



Service Performance Insight
ACCELERATE SERVICE PRODUCTIVITY & PROFIT

2025 Professional Services Maturity™ Benchmark

**Illuminating the path to peak
performance in professional
services**

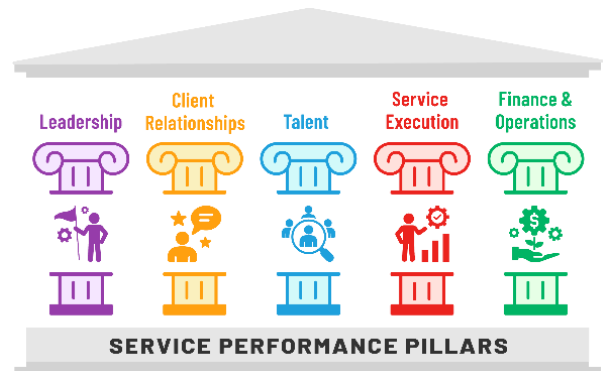


Service Performance Insight

Service Performance Insight, LLC (SPI Research) is a global research, consulting, and training organization dedicated to helping professional service organizations (PSOs) make quantum improvements in productivity and profit. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework. It is now the industry-leading performance improvement tool over 50,000 service- and project-oriented organizations use to chart their course to service excellence.

The core tenet of the PS Maturity Model™ is that PSOs achieve success through the optimization of five Service Performance Pillars™:

- ◆ Leadership
- ◆ Client Relationship
- ◆ Talent
- ◆ Service Execution
- ◆ Finance & Operations



The SPI Advantage – Research

Service Performance Insight provides clients and industry audiences with an informed and actionable third-party perspective. Our market research and reporting help buyers and sellers of information technology-based solutions maximize the effectiveness of solution development, selection, deployment, and use.

The SPI Advantage – Consulting and Scorecards

The PS Maturity™ Scorecard benchmarks PSOs against industry peers across 165+ critical metrics, providing a data-driven framework and roadmap and to achieve Level 5 maturity within each of the Service Performance Pillars™. In 2024, firms at Level 5 saw, on average, a 739% increase in revenue growth, 537% boost in profit margins, and a 71% improvement in billable utilization over Level 1 organizations.

For more information on how the scorecard can benefit you or to share your feedback on this research, please email:

info@spiresearch.com

For more information on Service Performance Insight, please visit:

www.spiresearch.com

The information in this publication has been obtained from sources Service Performance Insight believes to be reliable but not guaranteed by SPI Research. All forecasts, analyses, recommendations, etc., whether delivered orally or in writing, are the opinions of SPI Research consultants and, while made in good faith and based on the information before us at the time, should be considered and relied on as such. Client agrees to indemnify and hold harmless SPI Research, its consultants, affiliates, employees, and contractors for any claims or losses, monetary or otherwise, resulting from using strategies, programs, counsel, or information provided to the client by SPI Research or its affiliates.

The trademarks and registered trademarks of the corporations mentioned in this publication are the property of their respective holders.

Table of Contents

Executive Summary	1
About the Professional Service Maturity™ Benchmark.....	3
Report Organization	5
1. 2025 Benchmark Overview	6
Foreword	7
2024 in Review: A Year of Lessons	7
Five-Year Trends: Lessons from the Past, Opportunities for the Future.....	8
2025, A Year of Action	10
Looking Ahead	12
2. The Professional Services Maturity™ Model	13
Service Performance Pillars™	14
Professional Services Maturity™ Model Benchmark Levels	15
Professional Services Maturity™ Model Construction.....	17
Does Professional Services Maturity Matter?	19
3. Survey Demographics	23
The North American Professional Services Market.....	24
PS Maturity™ Benchmark Vertical Market Demographics	27
4. High-Performance Professional Services Organizations.....	41
5. Professional Services Business Applications	51
Planning	56
Client Relationship Management (CRM).....	59
Human Capital Management (HCM)	62
Professional Services Automation (PSA)	65
Corporate Financial Management (CFM).....	68
Solution Satisfaction.....	71
Project-based Enterprise Resource Planning (ERP).....	71
PS Solution Adoption	73
6. Artificial Intelligence	77
What is AI?.....	78
Gen AI's Impact on the Professional Services Market	80
Organizational Concerns with AI.....	82

