Report Title: *Recession Strategies for Service Firms*

Report Distribution Type: Single User Only

Report Cost: $595*

* Reprints or Reproduction Rights Available – Contact: contact@vitalanalysis.com

Inside:

A Special Report from Vital Analysis

Service Organizations:

Winning Strategies in a Recession

Overview

If you are responsible for a material part of your service firm's operations, these are interesting times. You can probably commiserate with the stars of those televised survival shows who are dropped into a hostile environment. In this forbidding place, they must quickly find food, shelter and water all while defending themselves against potential predators, illness and injury. Their goal as entertainers is to show us a path to deliverance. Deliverance from a recession is also challenging only for services executives, the problems and landscapes are markedly different from what television personalities face.

This paper provides guidance for services executives as they navigate a sometimes hostile business climate that in recent months has turned particularly dicey. This paper includes a number of recommendations that touch on survival strategy issues, revenue improvement opportunities, cost containment strategies, intellectual property development needs, improvements to service productivity, human capital concerns, and, some dialogue involving some special situations your organization may confront.

Act With a Plan

Newton's Third Law, popularly abbreviated to "*for every action there is an equal and opposite reaction*", is in effect in many service organizations today. When the economy has been adversely impacted, some service executives immediately initiate a series of short-term, knee-jerk reactions instead of crafting a solid, long-term plan that will guide them through the entirety of the economic recession.

When service organizations face short-term drop-offs in utilization or chargeability (due to the loss of a key client for example), service executives know what adjustments to headcount, hiring, etc. they must make as their company will need to right-size for a time. However, a recession is a different animal. During a recession, it is more difficult for a service organization to anticipate which clients or prospects will defer work, cancel projects, etc. Likewise, service organizations cannot assume the rest of their business will be unaffected and they also cannot tell when the recession will end.

Because of the uncertainty, variability and (unfortunately) magnitude of a recession, service executives must have a plan. This plan must provide for multiple contingencies while simultaneously protecting the short and long-term future of the company. The plan must also account for the morale of the firm’s number one asset: its people. A services survival strategy during a recession must address:

- methods to avoid departures of the firm's best people
- mechanisms to prevent an overabundance of marginal employees being retained
- a frank assessment and economic analysis of the firm’s future business and backlog so that employee morale is not affected by a "death by a thousand cuts" layoff program
- how the intellectual property of the firm will be protected during a trying time

The recession plan must contain many parts and be responsive to several constituencies. Shareholders and business owners must be assured that the survival and economic fortunes of the firm are protected. Management must also address how morale will be maintained in a challenging time. Expectations around revenue, customer satisfaction, win rates, cost control and more must be determined and plans constructed to achieve new targets in difficult times.

A unified business plan must be constructed if a service organization is to do more than just survive a recession. Service executives should challenge themselves to craft a recession strategy that allows their organization to not just exist but to emerge stronger, bigger and more competitive. The goal of this plan must be to answer the question of how the service organization will achieve these objectives by the end of the recession.

We believe the plan must address, at a minimum, the next several sections of this paper.

Relevancy of Your Offerings

Service solutions have a useful life. If your organization has grown fat and comfortable selling the same thing to the same kinds of buyers for the last several years, it may find that its offerings are no longer in step with the times. A recession causes buyers to make new, sometimes difficult, choices. The new economic environment requires buyers to put a new or fresh lens on their services procurement decisions. It is at this time that many service firms find that their solution set is no longer market relevant.

It can be difficult for service organizations to invest in new market offerings during a boom time. The people that should be developing these offerings are in great demand with clients and cannot afford to take the time, that is unbillable time, to build new capabilities for the firm. While the temptation is always there to maximize short-term revenue, smart service firms continuously challenge themselves to reinvent their organization so that it always remains relevant and slightly ahead of the competition. Regardless of the economy, if your solutions are no longer differentiated and market relevant, start updating them NOW!

