Better Employee Management, Better Business Outcomes

Payroll & HR SaaS Brings Professional Services Into the Future

Professional services is the largest sector of the American economy,[1] with the U.S. holding the spot as the world's top cross-border exporter and importer of services.

Privately held professional service industries in the U.S. were responsible for 69% of the total gross domestic product in 2019, and were also the source of 81.9% of full-time and full-time equivalent employment (the largest in the nation).

Given the size and significance of the professional services sector, it should be no surprise that growth continues to be a high priority. Even post-pandemic and pre-impending recession, professional services firms want to navigate the future confidently. But there's just one thing standing in the way – people.

It's well known that people, or talent, is the most important factor in the success of any company. But it's especially important in the field of professional services, where the core output of the businesses is providing customers with a service or expertise rather than a tangible, manufactured product.

As professional services companies face a new, digitally disrupted, post-COVID-19 business environment, they must manage increasingly complex projects with remote and hybrid workforces, juggling the need to nurture employees while keeping up with growing customer demand.

The only way a professional services firm can meet the internal demands of its workforce under the external pressures of customers is to perfectly orchestrate the people involved in providing services – and that's why employee management payroll and HR SaaS will play a critical role in the success of professional services firms over the next year.

"

Professional services firms that have made the most progress on their digital acceleration journey are better positioned to find more creative and cost-efficient ways to serve their customers. A recent survey by PwC found that more than half (56%) of CFOs say that the tech investments they made during the pandemic will leave their company better off in the long run—and 73% said the same about new ways of working."

Dan Priest, Cloud and Digital Leader, PwC

State of the Industry: 4 Challenges Undermining Professional Services Firms

Keeping up with demand for specialized knowledge and expertise is a rewarding undertaking. But today, the challenges that undermine professional services make it harder than ever to serve clients. Complex projects, a burnt-out workforce, new ways of working, and rapidly changing customer needs are putting a strain on professional services companies.

1 United States International Trade Commission. https://www.usitc.gov/publications/332/pub5192.pdf

With predictions that the industry will continue to grow at a global 9.6% compound annual growth rate[2], reaching a total of $9,651.77 billion in 2026, businesses are looking for solutions to help soothe the disruption. What companies may not yet understand is that employee management technology that brings payroll, human resource services, and accounting software together in one place holds the key to overcoming these challenges and can help companies achieve better business results.

Consider the four most pressing challenges undermining professional services and how employee management software can help:

Challenges in professional services

- **Managing complex projects**
- **Employee burnout, retention, and morale**
- **Remote and hybrid team management**
- **Resource utilization and client demand**

CHALLENGE 1

MANAGING COMPLEX PROJECTS

Several factors can contribute to making a complex project challenging for a professional services company to manage. On the client side, large-scale efforts typically involve many stakeholders, likely all in different locations and time zones. There may be multiple deliverables tracking on different timelines, creating an additional layer of complexity and making it more difficult to plan out in advance. Additionally, complex projects often require a larger team, including subcontractors and other partners.

> " …The longer a project runs, the more that can go wrong. The bigger the project, the bigger the consequences of a failure. "
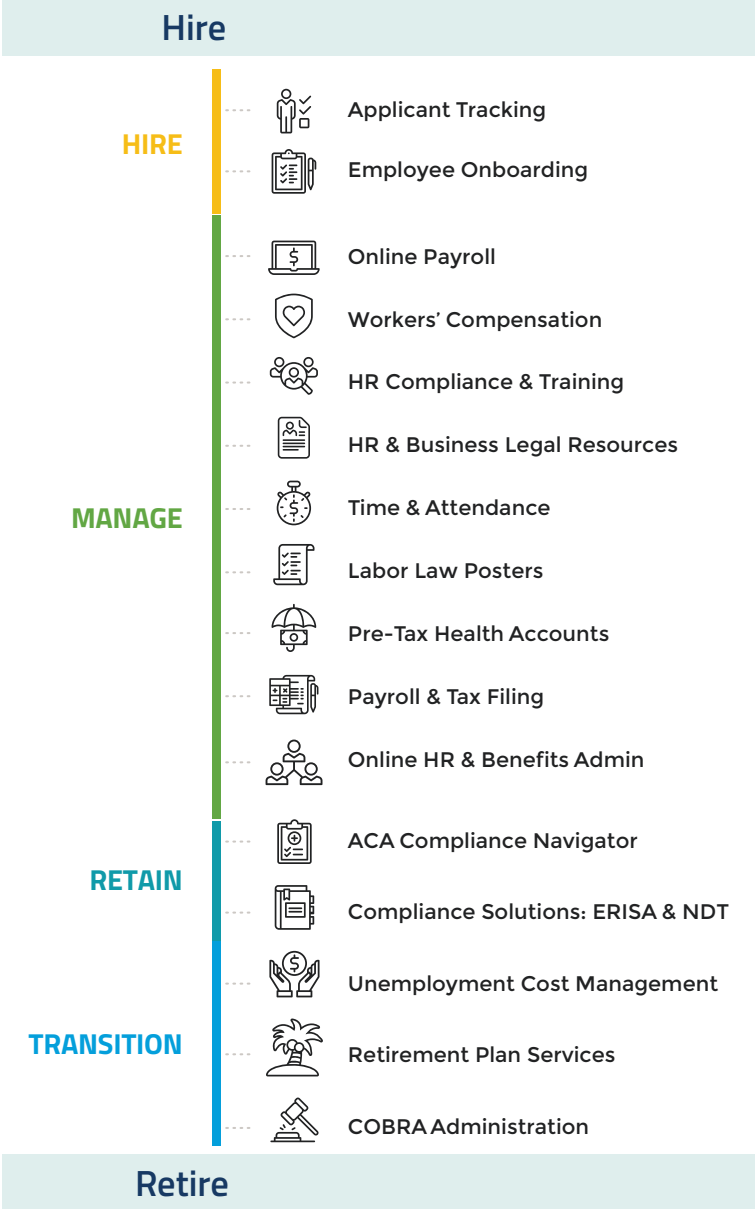
Geoff Mcqueen, CEO and Forbes writer[3]