7. Leadership Pillar	89
Leadership Maturity	90
5-Year Leadership Trends	92
Survey Results	94
8. Client Relationships Pillar	110
Client Relationships Maturity	111
5-Year Client Relationships Trends	115
Survey Results	116
9. Talent Pillar	142
Talent Maturity	144
5-Year Talent Trends	146
Survey Results	148
10. Service Execution Pillar	165
Service Execution Maturity	167
5-Year Service Execution Trends	168
Survey Results	169
11. Finance and Operations Pillar	192
Finance and Operations Maturity	193
5-Year Finance and Operations Trends	194
Survey Results	195
Professional Services Profit (EBITDA)	213
Income Statement	214
12. Professional Services Maturity™ Model Results	219
Maturity Levels	220
The Financial Benefits of Moving Up Levels	225
Key Metrics for Sustainable Growth	227
Model Conclusions	228
13. Conclusions and Recommendations	229
2024 Ended in Uncertainty	230
Move on to 2025	230
A Clear Way Forward	231
Steps to Improve	232
14. Appendices	234

Appendix A: Report Figures.....	235
Appendix B: Report Tables.....	237
Appendix C: Acronyms Used in This Report	246
Appendix D: Financial Terminology	247
Appendix E: PS Maturity™ Benchmark Survey Questions	253
Appendix F: Related SPI Research	260
About Service Performance Insight	262
About The 1801 Consulting Group (1801)	262

See Appendix A for a Table of Report Figures

See Appendix B for a Table of Report Tables

APPENDICES

Appendix A: Report Figures

Figure 1: Service Performance Pillars™ 14

Figure 2: Services Maturity™ Model Levels 15

Figure 3: Service Performance Pillar Maturity™ 16

Figure 4: Performance in One Area Impact Others Performance 19

Figure 5: Professional Services Maturity™ Progression 20

Figure 6: PS Performance Pillars – Core KPIs 22

Figure 7: Benchmark Participant Vertical Market Distribution 27

Figure 8: Regional Demographics 29

Figure 9: Primary PS Business Applications 53

Figure 10: Primary Business Processes Cross Multiple Departments for P2P..... 54

Figure 11: Applications Must Support the Plan-to-Profit Business Process 54

Figure 12: Planning (PL) Solution Used 56

Figure 13: Client Relationship Management (CRM) Solution Used 59

Figure 14: Human Capital Management (HCM) Solution Used 62

Figure 15: Professional Services Automation (PSA) Solution Used..... 65

Figure 16: Corporate Financial Management (CFM) Solution Used 68

Figure 17: Success Depends on Inter-departmental Cooperation 70

Figure 18: Project-based Enterprise Resource Planning Platform 72

Figure 19: Commercial Solution Adoption 73

Figure 20: Leadership Trends of Note 92

Figure 21: PS revenue breakdown by new vs. existing clients and services (under 1-year) 112