Ask yourself, are your service offerings:

- *differentiated* or commonplace?
- *value adding* or a commodity?
- *new and novel* or relatively unchanged?
- *facing increasing demand* or diminishing market interest?
- *exciting to your employees and customers* or routine?
- *challenging to complete* or rote work that anyone can accomplish?

When you sell irrelevant offerings, you waste the time of your sales professionals and squander the future of your service organization. How do you know if your offerings are no longer relevant?

- Are you still selling the same offerings your organization pitched to prospects after the last recession?
- Are you facing substantial pricing pressure from clients and prospects regarding your offerings?
- Has the level of competition for your services become excessive?
- Is it harder than ever to get prospects interested in your offerings?

Technology changes also dictate changes in market offerings. For example, systems integrators that persist in selling and implementing on-premise, licensed software instead of software as a service (SaaS) solutions are finding fewer and fewer opportunities available to them. Likewise, service firms that specialize in the re-automation of previously automated systems (e.g., financial software) may find clients less enamored with solutions that offer a potentially lower total cost of ownership (TCO) instead of a positive return on investment (ROI). ROI-based deals trump TCO-based deals in a tough economy. Are you selling the right solutions?

The Changing Client

What clients and prospects want during a recession can differ from that of a more robust economy. In a constrained economy, prospects will likely:

- **use third-party negotiators to construct material parts of their service agreements with your firm**
- **seek the exact services the project requires.** Prospects in a down economy have no need for Jack-of-all-trades or generalist service providers. They will expect and only pay for specialists and experts. The logic on this is unassailable as it is simply too expensive for prospects to hire unqualified or marginally qualified individuals. In a down economy, clients will not pay for people to learn on their dime.
- **tie payments to specific project milestones and success criteria.** Just because your firm likes to sell time and materials based solutions doesn't mean clients are in love with that approach. They have always wanted your firm to put some skin in the game and in a robust economy you could avoid doing so. That will not work in a down economy.
- **scrutinize every resume of every person you intend to bring on the project.**
- **take longer to close deals as they need to seek additional internal budgetary approvals.** Every deal will face additional internal selling obstacles to get the project green-lighted
- **challenge your margins especially on projects with longer-term durations**. If the prospect's business is under margin pressure from its customers, then they will pass that pain and scrutiny back to your firm.
- **push for a 'smart' offshore approach to some of your proposed solution**

Client Intimacy

In a down economy, service firms often cut back on their client contact. Fewer face-to-face visits are made as management encourages its people to scale back travel and use more e-mail and telephone contact. Yes, there is logic to this as cost control is essential in a recession. However, what will distinguish some service groups is the time they spend with prospects *in person* when all of their competitors are eschewing such contact. If your personnel are the only ones walking the halls of your prospects and clients, who will the client turn to for new work? They will choose the providers who cared enough to invest in their customers.

However, some firms will find that they have nothing new to discuss with clients and prospects. Whether that contact is face-to-face or over the phone, if you have nothing new, useful or focused on the prospect, then you are wasting the prospect's time.

Take a good look at what you are using to communicate with prospects. If you produce a newsletter, is it an egotistical newsletter? Is it full of self-promotional pablum where you pat yourself on the back, brag about new client business you've booked or new people you've hired? Or, is your newsletter about the problems that client businesses and specific verticals are facing? Are you discussing problems that are difficult to fully understand but your firm has gained new insights into them? In a rough economy, prospects will do business with companies that empathetically understand their industry, their problems and the solutions they need.

Are you staying close to your alumni? Many former workers may have gone to work in your clients' and prospects' businesses. Don't expect them to reward your lack of interest in them these last few years with new business. Re-establish your connection with these critical influencers and decision makers before you need to ask them for new business. And, when you connect with your alumni, make sure you establish a two-way relationship. When an alumni outreach initiative only benefits the service firm, it will be immediately seen as the transparent sales tool that is. If you cannot make it a two-way relationship, don't even try to work with your former employees.

Your Services Brand

When people hear your firm's name being mentioned, what word, phrase or image does that immediately trigger in them? If you don't know the answer, you need to do some homework. Unsurprisingly, too many service firms sound the same and market themselves in a bewildering consistency of sameness. They all hire the best people, strive for excellent client service, etc. Their brands are not just bland - they are identical, boring and undifferentiated.

