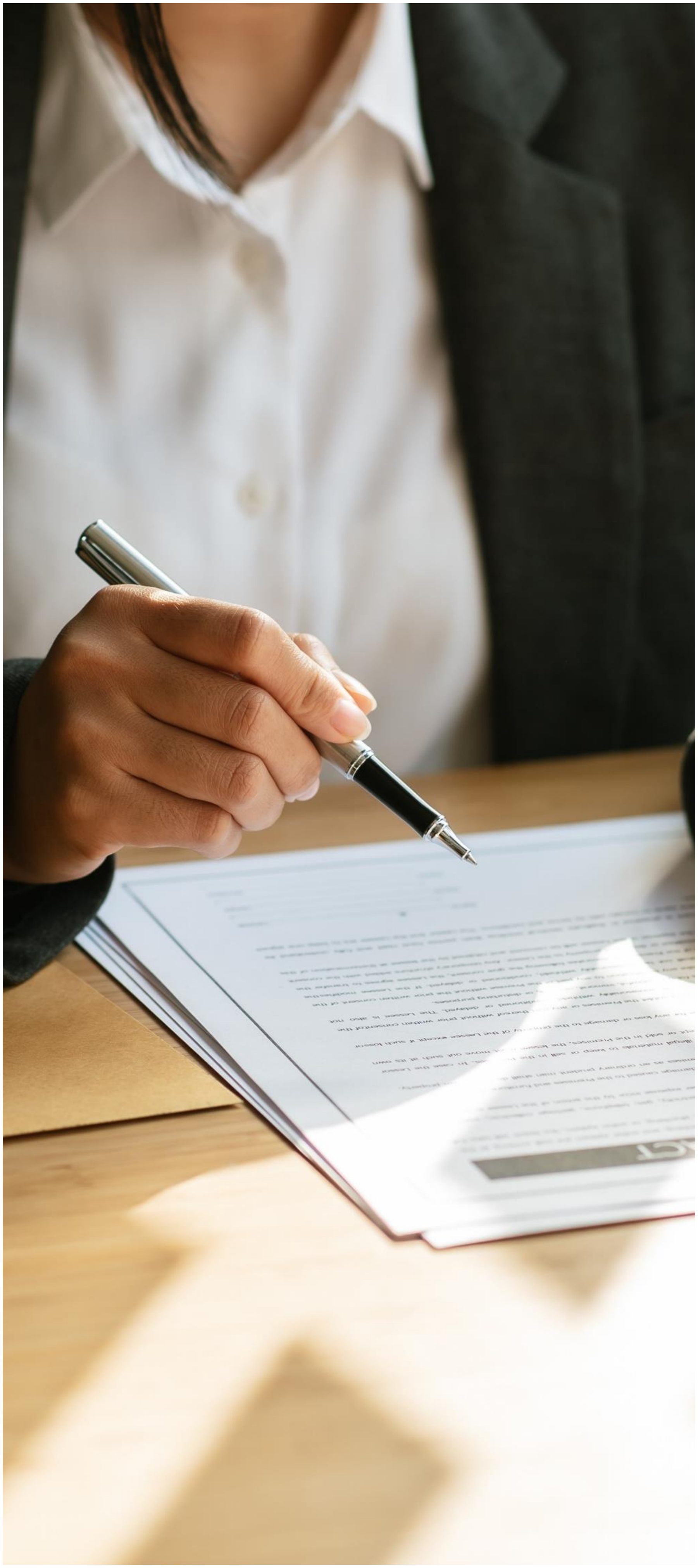

Service Management Prospect Engagement Playbook for Business Applications

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Service Management

Professional and Financial Services

Playbook Objective: Provide sales professionals with the primary messaging and engagement frameworks required to initiative and facilitate early prospect conversations.

Services organizations are challenged with selling an intangible product that is often difficult to quantify. Profitability requires that new clients are successfully onboarded and retained, projects are estimated correctly and completed on-time while meeting or exceeding customer expectations. To succeed, professional services firms need to adopt strategic and comprehensive financial, project and resource management practices. This can be accomplished with an information technology (IT) infrastructure from Microsoft that allows teams to share data, work together, improve interactions with clients, and make informed decisions.