In today's marketplace, companies need to not only successfully deliver these types of projects but also do it faster and more efficiently while exceeding client expectations. With these added pressures, many professional service leaders find themselves struggling to navigate this level of complexity in addition to having the right people in the right place at the right time.

A technology solution that can manage the entire employee lifecycle in one place simplifies this process. Employee management software takes the various business aspects involved in professional services, such as recruiting, onboarding, time tracking, payroll, and benefits, to help leaders quickly identify estimated costs, anticipate resourcing needs, and project revenue to gain a better understanding of the project scope and requirements from the start. "From Hire to Retire," professional services leaders can make sure the employee lifecycle encourages growth and keeps the company in compliance.

2 The Business Research Company. https://www.thebusinessresearchcompany.com/report/professional-services-global-market-report   3 Entrepreneur. https://www.entrepreneur.com/growing-a-business/3-major-pitfalls-for-professional-services-firms-to/233198

From Hire to Retire

Hire

HIRE
- Applicant Tracking
- Employee Onboarding

MANAGE
- Online Payroll
- Workers' Compensation
- HR Compliance & Training
- HR & Business Legal Resources
- Time & Attendance
- Labor Law Posters
- Pre-Tax Health Accounts
- Payroll & Tax Filing
- Online HR & Benefits Admin

RETAIN
- ACA Compliance Navigator
- Compliance Solutions: ERISA & NDT
- Unemployment Cost Management

TRANSITION
- Retirement Plan Services
- COBRA Administration

Retire

EMPLOYEE BURNOUT, RETENTION, AND MORALE

Professional services firms have a reputation for being a high-stress, mentally-taxing career choice with long hours, heavy workloads, and demanding clients. However, when paired with a rising cultural demand for work-life balance[4] and the added pressures of a global pandemic, what used to be considered "the norm" is creating an industry filled with employee burnout.

A recent Microsoft survey found that 48% of all workers and 53% of managers[5] report being burned out at work. And high-performing employees face an even greater risk of burnout. Because of their success, they are often assigned more difficult work or become the go-to for fast deadlines and last-minute emergencies. With as much as 50% of employee turnover[6] attributed to burnout, professional services companies must prioritize employee retention by helping employees reduce their risk of burnout.

Especially in professional services firms, where so much of the organization's value comes from deep thinking and meaningful collaboration, supporting employee wellbeing has never been more important. And that starts on the job by making sure professional services teams are well-staffed, well-trained, and able to focus on their jobs.

Adopting technology automates recurring administrative tasks, which enables employees to spend more time focusing on higher-level priorities. It also ensures that employees within the company get what they need to achieve high levels of performance, such as proactive information about administrative items like payroll and compliance, HR administration of benefits, and retirement plan services.

4 Business Insider. https://www.businessinsider.com/workers-want-work-life-balance-more-than-higher-pay-2021-8   5 Microsoft. https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work?wt.mc_id=AID_M365Worklab_Corp_HQ_Charter   6 Forbes. https://www.forbes.com/sites/rachelmontanez/2019/06/05/burnout-is-sabotaging-employee-retention-three-things-you-must-know-to-help/?sh=704074005f0e

> **Professional services firm leaders must face a new reality: burnout cannot be inevitable for their people."**
>
> - Julie Holunga[7], Leadership coach and Forbes writer

CHALLENGE #3
### REMOTE AND HYBRID TEAM MANAGEMENT

With the onset of the pandemic, professional service organizations were pushed into temporary remote work systems.[8] With the lessening of restrictions, companies have shifted to a hybrid work model, with employees who work remotely all of the time, some who work remotely part of the time, and those who work in the office. Many of these companies are now navigating uncharted waters when it comes to balancing the needs of their hybrid workforce with those of the business and, ultimately, the clients they serve.