Great services organizations are constantly challenging their clients and prospects with novel, interesting and compelling ideas and thought leadership. They have brands that clients recognize as standing for great thinking and leadership. Moreover, these firms keep their brand out front with their clients and prospects. They use a combination of advertising, marketing collateral, blogs, social networks, public relations, etc. to keep the messaging current, fresh and upfront with buyers of services. In a recession, do not let your brand become stale or go sub rosa. If prospects don't hear of your firm, they will assume the worst. Service groups that do not market themselves in a recession are presumed to have died or will soon die off.

To keep your brand vibrant, do something that prospects will notice:

- Publish a book
- Create an outrageous promotion
- Perform critical research in a key vertical sector and share the results with clients and prospects alike

Selling Services in a Recession

Selling services in a recession is different than selling in a more robust economy. In a recession, the number of opportunities will be diminished, the size of opportunities may be smaller, the competition more intense and the opportunity for follow-on work may be lessened.

If you intend to use your pre-recession selling strategy in a recession market, you will likely sell much less work, incur higher cost of sales and enrich your competitors. You must change your selling strategy to emerge from the recession in a stronger position.

First of all, if your services sales are driven by Lone Wolf sales professionals, you may want to rethink this in the recessionary climate. Team selling is far more effective in a down economy as it channels the very best of several persons into a single opportunity. Team selling also removes the risk of betting every aspect of a sales opportunity on this one individual. In team selling, you have multiple sets of eyes and ears focusing on many different client and prospect personnel. Prospects will interact with your subject matter experts and come away with a newfound respect for your firm's competency in this space. Sales messages will be better refined and the scope of the project will be sharpened. When done correctly, sales teams increase the overall size of the deal because the team can better sell the full multitude of your services offerings and not just the offerings the salesperson is most comfortable with.

As you shift to a team selling approach, also make the shift to point of view selling. Point of view selling requires your sales teams to do a bit of homework before making sales calls. Sales teams need to understand the top business issues impacting specific customer segments. They also need to do some research on the specific business issues confounding a given prospect. When all this is put together, the sales team can develop a unique point of view about the business challenges confronting this prospect and how your services organization is ideally suited to helping resolve the same. Prospects appreciate sales teams that have taken the time to understand their firm and their industry. Prospects hate salespeople who bore them with function feature demos or subject them to generic fishing exercises (e.g., "*So, tell me, what are the top three issues keeping you awake at night?*").

To win work in a recession, you need to forget territories and who "owns" specific accounts. You need to get the best salespeople and subject matter experts on each and every opportunity. Moreover, you need to leave no reason for a prospect to say no to your proposals. You need to have straightforward and compelling value propositions. You need to propose an outstanding team on every deal you propose. You need your pricing to be reasonable and commensurate with the value your firm is delivering. And, you need to back up your value proposition with the supporting intellectual property, tools, resumes, etc. required to earn your place at the prospect's negotiating table.

In a recession, the best service sales will occur when egos are made secondary to the real business outcomes the company requires. Do your homework on your prospects. Put the most relevant sales team before them. Develop a prospect-centric point of view. And, leave no reason for the prospect to deny you this work.

Cost Management

Service organizations are often populated with very smart, bright and capable individuals. They're used to making a number of critical business decisions as well as providing advice and counsel to their clients. Many of them believe that they are qualified and expected to make a number of operational and cost based decisions for your firm. Sadly, with so many cooks contributing to this soup, the cost structure of many services organizations grows larger with redundancies and too many choices. Too many smart people can make for an expensive firm!

Look inside your services group. Chances are you have some subset of employees who feel they must have the latest and most powerful cell phone, laptop, etc. These are the **gadget freaks** who drive up your IT support costs as well as your operational costs. There is another group of workers who are **high maintenance** people. They refuse to fly lower cost air carriers, will not stay at the lower cost hotels your client wants them to stay at and they won't book their flights in a timely basis to save you or the client some money. You may also have **demanding** individuals who insist on expensive new office furniture, an executive assistant, etc. Sometimes, the first step to managing services costs is to manage the people incurring or triggering these costs.