Prospect Profile

Prospect Profile

- ✓ Microsoft technology adoption
- ✓ Multiple systems for document management, time capture, project management
- ✓ Complex business processes
- ✓ Outgrowing existing systems
- ✓ Need to enable future growth
    - Business expansion
    - Merger/Acquisition
- ✓ Challenges with workload management
    - Task assignment
    - Resourcing
    - Capacity planning

Replacement of Competitive Solutions

- ✓ Quickbooks/Sage/other legacy ERP
- ✓ Third-party Practice Management, Project Management, Document Management, Time Management systems
- ✓ Freemium or basic CRM

Industry Drivers & Market Forces

	Industry Drivers	Impacted Metrics
Economic	Inflation ↑ Interest rates ↑ Economic contraction Ransomware attacks	Demand ↓ Receivables/DSO ↓ Revenue ↓ Services margins ↓ Supplies/goods margins ↓ Labour costs ↑ Write-offs ↑ Security breaches ↑
Regulatory	COVID workplace regulations (new) Privacy (PII, GDPR) Occupational Health & Safety (new) Industry/government certification changes Labor laws/Minimum wage increase Revenue recognition taxation changes	Revenue ↓ Compliance costs ↑ Training costs ↑ Compliance fines/penalties ↑ Legal fees ↑
Labour Market	Skills shortage WFH (work from home)	Labour costs ↑ Open headcount ↑ IT/Security costs ↑ Data/privacy risk ↑
Competitors	New entrants (non-traditional/offshore/online) Specialization/new services/packages (bundles) Industry consolidation (M&A) Outsourcing low-margin work to emerging markets Aggressive discounting	Client churn ↑ Cost of sale ↑ Services margins ↓ Security costs ↑ Bid win rate ↓ Differentiation ↓
Customers	Increasing service delivery expectations, "Value/low cost" bias Pricing/billing transparency & risk transfer (fixed/flat fee) Subscription billing (not time & materials) Preference for virtual engagement Digital signatures, mobile communications, new payment forms Online research/comparisons (self-sufficient)	Project risk ↑ Bill review/invoicing time ↑ Utilization rate ↓ Rework ↑ Cash flow (DWC) ↓ Project profitability ↓ IT, security, and compliance costs ↑ Project complexity ↑ Cost of customer acquisition (marketing) ↑

Growth Drivers

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Practice Expansion	Merger or acquisition Launch new service/practice Employee growth Revenue/customer decline	Document silos Multiple service lines working on projects Multiple systems Inability to share project documents Fragmented processes and tools Unable to deliver end-to-end service experience	Document mgmt., versioning & history (SharePoint) Task assignment Resource planning Pro-active service delivery Streamlined data flows Visibility into service chain	Margins ↑ Revenue ↑ Profit ↑ Billable markup rate ↑ Client churn ↓ CAGR ↑ M&A integration (faster) Contract value ↑	CEO/Owner Consulting Leader Marketing Leader
Customer Acquisition	Stalled growth Low utilization rate Client churn (high)	No Customer Relationship Management (CRM) business processes No client segmentation New clients (prospects) searching for services firms online	Campaign mgmt./ROI Lead/contact mgmt. LinkedIn campaigns Prospect event tracking Automated comms	Revenue ↑ Marketing ROI ↑	CEO/Owner Marketing Leader

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Opportunity Management	Lost bid Low win rate Low YoY growth	Inconsistent sales process Forecasting in Excel Unstructured document management (quotes, proposals, contracts)	Defined sales process Contact management Real-time visibility into inventory availability Accurate record of prospect/customer calls, meetings, and communications (orders/quotes) AI-driven quotation and proposal generation Sales order mgmt.	Win rate ↑ Sales costs ↓ Forecast accuracy (improved) Resource planning (improved) Lead-to-cash (accelerated) Revenue ↑ Sales productivity ↑	CEO/Owner Sales Leader