Remote and hybrid work brings a unique set of challenges for ensuring efficiency, productivity, and collaboration. And data shows that managers are currently struggling. According to Microsoft, 85% of leaders[9] surveyed say that the shift to hybrid work has made it challenging to have confidence that employees are being productive.

To achieve remote and hybrid team management goals, it's essential that all parties are clear about expectations and that managers have a way to gain insight into their team's performance.

Leveraging technology that helps keep managers connected to their teams and provides the ability to establish priorities and set clear goals allows for greater transparency when it comes to productivity and project progression.

Creating a digital workplace
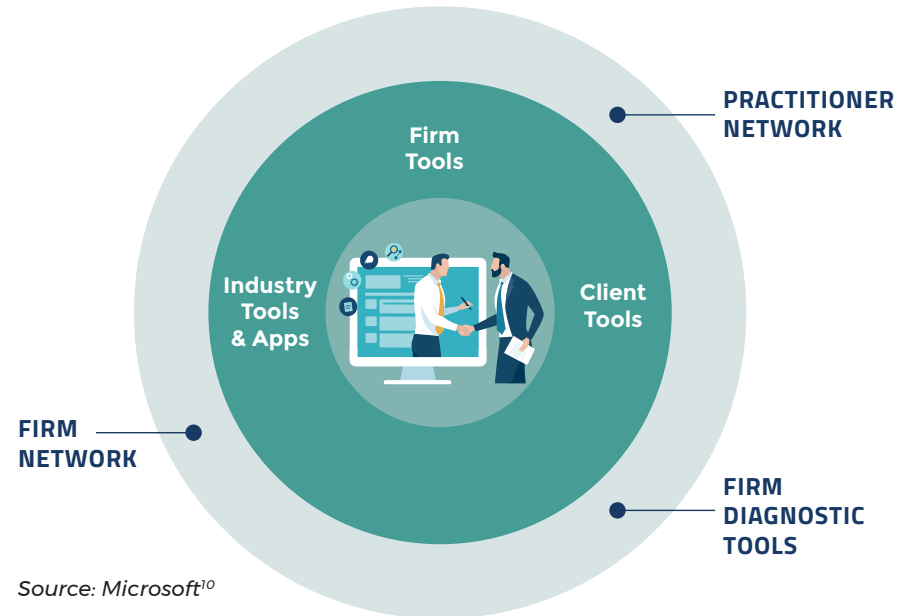
Source: Microsoft[10]

CHALLENGE #4
RESOURCE UTILIZATION AND CLIENT DEMAND

Many professional service businesses operate under the billable hours model, so resource utilization has a direct impact on revenue and profitability. Balancing the need for high productivity with the level of personalized service that customers expect presents its own set of challenges for management, with a special emphasis on staffing and workforce utilization.

7 Forbes. https://www.forbes.com/sites/forbescoachescouncil/2022/04/07/professional-service-firms-cant-afford-for-burnout-to-be-inevitable/?sh=3ec431806c9f   8 Microsoft. https://cloudblogs.microsoft.com/industry-blog/microsoft-in-business/future-of-work/2022/04/06/embracing-hybrid-work-in-professional-services/   9 Microsoft. https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work?wt.mc_id=AID_M365Worklab_Corp_HQ_Charter   10 Microsoft. https://cloudblogs.microsoft.com/industry-blog/microsoft-in-business/future-of-work/2022/04/06/embracing-hybrid-work-in-professional-services/

Creating an exceptional experience in professional services comes down to assembling the right mix of people, technology, and processes. Systems that provide real-time insights on staff utilization and other business intelligence metrics[11] help companies reallocate personnel to other projects when possible. Technology solutions that offer a granular and global view of current projects facilitate more accurate forecasting so businesses can identify resourcing requirements for both new and recurring work.

With a comprehensive employee management system in place, professional services firms can take financial and human resources data and put it in context of economic trends and talent availability of the moment. People, technology, and processes come together to enable greater insight into resource utilization, allowing firms to meet client demand, effectively mapping out the path to driving stable company growth.

Face Down Challenges With Employee Management Software

Talent is the biggest driver of success in professional services, and protecting talent must be the number one priority. A great deal of change and challenge has come for the professional services industry, requiring its workforce to adapt in the face of uncertainty. Avoiding employee burnout while managing complex projects and customer needs remains the most important priority – and the best way to ensure the workforce has what it needs is with a well-integrated employee management software solution.

When professional services take care of their people by putting the right technology and systems in place, those investments ripple out into every part of the organization and enable the whole organization to do better. From recruiting and hiring to time tracking and payroll administration, technology can help make all of the most burdensome HR and payroll tasks more seamless and simple, ultimately powering better insights and business intelligence that lead to better decisions and better business outcomes.

11 PYMNTS. https://www.pymnts.com/payroll/2021/primepay-payroll-business-intelligence/

From hire to retire, PrimePay is with you every step of the way.

PrimePay delivers highly configurable cloud-based software and services enabling clients to hire and retain great talent, manage and pay their workforce, and optimize their business in an ever-changing compliance landscape. Click here to learn more about our technology solutions, or click here to connect with one of our experts.

PrimePay