In a recession, there are many common cost management techniques to employ. These include:

- cancellation of space remodeling projects, office moves, office expansions, etc.
- increased use of a office space hotelling program or boosting more at home work
- strict controls over last-minute discretionary spending especially travel
- encouraging selected workers to take unpaid or partially paid sabbaticals

But, we also see smart firms going through their costs on an expense category by expense category basis. For example, if your telecommunications environment has not been seriously reviewed or upgraded in the last 2-3 years, you may want to do this immediately. Not only should you assess the viability of a VOIP telephony solution, you may want to make the use of Skype for all internal calls a mandatory requirement. For conference calls, should your firm be using one of the free conference calling solutions? Should your firm question any employee that uses or requires a toll-free number for *internal* business calls?

Fixed budgets also help manage costs in a tight economy. If you allow employees to work from home, should you establish a fixed dollar amount for their computer equipment needs, monthly telecommunications costs, etc.? Just introducing a standard cellular phone allowance and/or the requirement that all phones be procured from a single vendor could save your firm a small fortune.

Great cost management in service organizations is often more a people problem than a financial one. People trigger the expenditure of monies and the wrong people can really spend a lot of it. There is one kind of worker that can be particularly difficult to have during a recession. This is the worker who pushes the expense policies to their absolute limit and they won't change their behavior even in a recession. This is a **self-serving mercenary** worker who is only concerned with the "WIIFM" outcome (*what's in it for me*). They really don't care about your firm or your clients. They only care about what they can get for themselves. Sometimes it is fine to have these people in commissioned sales roles but they have no place in a services delivery group. If you want to control costs, keep the team players who behave in the best interests of the firm and not just themselves.

Operational Excellence

Operational excellence is a business discipline that should exist regardless of current economic conditions. In a recession, operational excellence takes on an even greater importance in service firms.

If your service organization lacks a consistent and powerful toolset for project estimating, project planning, project management and/or professional services administration, then you are probably 10 years behind the times. Significant advancements have been made in the professional services automation (PSA) and project portfolio management (PPM) software spaces. These solutions eliminate significant amounts of duplicate data entry time, reduce data entry errors, eliminate latency, help managers spot project issues, etc.

There are other technologies that can improve the productivity of service professionals. Even simple desktop technologies like voice recognition software make it possible for staff and executives to perform their own dictation and obviate the need for executive assistants. Your team can and will discover personal and company productivity tools and processes that can save your firm substantial monies. Ask your service team members to find cost savings. Give them a savings target of at least $100/week. See what kind of ideas they can generate and reward those with great ideas with something tangible for their efforts. Also, earmark some of those savings to be re-invested in the team.

Travel is one cost area that is deceptively hard for some firms to control but it's not because they lack the systems to do so. They lack the will to properly police it and deal with the non-conformers to the policy. You can't be operationally excellent if you fail to bring consistency into your policies and processes.

Operational excellence is also something that requires relevance. Are your processes, procedures, sales practices, collections, etc. all relevant for a different economy? Are they all the best they can be with today's new technologies? If your business is essentially unchanged from the year 2000, it's probably not operationally excellent anymore.

Intellectual Property

What really differentiates services groups is the unique intellectual property they possess. While you are very proud of your team and think they're bright, quality people, can you really prove this to third parties, prospects and others? How do others judge the quality of an organization's people, ideas, strategies, etc.? They look for proof in the form of intellectual property (IP).

IP can take an ordinary service offering and make it irresistible to prospects. For example, assume you have a service where you help clients select new application software. Lots of service providers can say that they have people with product knowledge but how many have:

- a special methodology to complete software selections

- pre-defined selection criteria for a specific application area (e.g., HRMS software for the SMB market)
- a booklet prepared by two people on the proposal team that has over 200 software licensing negotiating tips

Great IP must be unique and differentiated. It should extend the brand of its firm and its value to prospects should be unmistakable. IP should not be confused with marketing collateral. Collateral is often focused on the service provider while IP is focused on specific solutions, business problems and great thinking.