Risk Project Drivers

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Estimating	Lost large client Missed client deadline Significant rework Inaccurate estimate Project write-off Lost bid Litigation/lawsuit Margins < 35% Signed a bad contract	Multiple systems Multiple practice areas/service lines collaborating on estimates Unstructured or inconsistent approval process Inefficient quotation and proposal process No visibility into accuracy of past (similar) estimates	Approvals workflow Document review workflow Document/file management Document versioning/history Digital signatures AI-driven quotes and proposals	Project profitability ↑ Administration costs ↓ Win rate ↑ Project risk ↓	Sales Leader Consulting Leader
Resource Management	Utilization rate <70% Billing delay New complex project Missed project milestone of delivery date (triggered penalty) Litigation/lawsuit	Client and project data in multiple unsecure spreadsheets/apps Disparate project team members (geographically) Inaccurate project resource forecasting Unable to track billable vs. non-billable time and expenses Limited ability to share resource knowledge	Capacity planning and management Actual vs. budget reporting Resource performance Billing accuracy and invoice validation Time sheets Dispatching	Services margins ↑ Cash-flow ↑ Utilization rate ↑ CUSAT ↑ Write-offs ↓ Project profitability ↑ Project OTD ↑ First call/visit resolution ↑	Consulting Leader

IT (Risk)Project Drivers

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Project Management	Write-off Low project profitability Project delay SLA penalty	Manual (Excel) project management Manual scheduling	Resource management Capacity management Costing flexibility Jobs Time sheets	Project profitability ↑ Utilization rate ↑ Write offs ↓ Invoice disputes ↓	Consulting Leader
System End of Life/Support	System failure/downtime Client data sent to wrong customer Lost key employee (no customer records/history) Data compliance violation Data loss	Increasing # and sophistication of cyber attacks No internal IT resources Growing volume of data System does not integrate with other (cloud) apps Cannot support remote workforce Excel becoming shadow accounting system	Cloud application ISV ecosystem Outlook/Excel integration	IT costs ↓ Administrative overhead ↓ Business risk ↓ Security risk ↓	IT Leader

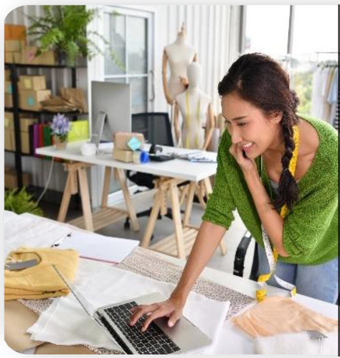
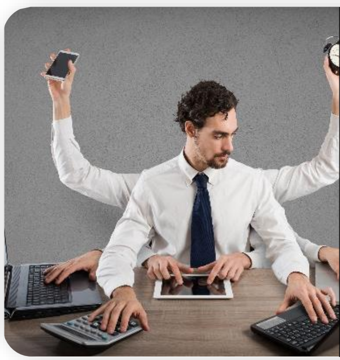
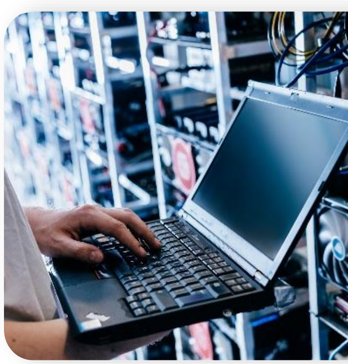
Control Project Drivers

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Project Costing & Accounting	Project write-off Client short paying invoices DSO > 75 days Client demands new billing models (subscription) Missed payroll (working capital shortfall)	Excel based reporting (manual/duplicate entry No real-time reporting Too long to close month-end (consolidating time sheets and approvals) Manual time entry Manual time/invoice approvals & collections Inaccurate/late billing Limited visibility into KPIs	Warranty management Job costing Budget reporting One centralized system Automated billing of progress payments Compare forecast, budget, and actual project costs. Track invoicing against planned or actual costs	Admin overhead ↓ DSO ↓ DWC ↑ Op. costs ↓ Bill review & invoicing time ↓ Invoice disputes ↓ Write-offs ↓ Faster month-end close Increased cash-flow	Finance Leader
Project Profitability	Utilization rate <70% Project write-off (large)	Flying blind – limited visibility into cash flow, project completion and resource utilization Excel based (manual) reporting No real-time reporting	Mobile time sheets Real-time project status, profitability, and resource utilization metrics Detailed project analysis Service contract management	Project profitability ↑ Project risk ↓ Decision making (improved)	Finance Leader

