How-to guide

Implementing Operational Best Practices That Drive Strategic Growth

parallax

What You Will Find Inside

Small steps create big impact

Monthly strategic planning

Performance to goals	Forecast to plan	Measurable change
Utilization, revenue, and margin	Utilization, revenue, and margin	Offerings, capabilities, financials

Weekly operational leadership best practices

Sales	Delivery	Finance	People
Forecast adjustment	Planned utilization review	Earned revenue forecast	Talent, capacity, and capability review

Weekly habits & behaviors

Monday	Tuesday	Wednesday	Thursday	Friday
Timesheets complete	Timesheets confirmed	Sales pipeline updated Project plans updated	Resource management alignment	Operational leadership review

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The global professional services industry is made up of over 25 million firms with combined annual revenues of more than $8 trillion. The top 500 largest firms, each with more than 5,000 employees, account for less than 5 percent of that revenue. This means there's significant room in the market for innovative newcomers that can effectively harness skilled talent and the right practices that result in specialized insights, knowledge, and client outcomes.

SERVICE PERFORMANCE INSIGHT, LLC 2022

SETTING THE STAGE

Strategic Growth Starts With Consistent Operations

Every digital services company — whether they're an agency, a software development company, or a technology consultant — has basic operations in place to track their people, projects, sales, and revenue. What and how they're tracking the various functions of the business is incredibly important, as that **data helps to shape important strategic decisions.**

Too many digital services companies today, however, have an overabundance of tools and data streams that track and gather relevant data. It can be incredibly difficult, then, to see across the business and ensure that their interdependent reporting is accurate, especially if everyone is marching to the beat of their own drum.

When this happens, decisions start to become reactive and emotional rather than strategic due to misaligned points of view, **often leading to missed opportunities and increased tension**. To break the pattern — to keep businesses running smoothly and on-target — they need to remove the emotion and gut feelings related to strategic decision making by creating a shared perspective based on reliable data.

That shared perspective can be curated across the functional parts of the business — to do so, you need a measured and consistent cadence of inputs from the sales pipeline and project backlog, otherwise known as an operational cadence.

REMOVE THE EMOTION.
CREATE A SHARED PERSPECTIVE.
AND BASE IT ON RELIABLE DATA.

At Parallax, we believe that achieving operational health isn't an overcomplicated change management nightmare: there are some tried-and-true best practices used by leading digital services companies to make sure their teams and projects are on track. By getting into an agreed-upon routine and cadence of reviewing and validating data across timekeeping, active project backlog, and sales pipeline systems, for example, organizations set themselves up for greater visibility into business performance — and greater visibility leads to happier, healthier, and more strategic operations.

MONTHLY
STRATEGIC PLANNING

WEEKLY
OPERATIONAL LEADERSHIP BEST PRACTICES

WEEKLY
HABITS & BEHAVIORS

By delegating the "Weekly Habits & Behaviors" to the project management team, solutions team, and capability leaders who are much closer to the work, they can be more accurate and timely with the information needed for leaders to inform the "Weekly Operational Best Practices." If you have good data from weekly behaviors and practices, you can then build organizational acumen to inform the "Monthly Strategic Planning."

Let's dive in
Who Should Care About Operations — and Why?

DEFINING 'OPERATIONAL CADENCE'

An operational cadence is how a team communicates, acts on, and makes adjustments to the organization's core operations. This goes far beyond just leadership — adherence to a good operational cadence democratizes work across the full team and removes the bottlenecks created by just a few individuals. Naturally, there are various styles of operational cadences commonly used across sales, delivery, and operations teams — from daily stand-ups, project team meetings, and one-on-ones, to engagement check-ins, monthly reports, and even all-hands meetings. **These are all moments or checkpoints for teams to connect, review, and organize around shared goals, and align on assignments and next steps.**

Every function and every role within an organization inherently has different objectives and different perspectives on the challenges they're facing and the opportunities they need to and want to pursue. And even though smaller organizations typically don't have the breadth of resources or headcount that a larger organization would have, the responsibilities of each function remains the same regardless of who is on point and whether there's overlap of ownership.

Sound familiar? Rest assured, you are not alone. Many digital services companies find themselves in this constant back-and-forth, but there's a solution that can help ease the tension and reduce the guesswork for everyone. This is why everyone, in every role and across every function, should care about operations.

Up next, you will see the action-cycle illustrated, and we suspect it will feel very familiar to you . . .