Creating relevant IP is not easy though. While many service professionals believe themselves to be great strategic thinkers and highly innovative, the reality is that many excel at chopping and copying prior works to fit a specific client need. Service personnel can often synthesize and distill major themes, best practices, processes and innovations. But, they often struggle with incorporating these with new, bold ideas to make a totally unique piece of IP. More frequently, we see newer service staff struggle to create cogent, well-structured IP products as their standard methods of communication today are in brief e-mail bursts full of shorthand codes (e.g., OMG, LOL) and emoticons. IP that wins over prospects must be well thought out and well written. Anything less reflects poorly on the employer.

Be careful though that your IP is not walking out the door. Should you experience personnel defections, ensure that all copies of your firm's IP are returned. It's bad enough to lose a key person to a competitor but worse if you let them take your IP to the competitor. Have you reviewed your team's non-compete and confidentiality agreements lately?

In a recession, service groups need to:

- re-discover their true differentiation and present it in a compelling manner
- update their solutions and ensure that these solutions contain unique, differentiated IP
- determine if and where competitors have matched your capabilities/solutions

Great IP not only differentiates your firm, it also creates the opportunity for you to protect your margins, create added value for your clients and removes selling objections from prospects.

Human Capital

The lifeblood of a services firm is its people. Service groups have few assets outside of their staff.

During a recession, several important matters must be attended to regarding professional staff. The two most important relate to turnover and morale.

Involuntary turnover is the process where a firm selectively prunes its staff. Sometimes the pruning occurs because there isn't sufficient business to warrant the current headcount. Sometimes, it is due to the poor work performance of an individual.

In a recession, firms need to manage involuntary turnover carefully. When demand for services is soft, executive management may be tempted to make several workforce reductions over the course of the recession. This scenario, the death by a thousand cuts, will cause severe morale problems as no one will ever feel secure in their job. It also creates significant project dysfunctionality as staff will do anything to remain at a client site instead of coming back to the office. Once they become unassigned, professional staff will feel vulnerable to being laid off. Instead, executives should make one, deep initial cut and hold the line. A demoralized work force creates a multitude of management challenges. A workforce that cannot trust its management is even more troublesome. Be credible, bold and decisive when you approach layoffs.

The other involuntary turnover concern occurs when marginal employees do not voluntarily leave the firm. In a recession, people will want to keep their job, any job, at any cost. Personnel who would have left on their own in robust times will not do so in a tough job market. Services executives need to monitor this so that mediocre performers and their mediocre performance do not become the standard for the firm. Not only are poor performers a drag on profits, they also adversely impact morale for the high performers.

There is another reason to manage involuntary turnover, though. Executives must keep job mobility active so that high performers are continuing to advance their careers. Nothing demoralizes your best and brightest team members more than being held up in their career advancement especially when marginal personnel are occupying these positions. Make sure you continue to offer career paths, and not just jobs or employment, during a recession.

On the other extreme is voluntary turnover. This occurs when staff members choose to leave the company on their volition. When your best and brightest leave, it can be a devastating blow to profitability and morale. In a down economy, one should expect voluntary turnover to be quite low but it doesn't always occur. For some firms, their best and brightest will be tempted away by larger or more secure competitors. If your firm is being targeted by others, find out why other firms are succeeding. Chances are, they are offering a more secure work environment and better career advancement opportunities. If your group is being raided, you've got problems. Alternatively, a recession could be a great opportunity for your group to upgrade its staff complement and simultaneously cripple a competitor.

There are some absolutes a services executive must do in a recession. Do NOT rescind job offers unless your firm really over-hired. If you must, defer start dates as long as possible. If you do rescind job offers, expect to pay a steep price in negative publicity, poor campus reputation, ridicule from competitors and reduced morale. This backlash could take years to undo.