Control Project Drivers

Business Function	Project Trigger Events	Business Challenge	New Capabilities	Benefits	Primary Persona
Enabling Hybrid Work	Security breach Decline in productivity Compliance violation (client records) Failed project	Employees working on their own devices Multiple (non-integrated) collaboration tools	Document/file management (SharePoint) Document versioning/history (SharePoint) Anytime/anywhere/any device access	Admin overhead ↓ DSO ↓ DWC ↑ Op. costs ↓ Bill review & invoicing time ↓ Invoice disputes ↓ Write-offs ↓ Faster month-end close Increased cash-flow	Finance Leader
Security Breach	Ransomware attack/payment Data theft Negative public relations event (reputational damage)	Employees working from home/own devices Consultants sharing client files via Dropbox No governance re: protecting client data Increasing # and sophistication of cyber attacks	Microsoft cloud security (Azure) Zero Trust (MFA)	Employee productivity ↑ Billings ↑ Compliance costs ↓ IT costs ↓ Security risk ↓	CEO IT Leader

Persona Profiles

	Role and Key Stakeholder	Core Business Challenges	Use Case Scenarios (desired)	Key Impact Metrics
 Why Persona	**Leadership** Owner or Chief Executive Officer (CEO) CFO/VP Finance VP/Director Consulting VP/Director Sales	• Recruiting, training, retaining talent • Develop new service offerings (productization) • Maintaining high margins • Meeting regulatory and compliance requirements • Project profitability • Increasing fraud risk (internal/external) • Managing cash flow • Managing client expectations/escalations • Inconsistent/inaccurate sales forecasting • New client acquisition	• Ensure successful project execution and profitability with planning, resourcing, tracking, costing, billing, accounting, and real-time intelligence • Accelerate financial close, improve forecasting, and get real-time performance metrics and reporting • Improve reporting for more profitable financial decisions • Limited/no real-time data to manage projects, resources, cash flow	• Revenue growth (CAGR) • Project profitability • Utilization rate • Billable markup rate • Regulatory compliance performance • Customer satisfaction • IT costs • Project write-offs • Bad debt • Days sales outstanding (DSO)
 How Persona	**Office Manager/Business Operations** Operations Manager Customer Service Manager Consulting Manager Finance Manager/Controller	• Projects not meeting budget, quality, and timeline goals • Inefficient use of project resources • Long billing cycles, late payments, and complex billing structures • Increasing administration costs • Manual project costing (Excel) • Limited visibility into resource availability, planning • Inaccurate cash-flow projections and management • Inaccurate billing/invoicing • Inaccurate estimating • Increasing operational costs	• Reliable customer payment predictions, effective cash flow management and accurate forecasting • Lower financial fraud by reducing transaction and account fraud, associated operations costs • Resource optimization - balancing resources across project backlog, client demands, new projects • Tracking utilization against actual billings by individual contributor and project across the entire project portfolio • Tracking billable hours in real-time	• Average days to close books • Invoice accuracy • On time delivery (project) • Forecast accuracy • Bid win rate • Budget vs. actual • Utilization rate
 What Persona	**IT** IT manager IT administrator Help desk	• Supporting WFH employees • Securing and protecting IP and critical processes (IC) • Increasing IT costs • Managing a challenging set of stand-alone systems • Maintaining security and data protection	• Modernize IT environment • Enterprise grade cloud security • Cybercrime protection • Remote and firstline worker productivity • Regulatory compliance • Process automation (Power Platform) • Reporting	• IT costs • IT budget as % of revenue • # of identified and defended attacks, breaches, fraud attempts • Remote/firstline workers security incidents (#) • Security audit score (avg.)

Customer Buying Framework

Why Change?

Technology Drivers:

Current systems failing, legacy at-risk technology
Eliminate cumbersome VPN access, move to the cloud
Hybrid WFH/RTW technology environment
Improve security of internal and client data
Inaccurate (or unavailable) data
Cost of maintenance and upgrades

Business Drivers:

Low employee utilization rate
High project write-off
Losing employees
Adding a new practice area
Merger or acquisition
Unable to access the data required to manage the company, projects and resources

Why Invest in a Technology Solution?

