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Five Steps to
Driving
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Downwards

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As professional services organizations grow, adding new staff members and promoting others, decision-making can end up being pushed upwards. This can lead to a previously dynamic and agile business slowing down, bottlenecks arising, and opportunities to take timely action being missed.

A desire to keep control of the business as it expands can result in the concentration of power in a few hands. But if the CEO makes all the decisions, the company's ability to expand successfully will be impacted, regardless of what new technology is brought onboard.

How does the management team ensure that appropriate decisions are being taken? How are new staff members supported to deliver at the level of the most successful and experienced? How do colleagues access the information they need to make decisions which will impact the business's bottom line?

Having the facility to share up-to-date real-time information across the organization, such as is provided by an integrated professional services automation solution, is a precursor for empowering staff members throughout the organization to take appropriate decisions.

In this Best Practice Guide from Kimble, we describe five simple steps to driving decision-making downwards.

1

CREATE A CLEAR STRUCTURE OF OWNERSHIP OF FINANCIAL OUTCOMES

Make sure there is clarity about where the accountability lies for specific outcomes.

A golden source of information that everyone can access gives visibility and enables accountability to be shared across the business.

Having a PSA system means that up-to-date information can be shared across the firm in a single source of the truth that everyone can access. This forms the basis for sharing accountability right across the organization.

Driving decision-making downwards is a better strategy for a growing business.

To get value from the information which is now easily accessible, it has to flow into decision-making. It is no use sharing live, real-time information across the organization if every action requires approval from one of five busy people before it is taken. For example, a project is slipping into the red, but nothing can be done about it until next month's management meeting.

This kind of bottleneck can slow down response time and impact business effectiveness and performance. But if the right processes are in place, everyone will be able to draw on the "golden source' of information to make decisions about their own areas.

Holding people accountable drives this behavior. For instance, the managers of individual business units can be made accountable for their profitability. Project managers can be made responsible for ensuring that their engagements don't slip into the red and acting quickly if it starts to happen.

② GIVE STAFF MEMBERS CONTROL OF THE LEVERS THEY NEED TO AFFECT THESE OUTCOMES

Once the practices and processes that support devolved accountability are in place, they can be built on in many areas.

Baselining of project revenue and cost, agreeing to reasonable targets, budgets, and metrics and reviewing these on an ongoing basis will allow managers to support an empowered staff.

An expanding organization which decides to let the different business units and departments effectively run themselves, in line with general principles, can allow managers of business units to select the metrics they want to monitor to run their areas.

Project Managers can be given control over resources, time, and approving expenses. They should go into each project having approved and agreed on a baseline of the likely project cost and the predicted revenue. But the staff should not be held

accountable for things it can't control. For instance, when managing a budget for an international team, a project manager should not be held accountable for currency fluctuations.

But once the practices and processes that support devolved accountability are in place, they can be built on in many areas. Even fairly junior members of the staff can be given control of budgets for a specific area, but that budget should be looked at and reassessed on a regular basis, and the staff member should have opportunities to seek advice.

③ MAKE SURE THAT RIGOROUS PROCESSES ARE IN PLACE WHICH EVERYONE FOLLOWS IN A DISCIPLINED WAY

A disciplined approach will be necessary to ensure the success of empowered decision-making across the organization.

When a project is at the proposal stage, there should be a clear understanding of what it is likely to cost to deliver and therefore what the expected margin is. Sometimes, where this process is not well understood or adhered to, projects may be sold which are likely to be very difficult if not impossible to deliver at a profit. Lack of clarity about what margin a project was sold at, is likely to create problems for the person who is accountable for delivering it at a profit.

But setting the expectation that projects have to be clearly baselined before being handed over to project managers will help the organization to deliver projects on or above target.

During the delivery phase, there will be a different set of processes which have to be followed to make sure that the business delivers the best possible performance time after time. For instance, adopting

the practice that project managers will close each week swiftly, will ensure that when it comes to month-end, there is a much greater likelihood that the period will be closed within a few days, which will improve business performance.

4

USE AUTOMATION TO GUIDE AND SUPPORT BEST PRACTICE THROUGHOUT THE ORGANIZATION

Augmented intellegence-enabled professional services automation can guide and prompt the staff to work in the right way, highlighting actions that need to be taken.

In the early stages, many professional services organizations are dynamic and agile. At this stage, organizations tend to operate in what business author Geoffrey Moore defines as "high-trust networks." They are made up of people who understand the company's culture and share its goals. But when an organization enters a period of growth, that culture is challenged.

New staff members will not be as familiar with the business, and bringing on board several at once can have the effect of shifting the culture towards a more "low-trust network," where there is a lot more supervision and control rises to the top of the organization. But using AI-enabled professional services automation provides reassurance and ensures that even new and inexperienced staff members can be trusted to know what to do.

An automated system can highlight decisions and actions that need to be taken. For example, automation can prompt project managers, reminding them of the need to arrange more purchase order cover; consultants can be reminded to fill in and submit timecards and expenses.

5

HAVE MECHANISMS IN PLACES THAT ESCALATE ISSUES WHERE NECESSARY

Staff members become responsible for most of the day-to-day decisions, but managers maintain visibility of operational performance and are alerted to issues at an early stage, but only where this is necessary and appropriate.

Delivery managers can become responsible for most of the day to day decisions on the projects. If they look at the PSA screen each morning, it will warn them when purchase order cover is about to run out, if tasks are unallocated or if they need to extend the completion date on a project.

Knowing that the system is set up in such a way that delivery managers will be guided to do things in the way they are expected to and that any departure from this will be flagged up, means that managers can feel confident about pushing decision-making down the organization.

When this is working smoothly, staff members are effectively being supported to manage themselves. Project managers undertake to deliver projects on budget. Consultants fill in timesheets promptly because they know they will be held accountable for meeting their own individual utilization targets. Salespeople know that if they log opportunities, they will be able to compare how they are doing against targets, and how much of their commission or bonus they are going to make.

CONCLUSION

Organizations with empowered, autonomous staff members who are supported to self-manage will be able to maintain an agile and dynamic culture as they grow. Time is not wasted in decision-making bottlenecks. Information is acted upon as soon as it is available. Managers who are less occupied with

Using professional services automation, which increasingly incorporates augmented intelligence, helps staff members effectively self-manage.

day to day issues will be able to focus on leading the business in the right direction.

Kimble Best Practice Example: Kainos

Award-winning IT consultancy Kainos, which has tripled in size since introducing Kimble, is a good example of a business which has successfully pushed decision-making down the organization.

Kainos uses the intelligence that is embedded in the Kimble system to decentralize decision making. Business unit managers are responsible for making decisions about their own business, while at the same time sharing information about group-wide performance through the Kimble system.

Group Head of Finance Peter McKeown, said: "Kimble is a very powerful system. It allows me to capture a huge amount of relevant and timely data. Our business units now have much more operational visibility and control, and we've adapted Kimble to support each one of them."

When you delegate work to the member of the team,
your job is to clearly frame success and describe the objectives.

— Steven Sinosky

kimble

London • Park City • Boston
www.kimbleapps.com
info@kimbleapps.com
+44 (0) 203 006 9222
+1 (435) 200 1309