

The Good, The Bad and The Ugly: SPI Research Proudly Publishes the the 2019 Professional Services Maturity™ Benchmark!

The PS Maturity Benchmark is the world's most respected authority for the technology services sector.

SAN FRANCISCO, CA, USA, February 20, 2019 /EINPresswire.com/ -- Today, [Service Performance Insight](#), the leading global research and consulting firm dedicated to helping professional services (PS) organizations make quantum improvements in productivity and profit, published the 12th annual [Professional Services Maturity™ Benchmark](#).

The Good: The 2019 PS Maturity™ Benchmark revealed average net profit (Earnings Before Income Tax, Depreciation and Amortization) soared to a record high of 18.5%! Year over year earnings have increased steadily over the past three years with average net profit moving up from 14.2% in 2016 to 16.8% in 2017 and now 18.5% in 2018. This is the highest average net profit ever reported in this benchmark

The 622 PS organizations represented in this study employ nearly 400,000 consultants who each produced, on average, \$206,000 in annual revenue; collectively these firms generated over \$57 billion in PS revenue.

The Bad: Despite strong financial performance, several leading factors indicate turbulence may be in store for the sector. Most service organizations carefully measure billable utilization, which depicts the number of annual hours consultants are productive, doing work which can be billed to their clients. This important metric declined significantly from 1,499 average annual hours per consultant in 2017 to 1,428 in 2018. Embedded cloud PS organizations were primarily responsible for this deterioration as their consultants only billed 1,261 annual hours on average. As cloud software companies have matured, they have shifted the focus of their consulting organizations to “client adoption” which means they frequently provide free consulting support to maintain their subscription revenue.

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Tquila ANZ is honored to be a Best-of-the-Best this year. I have used the PS benchmark as a guide to best practices in all of the PS and software companies I have managed since 2007. ”

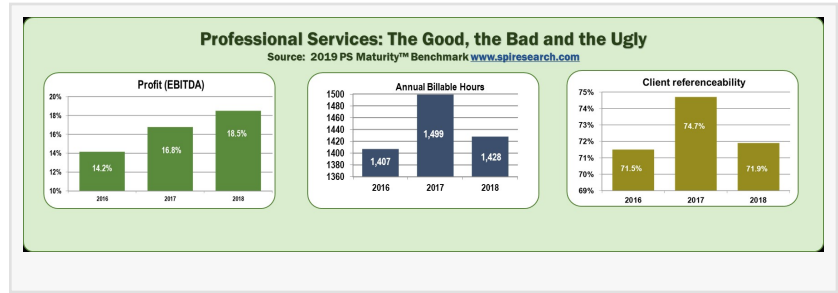
Jo Masters, CEO Tquila ANZ

The Ugly: Another very ominous metric was “client referenceability”. The survey asks firms to report the percentage of their clients who are referenceable. In other words, satisfied clients who would act as a reference for their products



2019 PS Maturity Benchmark

and services. Client referenceability weakened from 74.7% in 2017 to 71.9% in 2018. Embedded consulting organizations within hardware, software and cloud technology companies dragged down this important metric; all reporting that less than 65% of their clients were referenceable.



Using information that is typically confidential, such as detailed income statements, the 216-page report analyzes 160 key performance metrics and includes 235 supporting charts and graphs. The report contains income statements and expense ratios for eight professional service (PS) vertical markets — including accounting, advertising, architecture and engineering, hardware and networking, IT consulting, management consulting, software, SaaS and VARs (Value-Added Resellers). Profiles and success tips from the top 30 Best-of-the-Best firms deliver fresh insights.

The 12th annual benchmark from Service Performance Insight draws on a database of nearly 4,000 PS organizations to provide an in-depth analysis of PS metrics and performance. [Purchase the report here for \\$1,995.](#)

About Service Performance Insight

Service Performance Insight is a global research and consulting firm dedicated to helping professional services organizations make quantum improvements in productivity and profit. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework, it has become the industry-leading performance improvement tool used by over 25,000 service and project-oriented organizations to chart their course to services excellence.

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