Streamline processes with workflows and automation
Technology = automation (do more with less)
Single data platform = improved reporting, project management and decision making
Secure data platform = protect company and client data
Easily manage all practice areas and company resources in a single platform
(marketing, sales, estimating, resource planning, project accounting and reporting)

Why Centralize Data in the Cloud?

Clear picture of the business: 360-degree view of the data
Improved collaboration across project team members: deliver more value to customers
Anywhere, anytime access: support remote, contract and mobile resources
Flexible working environment: attract/retain employees
Regulatory compliance and data security: protect sensitive project, financial and client data

Why Microsoft?

Azure: stability, security, performance, data privacy
Comprehensive: single business system that scales with your growth
Unified Business Platform: – manage the entire firm on a single Microsoft platform – marketing, sales, estimating, resource planning, accounting, client support - and more.
Familiarity: higher user adoption (Windows, Outlook, Office365)
Microsoft eco-system – legal partner expertise, constant innovation
Tested and used by millions of users: proven, versatile business applications
Safe & Trusted: Cloud based solution – secure access from anywhere
Innovation: Leading R&D investments for ongoing innovation

Why Microsoft Business Central?

Industry leading solution for Services Management
Secure environment that protects your organizational and clients data
Robust ecosystem of supporting solutions
Breadth of functionality and capabilities
Continuous research and improvement
Built-in business intelligence
Access from any device, anywhere
Transformative – platform allows for future flexibility
Integrates with Microsoft productivity solutions (Outlook, Excel, Word, Teams) and other Dynamics 365 applications
Low code platform to cost effectively configure solution to fit your unique needs

Why Microsoft Dynamics 365 Sales?

Configure, automate and accelerate sales processes
Effectively manage opportunities
Accurately forecast revenue
Make faster, more informed decisions using real-time sales insights.
Secure environment that protects your organizational and clients data
Access from any device, anywhere
Integrates with Microsoft productivity solutions (Outlook, Excel, Word, Teams) and other Dynamics 365 applications
Low code platform to cost effectively configure solution to fit your unique needs

Why Microsoft Power Apps & Power Automate?

Simplify app development - easily develop mobile and web apps for any business need—even if you have no technical or development experience
Easily add process automation to your apps
Guide users with busienss process flows

Empower eveyone to build apps
Drive innovations across your business
Build secure low-code business websites

Why Work with a Microsoft Business Central Partner?

Vertical expertise in the services industry: 'best practices and rich experience
Proven success: performance, certifications, and customer success
Solution flexibility: pre-configured solutions or custom projects

Why This Project/Investment?

Proven **Services Management** solution
Addresses growing data security and privacy risk
Compelling business impact and ROI
Get the reports and data you need to make informed decisions

Why Now?

Do more with less: increase resource productivity and project profitability
Better leverage the Microsoft 365 software you already own
Free your staff to work from anywhere
Protect your internal and client data
Faster reporting, cycle times, and financial closes: improve cash flow

High Potential Emotional Engagement Questions

There are many critical business functions where Microsoft Business Central and Dynamics 365 Sales can uniquely help services companies.

They are:

- *Practice expansion*
- *Client acquisition*
- *Opportunity management*
- *Estimating*
- *Resource management*
- *Project costing & accounting*
- *Project profitability*
- *Regulatory compliance*
- *Data security/End of Support*

Business Function	Engagement Questions
Growth (Desire)	
Practice Expansion	*'We're hearing from our customers, and from research, that most services companies are developing new practice areas to differentiate themselves and deliver a broader range of offerings to their clients. Let me ask you this.'* *Is your organization developing new practice areas as well?* *What kind of impact will they have on your current business systems?* *Are the new services creating a greater level of project account complexity?*
New Client Acquisition	*'Many of our clients who relied in the past on their reputation and referrals to grow the business are now looking at technology to help accelerate growth. Let me ask you this....'* *What technology or tools are you using to proactively attract and engage new clients?* *How have you adapted your customer acquisition business processes and systems to address the increase in "anonymous" research/buying?* *How are you managing those communications and campaigns?* *How effective have the campaigns been in terms of ROI and impact?*

