The adaptive project delivery lifecycle playbook

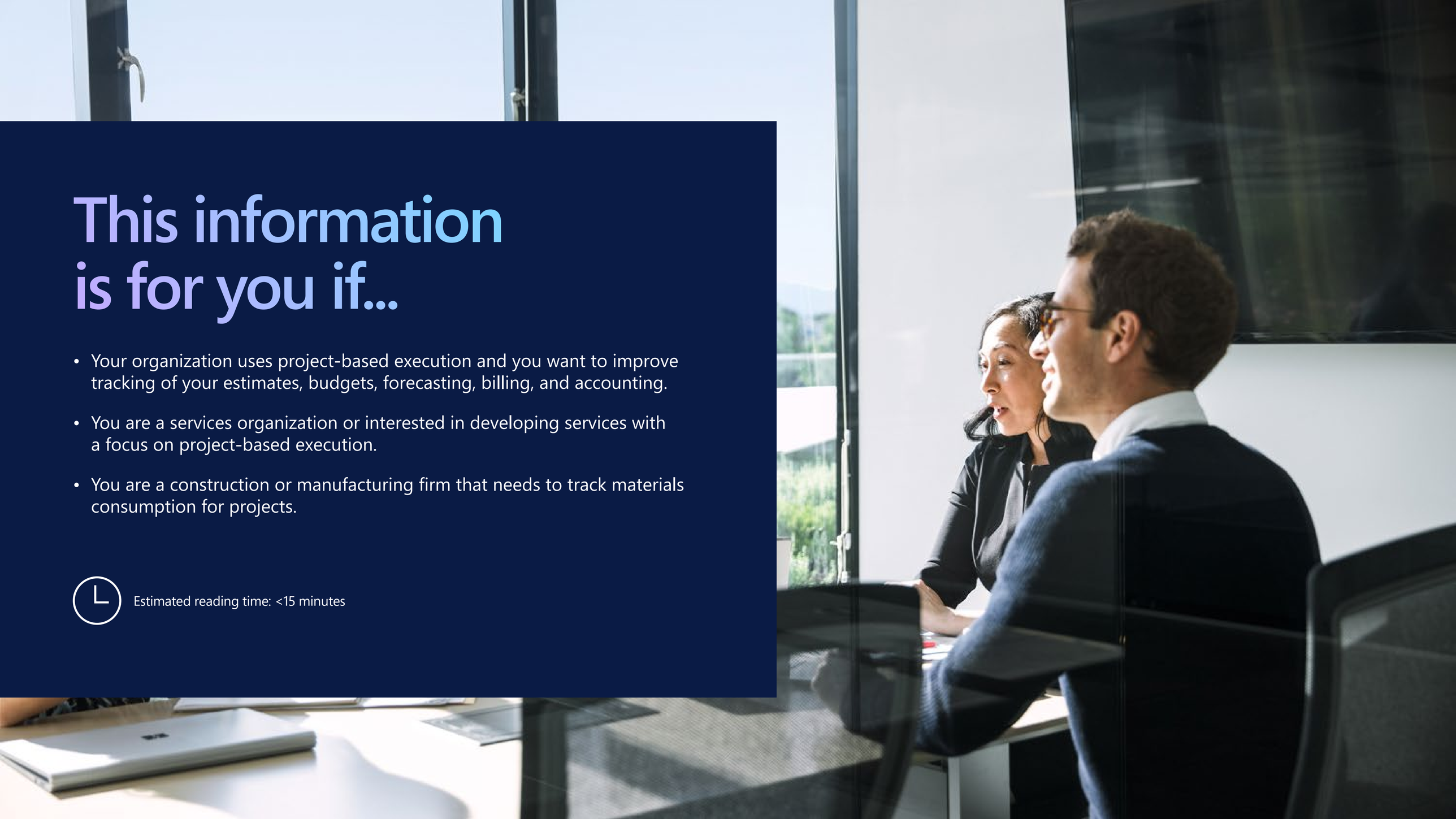
How to optimize project service delivery—
from prospect to payment to profit

Microsoft Dynamics 365

This information is for you if...

- Your organization uses project-based execution and you want to improve tracking of your estimates, budgets, forecasting, billing, and accounting.
- You are a services organization or interested in developing services with a focus on project-based execution.
- You are a construction or manufacturing firm that needs to track materials consumption for projects.