EVERYONE, IN EVERY ROLE, SHOULD CARE ABOUT OPERATIONS.

Here's an example of how those functional differences commonly bounce off each other: Based on their current pipeline, sales is projecting a record quarter, though the finance team may have hesitations if sales have previously come up short. This guesswork then impacts hiring managers and delivery teams, who are attempting to staff the work that's already secured while also estimating headcount and resources needed for projected work. In today's landscape, having the necessary resources for work-in-hand is difficult in itself, and then what if new deals don't actually close? If the hiring manager added new headcount in anticipation of more work, and the sales team doesn't close the deal, then the business is left with billable headcount sitting on the bench — and that's a big problem.

Sales & Marketing

"We have more opportunity than ever before. If the team would stop bidding so high, we'll have a record year!"

Hiring Manager

"So what if we do win? I can't just produce talent on demand. We need to green-light some hiring so we're not scrambling!"

Delivery Lead

"Can you blame them? The team is already at capacity and barely getting the sold projects done. Let's bid high and make it worth it!

TEAM CAPACITY

CFO

"Hold your horses, Sales is always bullish. If we don't win it all, we'll be back in the hole like last month. I'll believe it when I see it!"

The solution is creating a bridge for disparate perspectives by aligning on what the organization's operational cadence should be — and then implementing best practices so that it becomes a regular component of everyone's schedule. **Not only does this reduce friction and improve visibility, it can propel the business forward, faster.**

The 3 stages of digital services
Operational Maturity

How organizations manage that rollercoaster is influenced by where they are on the operational maturity spectrum:
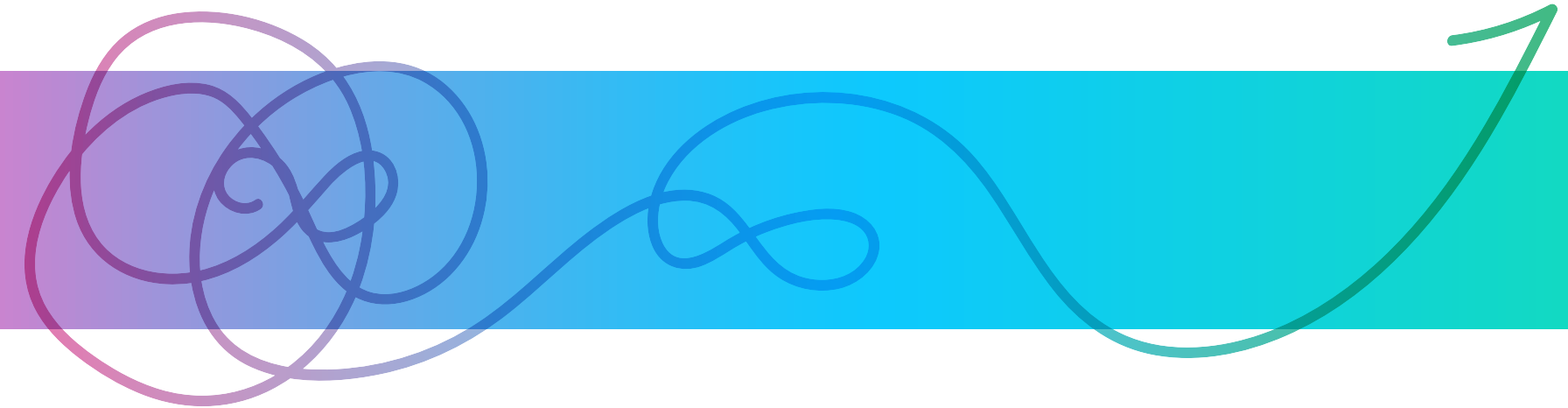
HEROIC

80% of companies swirl in this reactive, opportunistic space. You're delivering great work today, but doing it at scale seems impossible.

OPERATIONAL

17% of companies rock this measured and consistent mindset. Better processes and more collaboration keep the dream alive, but innovating for tomorrow feels far off.

STRATEGIC

3% of companies have found nirvana in a confident, forward looking environment. They work smart to keep the business successful today while strategically planning for the next big thing.