DO communicate with your team. Honest, frequent communication will do much to keep morale up. Be sure to reassert some fun into team meetings (do NOT cancel these) by doing such things as:

- paying $100 to the person reporting the best rumor
- paying a bonus for the person contributing the best client travel photo
- investing in the soft skills development of your team (e.g., bring in a manners/protocol expert in for an educational session)

Emerging Stronger

You must decide if you simply want to survive a recession or emerge as a bigger, stronger and more competitive organization. If you aspire to the latter, then you must:

- create a compelling vision of the future for you and your team
- share with your team the exact strategies that will be deployed to achieve that vision
- use this opportunity to upgrade the talent pool within your firm. Are you targeting the best and brightest within your competitors? Is your staff helping you find these persons?
- invest in client and prospect relationships. Who will prospects seek out for new work – the firms that have taken the time to learn about them or complete strangers?

We believe you should plan to emerge from a recession stronger as your staff will question why they should with a company that is not committed to growth. They can sense whether management is attuned to the market and their workforce. They want you to develop a winning, long-term strategy and they will work with you if you do.

Make the choice to emerge stronger and prepare for the management challenge of running a bigger, more competitive services organization real soon.

VITAL ANALYSIS

Recession Strategy Checklist

What You Are Doing Well	√	What You Must Work On	√
Act with a Plan			
Have you crafted a well thought out long-term plan?		Or, are you using a series of ad-hoc retrenchments?	
Are you acting to retain top performers?		Or, are you focused mostly on financial matters?	
Are you making morale a priority?		Or, are you expecting staff to be grateful just to have a job?	
Did you develop a frank and realistic assessment of market economics?		Or, are you optimistic/pessimistic without the facts to back it up?	
Did you plan for multiple business environments?		Or, are you expecting one and only one market dynamic to emerge?	
Did you examine alternate scenarios for different environments?		Or, have you bet it all on a single plan that lacks flexibility for alternate scenarios?	
Are you planning to emerge stronger, bigger and more competitive?		Or, will you be content just to survive?	
Relevancy of Your Offerings			
Have your offerings been updated materially in recent years?		Or, are your offerings essentially unchanged since 2002 or earlier?	
Are your offerings relevant in the current economy?		Or, are you trying to sell solutions that don't align well with current prospects' financial needs?	
Are your offerings:		Or, are your offerings:	
differentiated		*commonplace*	
value adding		*commodity*	
new and novel		*relatively unchanged*	
facing increasing demand		*diminishing market interest*	
exciting to your employees and customers		*routine*	
challenging to complete		*rote work that anyone can accomplish*	
The Changing Client			
Are your sales professionals as good at negotiating as the professional negotiators that prospects are using?		Or, are you getting clobbered by more savvy prospects?	
Are you proposing the subject matter experts clients demand?		Or, are you trying to get prospects to accept generalists and new hires?	
Are you getting creative with tying value to payments?		Or, are you insisting on time & materials work only?	
Are you adjusting your sales methods and costs to deal with extended closing cycles?		Or, are you using the same methods and incurring the same costs as before?	
Are you taking a smart approach to offshoring certain functions to reduce service delivery costs?		Or, are you maintaining the status quo?	
Are you able to finance a deal for your prospect?		Or, are you taking a hands-off approach to project financing?	
Client Intimacy			
Are you maintaining contact with clients and prospects?		Or, are you scaling back face-to-face prospect contact?	
Do you have a number of new, fresh ideas, solutions, etc. to discuss with prospects?		Or, are you relying exclusively on a social context with prospects and clients?	
Are your client/prospect communications focused on the prospect and their industry?		Or, are you pushing out self-promotional materials?	
Are you maximizing your relationships with alumni?		Or, are your alumni relationships relatively unknown and little used?	
Are you leveraging the social networks of everyone in your firm?		Or, are your personnel keeping 'their' contacts and relationships to themselves?	
Your Services Brand			
Is your brand one that conjures up a unique, differentiated market position with prospects?		Or, is your brand remarkably similar to competitors?	
Does your brand stand for great thinking and thought leadership?		Or, is your brand tied to low-cost labor?	
Is your branding reinforced in a variety of communication methods?		Or, do your clients only see your brand reflected in your project teams?	
Are you keeping your brand vibrant in a down economy?		Or, are you letting your brand go quiet?	
Are you producing or staging something big or memorable to reinforce the brand with prospects?		Or, are you maintaining the status quo?	
Selling Services in a Recession			
Are you using team selling to the fullest extent?		Or, are you utilizing Lone Wolf sales tactics?	
Are you using Point of View selling?		Or, are you utilizing function/feature or other less responsive techniques?	
Are you placing the best subject matter experts on each opportunity?		Or, are you still honoring territories, office boundaries, etc.?	
Do you leave prospects no reason to say "No"?		Or, are you leaving gaps or weak spots in your proposed solutions?	