Estimated reading time: <15 minutes



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Introduction

Are you ready to transform your project-based services operations?

Changing customer expectations and innovative technologies are causing a significant shift across all industries—compelling companies to reevaluate their business models.

This shift has created new subscription and project-based business models that are changing the way we work and transforming traditional businesses into service organizations. Embracing this shift not only means reimagining service offerings, but also your entire business operations—from prospect to payment to profit.

As leaders address new business aspirations, and the myriad challenges that come along with these disruptions, one thing is certain:

> You can't afford to take the focus off of balancing profit margins with delivering promised outcomes to your customers or stakeholders!

This playbook addresses five critical goals for helping you maintain that balance, including how to:

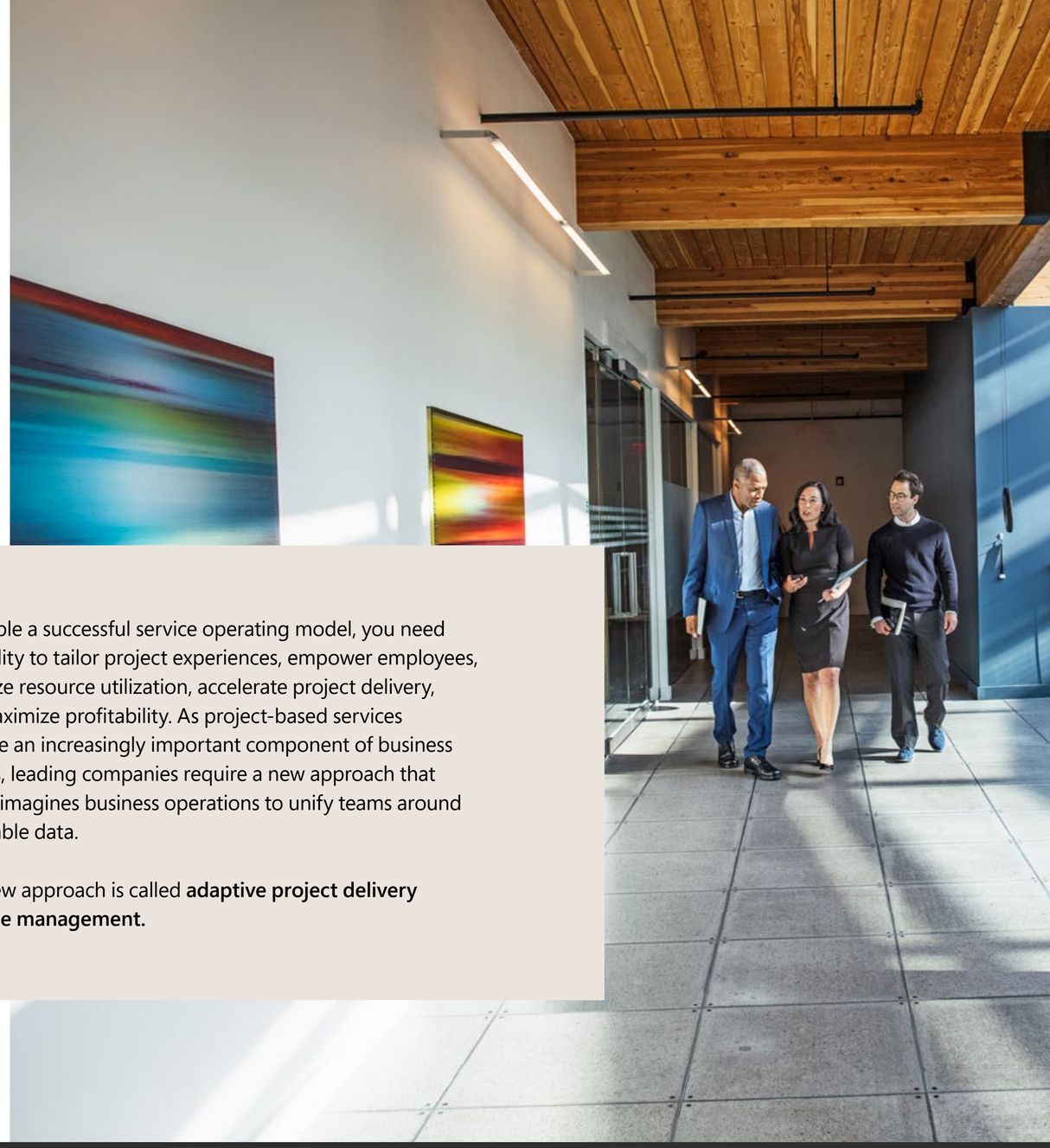
Engage customers with consistent, seamless, and high- quality service experiences that inspire trust and loyalty.