Regardless of stage, there are various best practices that organizations can adopt to help usher them along the maturity spectrum. **It simply requires going back to the basics.**

Getting back to the basics
The Importance of Weekly Habits

We regularly see where many digital services organizations are operating today (the heroic stage), and we know where they want to go (the operational and then strategic stage). **And we're here to provide guidance along that journey.**

To make progress, they need to first understand that the "small stuff" isn't actually that small — that best practices are the "best" for a reason. Founders and other executives know this because they rely on the information generated from various processes and practices required of different functions to make business decisions. **The trick, oftentimes, lies with the rest of the organization understanding that small, weekly habits have a big impact.**

(!) THE "SMALL STUFF"
HAS BIG IMPACT

CHAOS

PEOPLE ARE ADDRESSING ISSUES AD-HOC, and they feel like every day has a different version of the same general problems related to the rollercoaster of too much work and not enough work.

PEOPLE ARE GETTING PULLED OFF OF PROJECTS TO START NEW ONES or complete other projects you thought were done.

PEOPLE DON'T KNOW WHERE TO FOCUS with more than 5 different projects fighting for their time and attention.

PEOPLE ARE FINISHING PROJECTS WEEKS BEFORE EXPECTED, without any new work lined up.

KPIs ARE ONLY SHARED WHEN REQUESTED, and are tracked and measured in their own unique spreadsheet within the individual business unit.

CALM

CLEAR RESPONSIBILITIES ARE DEFINED with prerequisites for pipeline and backlog updates – for the team members participating in the weekly check-ins.

PEOPLE ENTER THEIR TIME EVERY WEEK WITHOUT PROMPTING or chasing so there's always an accurate view of time entered vs. scope left.

EACH BUSINESS FUNCTION HAS A SYSTEM they maintain as their source of truth, with a shared perspective curated across each function.

The 3 operational habits

That Matter Most

Allow us to repeat this one more time: everyone should care about operations because everyone plays a role in whether their organization is running smoothly or if it isn't. To move from an oftentimes clunky, inconsistent heroic mode to a smooth, seamless, and strategic operational stage, it takes everyone to get onboard with **only three foundational weekly habits.**

Every week, timesheets need to be completed by everyone.
Project plans need to be updated by the delivery teams.
The sales pipeline needs to be updated by the sales team.
That's it — that's the secret.

1 TIMESHEET REVIEW AND VALIDATION

2 ACTIVE PROJECT BACKLOG REVIEW AND VALIDATION

3 SALES PIPELINE REVIEW AND GROOMING

On the following pages, we will dive into each one in detail.

WHY WEEKLY?

Weekly is the perfect balance between too much (daily) and not enough (monthly). If you only review these metrics monthly, you're only giving yourselves 12 opportunities a year to refine your forecasts and adjust to potential challenges. Doing it weekly, however, doesn't add significantly more work onto the team, and it gives you **52 chances to catch problems before they happen**. This provides greater control over the metrics that matter to your business.

1

TIMESHEET REVIEW AND VALIDATION

Time-tracking accountability is the only opportunity organizations have to measure how good of a job they did in their last round of future prediction. The variances between what they thought would happen and what actually happened is only possible if they have accurate timesheets to compare their plans to. Where's your time and your team's time going? Is it going to internal projects, admin time, or client work? Every week, everyone needs to have their timesheets completed and then those timesheets need to be reviewed and approved.

Unfortunately, many organizations fall short with this weekly habit, and team leads, project managers, and even finance team members can be tracking down time weeks, even months, later during the invoicing process. Think of the time this wastes, the resources it drains, and the headaches this causes. We know because we've all been there – so again, no one should overlook the importance of timesheets.

2

ACTIVE PROJECT BACKLOG REVIEW AND VALIDATION

This habit represents the organization assessing what they think the future holds. They measure prior variances, make adjustments accordingly, and coming out of it, they have the best possible picture of what they think future capacity looks like so that they can better communicate what resourcing needs they might have.

For example, if a designer was scoped for 40 hours over two weeks on a project, but then got pulled onto another project so they now only have 20 hours over two weeks to offer, project managers and delivery teams need to chart a new path forward. This stage revisits the plan based on what's been accomplished, what's left of the scope, and if/how resources have changed so that everything can continue to run smoothly.

3

SALES PIPELINE REVIEW AND GROOMING

Sales teams are constantly revisiting and negotiating new projects and new accounts, capturing all details within the organization's CRM. Once the start date changes for a potential project, for example, the scope of the work then needs to be refined based on that start date, as does the team that would be dedicated to the project. One shift doesn't happen in confinement; it can impact the entire project.

This final habit requires the sales team to do essentially the same thing that the project teams are doing: providing insights as to what projects are going to close and the resulting impact to capacity by closing those projects, allowing the organization to more confidently forecast where they might need to be hiring. This also helps reduce any last-minute scrambles or broken promises for the client.