Recession Strategy Checklist

What You Are Doing Well	√	What You Must Work On	√
Cost Management			
Can you achieve cost synergies across all offices and personnel?		Or, do you let individuals or individual offices to make a number of policy and purchase decisions?	
Are you applying expense policies consistently across all personnel?		Or, do you permit certain individuals to materially vary from standards?	
Are you soliciting suggestions from employees to reduce costs?		Or, do you drive all cost controls from the top down?	
Are you reviewing each cost category for new savings opportunities?		Or, are you leaving many procurement deals unchanged?	
Operational Excellence			
Is your practice operating at first quartile levels for all processes?		Or, are you all over the map regarding process efficiencies?	
Is your practice utilizing PSA and PPM solutions?		Or, are you still utilizing spreadsheets that introduce re-keying work, errors and inefficiencies into your operations?	
Do you clients wish to emulate your processes?		Or, are your clients complaining or shocked by your processes, cost structure, etc..?	
Are your business practices materially different and more efficient and effective than a decade ago?		Or, is your business relatively unchanged?	
Intellectual Property			
Can you justify a higher billing rate because of unique intellectual property your firm possesses?		Or, is your intellectual property non-existent, outdated or merely a variant of competitors' products?	
Is your intellectual property new and/or made more relevant for the current business climate?		Or, is your intellectual property not changing as it is too expensive to do so?	
Is your intellectual property truly unique and differentiated?		Or, is it something prospects would have a tough time knowing was truly yours?	
Human Capital			
Will layoffs, if needed, occur only one time?		Or, will layoffs occur frequently and as needed?	
Will staff feel their jobs are secure?		Or, will staff be terrified to take training or return to the office?	
Will the least effective personnel be continuously counseled and let go if they do not improve?		Or, will marginal/least productive personnel be allowed to stay?	
Will high performers continue to advance their careers even in a recession?		Or, will career progression get held up for the next year or two?	
Are you honoring your employment offers and other personnel matters?		Or, will you make these commitments contingent with the times?	
Are you frequently and truthfully communicating with your team?		Or, will you maintain a measure of secrecy about the firm's finances, plans, etc.?	

About Vital Analysis

Vital Analysis is a very different kind of technology research organization. We are the intersection set where exceptional technology market knowledge meets the executive suite. Where other ‘analysts’ replay vendor press releases, we give you the:

- impact new technologies will or won’t have on your business
- reasons why you should or shouldn’t care about specific emerging solutions
- business justifications why you may or may not want specific solutions

Vital Analysis was carved out of TechVentive, Inc. in 2007 as a new, but complementary business. As designed, Vital Analysis is the publishing, research and analytical arm of that company.

Our reach, like our blog readership, is truly global. We’ve consulted with top technology executives in Australia, Brazil, Canada, United Kingdom and the United States. We’ve been briefed by technology providers from virtually every corner of the planet.

About the Author

Brian Sommer is the CEO of TechVentive, Inc. - a market-strategy and content firm. Brian closely follows what C-level executives think, feel and need. Brian also publishes a blog on the intersection of application software and professional services (http://blogs.zdnet.com/sommer/). He welcomes your thoughts and invites you to contact him at brian@vitalanalysis.com .