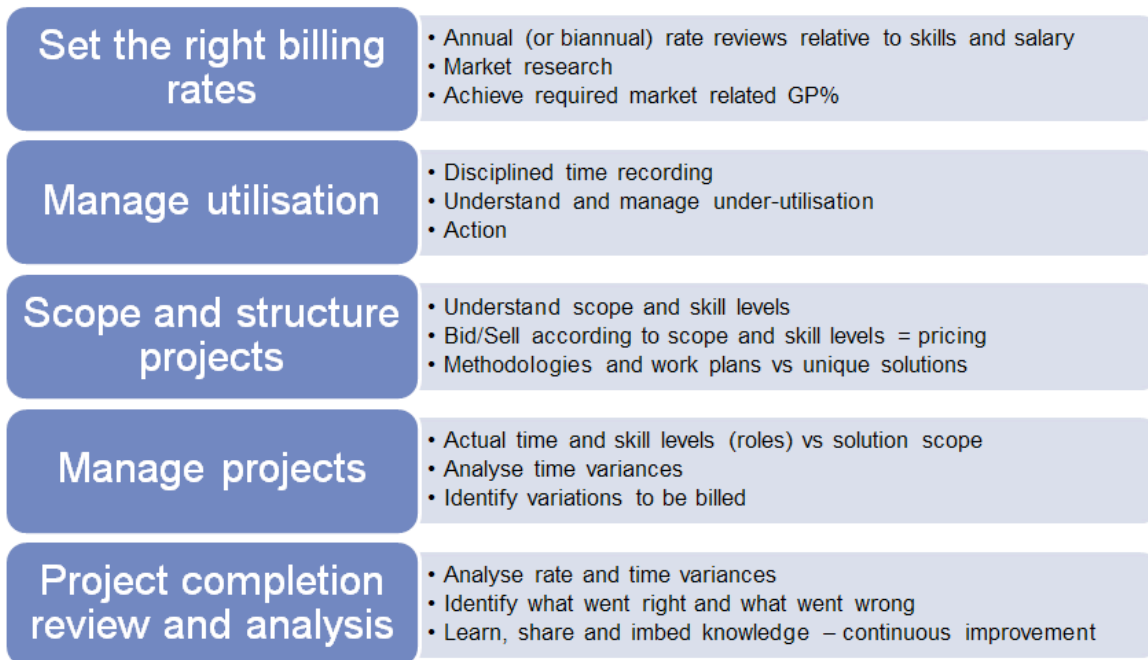




Practice management in professional services

Brief

Practice management in professional services



Practice management, as used in this context, refers to the financial and performance management of professional services.

Applying the steps and principles in a structured and disciplined manner is essential for achieving and maximising profitability.

The steps and principles are simple and logical, however far too often we see organisations failing to apply and manage these in a disciplined manner.

The key practice management steps are:

1. Set billing rates at the level required to deliver a reasonable gross profit margin (minimum 2.0 x salary costs; ideally 3.0 x salary costs). If the billing rates aren't achievable in the market, the organisation needs to understand why not and what the underlying causes are.
2. Manage utilisation in a disciplined manner, starting with full and complete time recording.
3. Scope and structure projects/engagements in such a manner that work is performed by the appropriate skill levels. Engagements must be priced according to the scope and skill levels required to do the work.

4. Manage projects against the detailed scope and variations to scope must be identified and billed to clients if appropriate.
5. Develop a process and culture of post completion reviews where all people involved in the engagement, from sales through to delivery, analyse the performance and learn, share and imbed the learnings.

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