

The Benefits of Integrated Applications on Force.com - Lessons from a Top 5% “Best-of-the-Best” Professional Services Firm.

Success Story

In a 2011 PS Maturity Benchmark Report from SPI Research, Perceptive Software’s professional services team was rated among the top 5% best-of-the-best Professional Services (PS) organizations benchmarked against more than 200 leading firms. The Top 5% firms reported almost double the revenue growth and more than 250% higher net profit than the benchmark average.

In the study, companies with integrated CRM and PSA systems like Perceptive reported higher bid/win ratios, higher project margins, higher utilization and higher revenue per billable consultant. The value gained by the companies reporting higher visibility resulting from integration was staggering:

- Higher growth (8.0% vs. 4.3%)
- Higher revenue per billable employee (\$188k vs. \$167k)
- Higher project margins (33.5% vs. 29.7%)
- Better on-time delivery (78.5% vs. 72.0%)
- Lower discount rate (12.0% vs. 17.5%)

There are valuable lessons that can be learned from Kansas-based Perceptive Software when it comes to running a successful professional services practice. Perceptive is a leading creator of enterprise content management (ECM) software products and solutions, with 700 employees worldwide. Perceptive’s flagship product – ImageNow document management, document imaging and workflow – is used by customers across all industries in more than 30 countries. In 2010, Perceptive Software joined Lexmark International as a standalone business unit. Since then, they’ve rapidly expanded their presence in the global ECM marketplace.

Of Perceptive’s 700 employees, 125 are in professional services, serving customers in markets such as healthcare, higher education, financial services and back office HR and AP accounting. Customer satisfaction is paramount at Perceptive. Management came to realize that if the professional services department isn’t aligned with the operations of the rest of the organization, customer service suffers.

Customer Profile

Company:

Perceptive Software

URL:

www.perceptivesoftware.com

Company Size:

700 employees

Industry:

Enterprise Software

Results:

- Integrated PSA and CRM on Force.com delivers full visibility into customer activities and higher levels of customer satisfaction.
- 700 employees around the globe can access sales pipeline, marketing and professional services data, which provides a clear 360 degree view of each customer. Easy access to complete customer data drives high customer satisfaction for Perceptive.
- Increased efficiency and avoided over-staffing projects. 2 percentage point increase in resource utilization and 50% increase in value-added sales to existing customers.

Initially, Perceptive used a combination of spreadsheets and home-grown systems to manage ongoing consulting projects and resources, but as the professional services team grew to more than 50 people, those tools became ineffective. With projects becoming more complex as customers' needs evolved and numerous people balancing multiple project assignments – not to mention project managers potentially working on 10-15 projects simultaneously – spreadsheets became unmanageable. “The big challenge company-wide was that marketing, sales and professional services didn't have a 360 degree view of our customer,” said Patrick Kearney, VP, Professional Services at Perceptive Software. “Sales people couldn't easily see the status of projects and it wasn't very easy to share information.”

Implementation of CRM and PSA

As a result of the difficulty in using spreadsheets and home-grown systems to provide visibility into each customer – including historical information, project details and timelines – Perceptive looked to the cloud for a solution that would provide a single platform accessible to all their teams worldwide from a single log-in. The company decided to implement an applications infrastructure on the Force.com platform from Salesforce.com. The goal was to eliminate as many spreadsheets as possible and to closely monitor improvements in customer satisfaction.

Today, Perceptive relies on Salesforce CRM integrated with FinancialForce PSA to gain full visibility into customer activities and deliver the highest levels of customer satisfaction. For Perceptive, customer satisfaction means competitive advantage.

Perceptive implemented salesforce.com in 2008 for the sales and marketing departments and shortly after that, product support turned to the Force.com platform to manage support activities. In 2010, the company implemented the FinancialForce PSA solution – the final component needed to give the company a true 360 degree view of the customer.

FinancialForce PSA is a cloud-based solution that leverages the power of Force.com to enable services organizations to manage their people, projects and financials in one integrated services management application. Users get the benefits of native integration with Salesforce CRM and the scalability and flexibility of the world's leading enterprise cloud platform.

FinancialForce.com provided Perceptive with standardized dashboards for a single view of the customer, allowing anyone on the team access to metrics like revenue goals, chargeability goals and average bill rate goals. Users can now see, in real time, how the company is performing, as well as how they are performing individually. Kearney said: “It's all out in the open. Each individual feels they contribute to the success of the team and the company.”

Perceptive has a large sales team and the reality of the business is that professional services can't be involved in every deal pre-sales. Utilizing Salesforce and the Force.com platform, professional services now has real-time access to all sales opportunities. “Since we're all on the same tool, we have great visibility into the largest opportunities and the resources that might be needed to manage the

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consulting work,” Kearney said. “It allows us to focus our resources on opportunities that need our attention.”

The 360 degree view of the customer is a big win both internally and for customers. Kearney said they can now track every customer from when they’re first contacted through marketing, through the sales cycle, through implementation, through product support and even to any open cases. The result is both increased customer satisfaction and sales results.

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Results:

By standardizing information access via the Force.com platform and FinancialForce PSA, Perceptive Software is well on its way to efficiently managing the business without spreadsheets and home-grown systems.

“Now Perceptive has an up to date view on where we are at with our key performance metrics. It helps us more accurately provide quarterly, monthly, and even weekly forecasting,” Kearney said. “Additionally, we have a better handle on our team member work assignments and availability” FinancialForce PSA even helps Perceptive track customer satisfaction. They have implemented a survey tool to quickly elicit feedback from customers. “This can provide a great boost for teams that have worked on projects and ensures close relations with our customers,” he says. “Or it enables us to quickly improve where a customer isn’t completely satisfied.”

Since implementing Salesforce CRM and FinancialForce PSA, Perceptive Software has improved internal efficiencies, which has led to significant operational benefits. This includes a 2 percentage point increase in resource utilization and 50% increase in value-added sales to existing customers. They’ve also seen a noticeable increase in visibility into the sales pipeline, which has helped the company better manage and focus their resources.

As Kearney explains: “Not only are we more efficient, but we’re more effectively scheduling our team members. Having access to real-time data allows us to balance work load and work assignments to ensure that the right people are assigned to the right projects. This leads to higher customer and employee satisfaction. “As a result of the new tools, Perceptive has realized a 3% reduction in voluntary attrition across the professional services team.

The single, shared platform and 360 degree view of customers has also led to better collaboration within the teams and ultimately, a marked difference in customer satisfaction and loyalty.

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