reduced employee turnover
For PSOs that we have worked with, those that invest more in skills development have better retention rates. We have explored this with the PSOs personnel and have found that the employees appreciate the fact that they can enhance their skill set and have an opportunity to work in new areas (as a result of the skills development). You can calculate your own costs of hiring and training a new resource—but as you can imagine—it can have a considerable impact on the bottom line (as well as customer satisfaction when they get to work with a well-rounded, high tenured set of resources).

Closing
We have all heard the phrase, "It is much cheaper to keep a customer than it is to find a new customer." Yet, most organizations invest more money in chasing new customers than in doing the things required to create a positive customer experience. By proactively addressing the Professional Services Skills Continuum, consulting and professional services organizations can prepare their front-line personnel to better manage client relationships, deal with difficult client situations and proactively identify new "win-win" business opportunities.

By leveraging your PSA solution for Resource Management and Skills Management, leading PSOs are proactively staffing assignments right the first time—and finishing on-time, on-budget, and with positive customer satisfaction results.