Opportunity Management	*'Increased competition, inflation and changing input costs are making it harder for service companies to create winning bids and close deals. I'm curious…'* *What do you feel are the biggest hurdles to closing more business at <insert prospect name>?* *What processes has your organization put in place to drive a consistent or standardized sales approach?* *How does the sales team work with project delivery to build estimates and project documentation?* *Are you comfortable with your current level of forecast accuracy?*
Risk (Fear of Loss)	
Estimating	*'Two of the biggest challenges growing services companies often struggle with are project estimation and bid management. When your sales team is pursuing new projects…'* *Do you often have multiple contributors work on new estimates and bids?* *How do you currently manage versioning and approvals as your proposals and estimates go through different phases?* *How often do you experience a significant variance between project estimates and actual?*
Resource Management	*'Resource management is consistently called out as the single most important factor in managing a project portfolio. I'm curious…'* *Do you have resources that work across multiple projects?* *How does your organization manage that process to ensure you have the right team members working on the right project tasks?* *How does the resource management team collaborate with your account managers (sales) to balance current project requirements with new projects?*
Regulatory Compliance	*'Many of our clients are asking for help with regulatory compliance support, specifically around managing and handling client data, which we know can be difficult from an administrative perspective. Let me ask you this.'* *What changes are you anticipating on the regulatory bodies over the next couple years?* *How does your firm manage regulatory compliance reporting today?* *How do you typically handle data compliance requests?*

Data Security (Downtime/System End-of-Life)	*'In working with small to midsize services firms we come across more and more that are struggling with data security and downtime - and many are realizing their systems are coming to end-of-life. Let me ask you this.'* *When was the last time your company updated its business systems?* *How are you currently securing your internal and client data?* *How often does the company lose productivity due to system challenges.* *Are you satisfied with your current level of data security?*

Control

Project Costing & Accounting	*'Lately we've been doing a lot of work helping our clients improve their reporting, specifically around billing/invoicing and cash-flow management. Let me ask you this…'* *Are you satisfied with the quality of reporting you're getting out of your current business/accounting systems?* *How comfortable are you with the quality of your data?* *How would you describe the financial closing process at the end of each month?* *What's the one report your leadership team has been asking for that you can't get out of your current data set?*
Project Profitability	*We're starting to see resource scarcity and rising labor costs impacting project profitability across many of our customers. I'm curious…'* *'Have you been experiencing similar increases in your input costs?* *What process does your organization go through to measure project profitability?* *Do you often find a significant variance between project estimates and what is actually delivered to your clients?*

Broad Discovery Approach

	Practical (What) Direct the Discussion	Functional (How) Refine the Focus	Emotional (Why) Define the Impact
Project Objectives	What are your top project objectives for this initiative?	How did the organization land on those as the key priorities?	What are the expectations in terms of operational improvements and business impact?
Anticipated Scope	Projects like this come in all shapes and sizes. Can you share a high-level overview of the anticipated scope of this initiative?	How will the finance team and/or sales team be affected by the new system?	I'm curious, why is that group the primary focus of this project?
Current Challenges/Pain	What aspect of your current system does your business community, finance team, sales team, consulting team - find most frustrating?	How is the finance and/or sales team working around those limitations/issues today?	Which KPIs are being dragged down by these challenges?
New Capabilities	What are you looking to do with a new project accounting and/or opportunity management system that you can't do today?	How will that change how you approach: • capacity management/project management? • managing opportunities/sales operations	Once the new system is up and running, what impact do you expect it to have on your ability to: • improving utilization rates and project profitability? • increasing your win rate on new bids/deliver accurate forecasts?

Solution Play Discovery Approach (Part 1)