How and why to implement the
3 Operational Habits

Most digital services organizations know that these weekly habits are important, and leaders are regularly reminding their teams to complete them — yet, discipline and dedication to these habits often falls short as other work ramps up or resources become scarce. **We understand that simply saying "do these three things every week" is easier said than done, which is why, on the following page, we're going to dive a little deeper into the steps — and outcomes associated with each habit.**

IMPLEMENTATION STEPS

IMPACT & OUTCOME

OPERATIONS

TIMESHEET REVIEW AND VALIDATION

Three steps for completing and approving timesheets

1. Timesheets are due and submitted EOD Friday; project managers need to chase down any missing time Monday morning

2. Project managers review and approve billable time

3. Team leads review and approve internal and/or non-billable time

Confirms whether what you thought would happen last week actually happened – includes reporting of actuals against billable hours, revenue, utilization, and variance from the last period.

The business can invoice clients on time, and it **generates a full week of performance data to inform decisions and next steps.**

DELIVERY

ACTIVE PROJECT BACKLOG REVIEW AND VALIDATION

Three steps for reviewing utilization and project variance

1. Review per project planned versus actuals and reconcile variances – if possible, resolution between project managers and practice leads should occur before the resourcing meeting

2. Adjust future project resource shapes and confirm budgets and margin are within target

3. Review department and individual utilization rates and reconcile variances

Three steps for improving resource management processes

1. Review allocations by largest project (i.e., highest priority) to smallest

2. Review allocations to internal initiatives and PTO

3. Review individual allocations for proper utilization and resolve over and under bookings

Confirms the work that's happening now – includes grooming full backlog assignments to effectively update the forecasted revenue.

The business will have up-to-date resource plans for active projects, accurate information to inform resource planning, and action plans for projects with potential risks.

The business will have a better sense for how to revise allocations to **maximize utilization and minimize bench time,** and will have an accurate near-term resourcing forecast to share with the sales team.

SALES

SALES PIPELINE REVIEW AND GROOMING

Three steps for sales pipeline review and forecasting

1. Review all opportunities and organize around the high priority ones

2. Update close dates, start dates, and any mismatched deal values between the CRM and Parallax

3. Forecast revenue to quarterly goal

Two steps for assessing open roles and hiring (This habit is a shared responsibility with the operations team)

1. Focus on imminent deals within the pipeline for soft allocation

2. Forecast hiring needs based on pipeline

Confirms what work you think will happen and when – includes identifying and reporting opportunities with both new companies and existing client accounts.

The business has an **up-to-date pipeline to inform more accurate revenue and capacity forecasting** and one system and view for capturing priority assignments.

The business will have a better, more accurate sense of hiring needs for the next 90 days and **gain a complete picture of agency performance.**

Unlock Your Operational Maturity via Consistent Operations

Remember this from the beginning? Well, it all comes back to these foundational steps. When digital services organizations hit their stride with weekly foundational habits – when everyone is completing each step regularly and consistently – the business will be empowered to implement additional leadership best practices and make more strategic decisions that can positively impact performance and forecasting and, ultimately, drive measurable change.

Each habit, each step – it's all necessary to move up the maturity spectrum, from operating as a heroic organization to one that's operational and then future-forward and strategic.

Monthly strategic planning

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Quick Wins Deliver Big Impact

Adopting a new process often comes with fears of change management, poor adoption, and too much effort, but it doesn't have to be that way! **Starting small and addressing basic operational outputs is a great way to find early wins and see immediate impact.** And it doesn't require months or years of high-effort, highly disruptive change that forces teams to adopt new tools or platforms.

At Parallax, we believe that small steps will lead to more mature operations around resource planning and forecasting. By simply introducing a rhythm to review timesheet and sales pipeline data – regularly and consistently – organizations will quickly discover ways to drive utilization, margin, and revenue.

The best part? You're not alone. At Parallax, we have tools and experts ready, willing, and able to help your organization embrace that next stage of growth. We're here to guide you in establishing an operational cadence that works best for your business. And we're here to support your pursuit of more value and insights out of the systems you already have by integrating them with our platform to create new insights, with all your data in one place, to power innovative growth.

(!) CONNECT WITH US TODAY, AND BEGIN YOUR JOURNEY TOWARD MORE STRATEGIC, INNOVATIVE, AND HEALTHIER OPERATIONS.

parallax
perspective with purpose