Empower employees to personalize services, collaborate, share knowledge, improve quality of work, and submit hours worked and expenses on time.

Optimize operations to increase the flow of information across the entire business and accelerate project delivery.

Improve resource utilization and productivity to accelerate time- to-impact while controlling cost of goods sold (COGS).

Transform services using insights to reduce costs of service delivery, accelerate time-to-market, focus on the most profitable projects, and generate new revenue streams.



To enable a successful service operating model, you need the ability to tailor project experiences, empower employees, optimize resource utilization, accelerate project delivery, and maximize profitability. As project-based services become an increasingly important component of business success, leading companies require a new approach that truly reimagines business operations to unify teams around actionable data.

One new approach is called **adaptive project delivery lifecycle management.**

Project-based services overview

Today's project-based businesses operate in a highly competitive market where winning competitive bids, retaining highly skilled people, juggling contracts and subcontractors, and increasing profit margins are significant challenges. Project-based organizations include technology, consulting, marketing, media and entertainment, legal, construction, engineering, architecture, government, healthcare, and other firms where the core service is focused on delivering upon a predefined scope and outcome.

Even manufacturers and specialty retailers are adopting service business models to differentiate themselves from competitors.

Projects may be external, like a company installing a turbine for an energy customer. They may also be internal, like a centralized marketing team that crossbills different departments for campaigns, or IT teams that operate as a shared service or need to prioritize competing implementation requests.

Adaptive project delivery lifecycle management: The basics

Operating with the speed needed to deliver successful project-based services requires that everyone involved—from leaders to team members and contractors—can predict, adapt, and respond to change. Connecting your teams across the project delivery lifecycle unlocks the business agility needed for success. Yet many organizations use disparate systems, which results in a lack of visibility across projects and leads to inefficiencies from people not having the information they need.

Inaccurate budgets or timelines often equal inadequate cash-flow forecasting, while imprecise resource management may mean resources go unused or are underutilized. When workforce practices are disconnected, you experience reduced employee satisfaction, lower customer engagement, and higher turnover rates.

Adaptive project delivery lifecycle management

Adaptive project delivery lifecycle management connects sales, project management, resourcing, finance, and leaders, unifying teams around **actionable data, process governance, and measurable outcomes.**

Account managers

Win more bids and deliver a differentiated experience

CXOs

Increase business agility and operational excellence

Project managers

Accelerate project delivery and reduce cost of operations

Accountants

Enable higher profit margins and improve time-to-billing

Resource managers

Optimize resource utilization and improve productivity

Team members

Deliver quality work and simplify time and expense tracking

Planning for success

Service delivery success requires the right team, meticulous planning, actionable insights, and operations governance. Maximizing project profitability requires the business agility to quickly adapt at any point in the project operations lifecycle through the synchronization of people, processes, and KPIs.

Empowered people

Rethink your organizational structure to focus the correct attention on customer or stakeholder experiences and project delivery. Your teams need to understand the value and business outcomes for each service. Enable perfect handoff processes between teams and ensure all information is accessible from within your business system. Map out the project journey through your operations to identify friction points and bottlenecks. Ensure all team members understand how to avoid pitfalls and standardize project delivery.

Governed processes

Use proven processes in your day-to-day activities to minimize friction not only within your teams but also with your subcontractors and customers. Provide self-service portals to open communications to your customers and subcontractors. Effective processes and the right "governance" to ensure adherence can optimize operational performance while delivering successful customer outcomes.

Measuring success

Deliver powerful insights into profit margins, delivery schedules and delays, scorecards, forecasts, sales pipelines, backlogs, resource utilization, and more. By unifying your data, you gain transparency into performance and the ability to take corrective action when necessary. You can use successful projects as a framework to create innovative new services and focus on projects aligned to business success metrics.