Solution Play	Enable Hybrid Work	Drive Business Growth	Rapidly Build Apps	Improve Business Operations
STEP 1: Ask **Broad** opening discovery questions.	How many of your employees work remotely? What do you feel are the main barriers to better project team collaboration? What are some of the biggest challenges engaging/supporting remote project team members?	Does your organization follow a consistent sales process? How often does your sales team interact with the project delivery team to produce estimates? What tools does your sales team currently use to manage that process? Are you satisfied with your current forecast accuracy?	Who do you rely on internally to develop new web applications? How would you describe your current application development backlog? What impact is that backlog having on the business?	Which manual project accounting processes would like to see automated or digitized? How would like to improve your core financial reporting? What operational inefficiencies are you wrestling with, for example is it difficult to create orders or invoices?
STEP 2: Identify a **Pain Point.**	Decline in employee productivity or morale Lost work/re-work Declining utilization rate	Missed sales forecasts Declining win rates Insufficient pipeline	Significant custom application backlog Unable to source/hire IT resources New business processes/business model	Increasing project write-offs Billing/invoice disputes or increasing DSO Complex/long month-end close
STEP 3: Engage. Provide an **Educational Insight** or direct the conversation to potential challenges.	Did you know… **20%** of each workday is lost tracking down information and data? How do cross-functional teams collaborate on and manage shared documents today? Did you know… 80% of full-time workers expect to work from home at least 3x per week after Covid-19 restrictions lift. Do you feel your employees are as effective working from home as they are in the office?	Did you know… **49%** of sales reps ignore more than half of marketing's leads? How have you adapted your customer acquisition business processes and systems to address the increase in "anonymous" research/buying?	Did you know… **86%** of companies struggle to find technical talent to build applications. Have you identified any compliance or security risks within your legacy systems now that you're support a WFH model? How long does it typically take your IT organization to deliver application enhancements from the time the request is submitted?	Did you know…**76%** of SMB CFOs are dissatisfied with cross-functional collaboration to bridge the gap between operational and financial planning. How is your organization adapting its finance processes and systems to support collaboration across sales, project management and project accounting?

Solution Play Discovery Approach (Part 2)

Solution Play	Enable Hybrid Work	Drive Business Growth	Rapidly Build Apps	Improve Business Operations
STEP 4: Provide a **Visualization** & offering statement "What if you could…"	*"What if you could…* collaborate, meet, call, and connect with project team members, contractors, and clients within a single workspace?	*"What if you could…* create and implement a standardized sales process that consistently led to high win rates?	*"What if you could…* eliminate your IT skills gap/shortage and extend application development capabilities directly to your business community?	*"What if you could*…improve project execution and profitability with planning, resourcing, tracking, costing, and billing metrics in real-time?
STEP 5: Share **High-impact** Microsoft capabilities.	With Microsoft Dynamics 365 you can: • Manage plans, tasks, and lists to ensure the team's success. • Reduce complexity, training, and multiple logins by consolidating your communications apps with a single provider. • Start a call from anywhere, on any device and schedule/join directly from Outlook. • Maintain business continuity, regardless of where people are working. • Control access to sensitive information using encryption, conditional access and self-password reset.	With Microsoft Dynamics 365 you can: • Manage all sales opportunities. • Easily create and send quotes, orders, and sales documents. • Automatically log all sales interactions • Help your sales team work smarter, identify potential deals that would increase revenue, and build better relationships with customers. • Get a holistic view of the customer and create more compelling, personalized emails within Outlook.	With Microsoft Dynamics 365 you can: • Automate and simplify repetitive processes. • Reduce mobile and web application development. • Build applications that solve business problems with limited technical capabilities. • Build solutions with an enterprise grade back end (security, data storage, administration). • React quickly to changes in customer behavior and demand.	With Microsoft Dynamics 365 you can: • Connect accounting, finance, and project teams with other areas of your business to deliver results faster. • Keep track of resources and prices. • Manage warranties for service items and spare parts. • Measure service contract profitability. • Plan capacity and sales, manage usage statistics, and measure resource profitability. • Accelerate your month-end close. • Predict how your company's liquidity requirements.
STEP 6: Ask clarifying (closing) questions or make a **Recommendation** (engage an expert.	From our conversation, it sounds like Microsoft could enhance the way your teams work together. If you agree, I'd like to schedule some time to better understand how your remote employees collaborate with their colleagues and clients. Would you like to set that up?	Would you be open to bringing your sales and marketing leaders together to identify potential use-case scenarios that could increase conversion rates, lower your customer acquisition costs and close deals faster?	There might be an opportunity here to significantly reduce your current technical debt and automate many of your manual business processes. Would you be open to scheduling some time to review your current application development backlog?	Would you be open to working together to map out your current project accounting challenges to determine if there is an opportunity to improve cash flow?