Mavenlink Blog

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Selling Professional Services: A Growth Strategy for Scaling Your PSO

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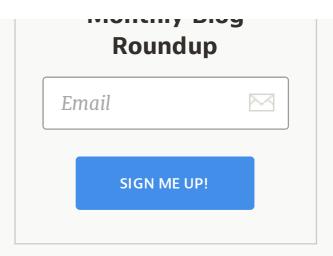*Get the Secrets to Business Success*

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Professional services organizations (PSOs) are one of the most important teams within a growing organization. Traditionally known as the implementation arm of a technology company, PSOs can be a means to creating and sustaining terrific client relationships, or they can become bottlenecks in services delivery. In this article, I'm going to show you a strategy for selling professional services that will help scale your technology company.

The old way: PSOs deploy software and leave

In a basic sense, the role of the PSO team at any

In a basic sense, the role of the PSO team at any software company is the same: Take the client transferred from sales, configure the technology to meet their needs, set it up, and leave.

And yet the basic way won't cut it.

A more

"Up to 70 percent of all client touchpoints are with your services team." — Keith Carlson

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strategic way

The better way to run your PSO team is with the following strategy. This ensures your PSO hits the three big benefits professional services must return to a growing technology company.

First, Client Implementation

The basic role of a PSO does not ever change. Your team must configure your technology to meet client needs.

Second, Client Satisfaction

Smart companies understand that the professional services teams are responsible for customer satisfaction. In fact, up to 70 percent of all client touchpoints are with your services team. The quality, personableness, and skill of your services team therefore

ensures your client experience is both happy (i.e., they enjoy working with you) and successful (i.e., they get their users using your software as needed).

Finally, Renewals and Upsells

Happy clients buy more software. This is fact. When your clients get their anticipated value from your technology, and they like working with you, they are more likely to both add more seats and renew. You can also justify raised renewals costs more easily.

The strategy for selling professional services that meets these three needs

The single most important thing a growing technology company can do in selling its professional

services is simple: Don't reinvent the wheel. Many small to mid-sized companies will make the mistake of treating each client like a brand new case. This slows down the process for how fast you can deliver services. I encountered this at a $200M software company in the San Francisco bay area. The company's sales team was selling 60 implementations per quarter. Its PSO was able to deliver only 20 per quarter. Their professional services team was becoming a bottleneck, and client satisfaction was at risk.

The solution is to make a product of your services

Your company has done any number of implementations. Along the way, your teams should have captured and refined their processes, reports, and metrics. This is the foundation of your solution. Use this documentation to build services templates

and packages, which your sales team can then offer clients. This enables your PSO to deliver on client needs in a repeatable, scalable manner. I call these packaged services offerings, "productized services" because they make a product of your services.

I

"The key to uncorking your services bottleneck is by 'productizing' your services." — Keith Carlson

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implemented productized services at the $200M

company mentioned above. The results were astounding.

Implementations that had previously taken three months now took half that time. The PSO bottleneck freed up, and implementations rose to 60 per quarter. Client satisfaction rose twenty points to 90 percent from 70 percent. Sales growth was enhanced with these new, repeatable, easy-to-sell "productized services." And, not that it can be completely attributed to "productized services," the company's stock price did triple over the next two years!

The key to our success was several fold. In addition to building productized services packages, we set client expectations early on. Our services team communicated their new, templated services packages to the sales team, who could then sell clearly defined services packages. Our clients knew

exactly what to expect before receiving our team's services. Put simply, our clients were happy, and they bought more technology.

For more services strategy, tune back into the Mavenlink blog for my next post.

Have a services strategy that works? Leave a comment for me to respond to.

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