Engage customers

Deliver personalized, engaging, and seamless service experiences with better deal management to win more contracts.

Empowered people

You need to ensure that your people can maintain ongoing engagement with your clients through all channels, provide the right information at the right time, present accurate proposals, and deliver on expected outcomes to inspire trust and loyalty. This requires tools built for project-based services companies and consider pricing variability, remote global workforces, and delivery challenges.

Best-practice processes

- Ensure customer proposals include project plans and outline expected outcomes.
- Perfect the sales to delivery hand-off by ensuring teams have access to the same project planning and scoping tools.
- Connect people, teams, customers, and services to enable seamless sharing of ideas and collaborative development irrespective of location and time zones.
- Use historically profitable project plans as templates for new customer proposals to increase sales representative productivity.
- Create customer access portals and use AI chatbots to provide better, around-the-clock experiences for clients.
- Provide visibility to customers on promised outcomes and timelines, then deliver on expectations.
- Improve conversion rates through forecasting tools and pipeline visibility with detailed dashboards.
- Provide project success metrics to all team members to keep service delivery on track and on budget.

Measuring success: critical KPIs

Lead-to-opportunity conversion rate

Quote accuracy rates

Bid win rates

Customer satisfaction rate

Project profit margins

Empower employees

Provide employees the flexibility, mobility, and tools they need to work effectively, collaborate with each other and external subcontractors, and innovate.

Empowered people

People are the cornerstone of service-based businesses. Skilled and engaged people are the essential ingredient to execute with precision and deliver on customer outcomes. By empowering your employees to do their best work, they're able to deliver on promised outcomes, while your organization gets the results you need.

Best-practice processes

- Ensure all stakeholders have visibility into the promised customer outcomes, project requirements, and timelines.
- Keep everyone in the loop with collaboration tools, document management, and easily accessible knowledge bases and sharing across the team.
- Enable employees to get paid on time with simplified time and expense submissions that flow into accounting.
- Enforce process governance to adhere to regulations and guidelines, especially around time and expense tracking.
- Ensure workforce mobility with remote access to client, project, and scheduling details.
- Work with familiar tools and apps that your teams are already using.

Measuring success: critical KPIs

Maximized time utilization

Time tracked

Expenses submitted on time

Customer satisfaction

Optimize resource utilization

Ensure you have the right people with the right skills working on the right projects at the right time to deliver optimal customer outcomes.

Better utilize your workforce

Staying ahead also means recognizing the way people work now. Enhanced mobility offers opportunities for service organizations like yours to run your business operations and services differently and more efficiently. To manage any skills shortages, practice leaders must find new ways to identify and assign talent who can deliver services quickly and with quality work.

Best-practice processes

- Match team member skillsets with project demands and identify skills gaps in resourcing for future projects.
- Ensure your resourcing team has visibility into availability and tools for dynamic scheduling across projects and locations.
- Achieve the right practice mix through skills demand and gap analysis that helps workforce planning deliver on future projects and avoids last minute hires or low utilization of current resources.
- Right-size pricing based on resource skills, geography, location or additional dimensions with multiple dimension pricing (CPQ). This allows you to create more competitive quotes, as you can provide your customers with discounts when using junior associates to deliver services for example.

Measuring success: critical KPIs

Employee attrition rates

Project success rates

Resource utilization rates

Optimize operations

Effectively manage operations and provide efficient services that scale dynamically to meet any level of demand.

Empowered people

Operational excellence requires that cross- functional teams can work together as a single operational entity. Agility, cost optimization, and simplified service delivery are all fully dependent upon information access, process standardization, and change management. You need the ability to right-size your workforce, and detailed analytics on project performance to make better decisions about improving operations.

Best-practice processes

- Think globally when planning operations and process governance, then deliver optimization locally.
- Ensure time and expenses can be submitted and approved from anywhere at any time, while helping people follow regulations and guidelines.
- Provide your project teams with the ability to plan, manage, determine the cost of, and measure the performance of each project to deliver project success.
- Comply with published standards and practices through streamlined process flows and governance.
- Optimize financial management to bill clients at the appropriate time and ensure timely revenue recognition.
- Create standard financial indicators for projects and services, then provide visibility into metrics across the project lifecycle.
- Ensure actuals flow into project accounting by including project management tools within the same system as financial management.

Measuring success: critical KPIs

Days sales outstanding

Billing accuracy

Cash-flow cycle time

Transform services

Consistently monitor and report performance to executives and facilitate continuous improvement in service offers and service delivery.

Empowered people

Customers are becoming increasingly connected, proactive, and informed. You can guarantee that your clients will do their own research and want to control their journey with your company. To keep pace and ensure your services deliver on customer expectations, you must have access to connected data and applied intelligence.

Best-practice processes

- Consistently innovate your service operations and offerings to both better serve your customers and ensure you're focusing on the most profitable projects.
- Allow pilot programs to test out service delivery and profitability, then use profitable projects as a model and roll out globally.
- Measure project success with standardized metrics across the project lifecycle and continuously look for ways to innovate and improve.
- Create a continuous feedback loop that allows employees to recommend process improvements and service innovation.
- Hire the correct people and treat them well. Manage employee rewards, certification, and training as an investment and not a discretionary cost.

Measuring success: critical KPIs

Time-to-market

Services profitability

Gross margin

Customer satisfaction rates

Cash flow

Total cost of ownership of business systems

Bringing it all together

Adaptive project delivery lifecycle management requires your project-based services team to have the proper tools to deliver success while staying connected to your business systems. It's important to avoid creating data silos or paying for costly integrations. True business model innovation requires connected insights that facilitate faster business decisions, along with the ability to quickly pivot your business systems to support new service and project offerings. Ensure you can adapt quickly and stay ahead of competitors.

Engage customers

Project sales management

Customer relationship management

Customer data platform

Empower employees

Project management

Contingent workforce management

Human resources

Transform services

Project and services insights

Business intelligence

Improve resourcing

Resource pricing and utilization

Human capital management

Optimize operations

Project costing and accounting

Business process outsourcing

Enterprise resource planning

Taking the next steps

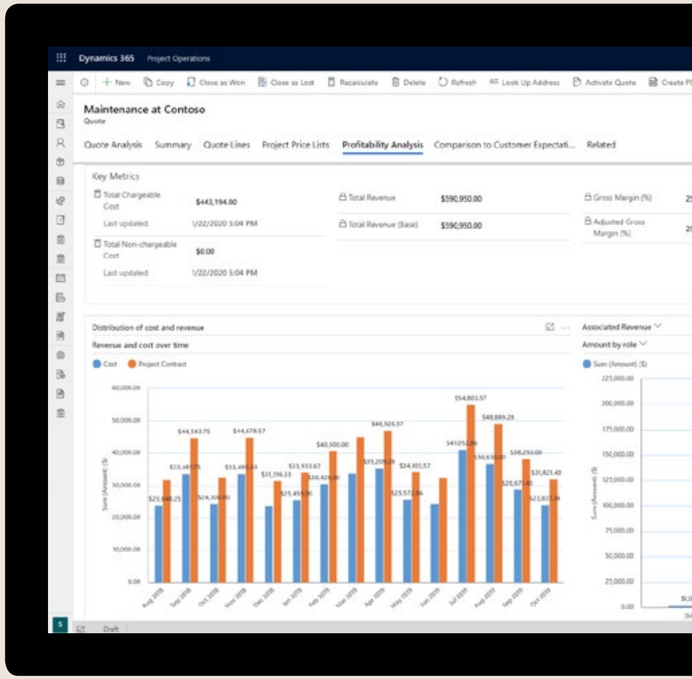
Even for organizations that have started to unify project management, collaboration, and project accounting, many still don't have a solution that supports end-to-end business processes and the analytics needed for continuous optimization. It's time for a new approach.

Take action with adaptive project delivery lifecycle management:

1. Map out your customer journey and determine friction points.
2. Understand current process bottlenecks and errors impacting profit margin.
3. Implement best practices and continuously innovate based on applied intelligence.

Microsoft Dynamics 365 Project Operations

Get everything you need to run your project-centric services business—quotes, resourcing, project management, time and expense, project costing and accounting, and business intelligence—all in one solution for better insight, collaboration, and visibility. Dynamics 365 Project Operations ensures you can deliver exceptional services to your customers on time and on budget, every time.



Learn more about Dynamics 365 Project Operations, watch product videos, and take a guided tour.