Figure 22: Client Relationships Maturity Matters 113

Figure 23: Bill Type of Work Sold by Maturity Level..... 114

Figure 24: Sales KPIs by Maturity Level..... 114

Figure 25: Client Relationships Trends of Note 115

Figure 26: Talent Trends of Note 143

Figure 27: Talent Maturity Matters..... 145

Figure 28: Maturity Matters in Annual Hours Worked 146

Figure 29: Service Execution Trends of Note 166

Figure 30: Service Execution Maturity Matters 168

Figure 31: Finance & Operations Trends of Note 193

Figure 32: Finance & Operations Maturity Matters 194

Figure 33: Professional Services Maturity Model™ Levels 220

Figure 34: Increase performance by focusing on low-performing KPIs 223

Figure 35: Key Performance Indicators are Correlated 227

Figure 36: PS Performance Pillars – Core KPIs 227

Appendix B: Report Tables

Table 1: What Changed from 2023 to 2024? KPI Comparison	1
Table 2: Key Performance Metrics 5-Year Trends	2
Table 3: Key Performance Metrics 5-Year Trends	9
Table 4: What Changed from 2023 to 2024? KPI Comparison	10
Table 5: Performance Pillars Mapped Against Service.....	17
Table 6: Service Pillar Importance by Organizational Maturity Level	20
Table 7: Vertical PS Markets — the North American Industry Classification System	25
Table 8: 2021 NAICS Services Rollup (Number of Firms)	26
Table 9: 2021 NAICS Services Rollup (Employees and Revenue)	26
Table 10: 2025 Professional Services Maturity™ Benchmark Vertical Market Participation	27
Table 11: Number of Participating Firms by Vertical Market (2007 through 2024)	28
Table 12: Survey Participant Demographics by Organization Type and Geographic Region	29
Table 13: Survey Participant Demographics by Organization Size	30
Table 14: Survey Participant Demographics by Vertical Market	30
Table 15: Type of Work Sold by Organization Type and Geographic Region	31
Table 16: Type of Work Sold by Organization Size	31
Table 17: Key KPIs by Organization Size.....	33
Table 18: Annual change size of PSO (employees)	34
Table 19: Key KPIs by Headquarters Location	34
Table 20: Key KPIs by Total Company Revenue	35
Table 21: Annual change annual company revenue (mm)	35
Table 22: Key KPIs by Total Professional Services Revenue	36
Table 23: Annual change in total professional services revenue (mm)	36
Table 24: Key KPIs by Year-over-Year Change in PS Revenue.....	37
Table 25: Annual change in total professional services revenue (mm)	37
Table 26: Key KPIs by Year-over-year Change in PS Headcount	38
Table 27: Annual change year-over-year change in PS headcount	38
Table 28: Key KPIs by the Percentage of Employees Billable or Chargeable	39
Table 29: Annual change % of employees billable or chargeable.....	39
Table 30: Key KPIs by the Percentage of PS Revenue Delivered by Third Parties	40
Table 31: Annual change in the Percentage of PS revenue delivered by 3rd-parties	40

Table 32: High-Perf. PSO Comparison – 2023 vs. 2024.....	42
Table 33: High-Perf. PSO Comparison – Demographics	43
Table 34: High-Performance AI Concentration Comparison (1-5 Scale).....	43
Table 35: High-Performance Planning Comparison	44
Table 36: High-Performance PSO Comparison - Leadership	44
Table 37: High-Performance PSO Comparison – Client Structure.....	45
Table 38: High-Perf. PSO Comparison – Client Relationships.....	45
Table 39: High-Perf. PSO Comparison – Bill Structure.....	46
Table 40: High-Performance PSO Comparison – Talent	46
Table 41: High-Performance PSO Comparison – Hours Worked	47
Table 42: High-Performance PSO Comparison – Service Execution	48
Table 43: High-Perf. PSO Comparison – Finance and Operations	49
Table 44: High-Perf. PSO Comparison – Business Applications.....	50
Table 45: Impact – Planning (PL) Use.....	57
Table 46: Impact – Key KPIs based on Planning solution satisfaction.....	57
Table 47: Annual change satisfaction with PL solution.....	58
Table 48: Impact – Key KPIs based on Planning solution integration	58
Table 49: Impact – Client Relationship Management (CRM) Use	60
Table 50: Impact – Key KPIs based on CRM satisfaction.....	60
Table 51: Annual change satisfaction with CRM solution	61
Table 52: Impact – Key KPIs based on CRM integration	61
Table 53: Impact – Human Capital Management (HCM) Use	63
Table 54: Impact – Key KPIs based on HCM satisfaction	63
Table 55: Impact – Key KPIs based on HCM integration.....	64
Table 56: Impact – Professional Services Automation (PSA) Use	66
Table 57: Impact – Key KPIs based on PSA satisfaction	67
Table 58: Impact – Key KPIs based on PSA integration	67
Table 59: Impact – Key KPIs based on CFM satisfaction	69
Table 60: Solution Integration with Core Financials Trend	70
Table 61: Solution Satisfaction Trend.....	71
Table 62: Impact – Key KPIs based on CRM / PSA integration	71
Table 63: Impact – Project-based ERP Use	72
Table 64: Commercial Solution Adoption	73

Table 65: Business Application Use by Organization Type and Geographic Region	74
Table 66: Business Application Use by Organization Size	75
Table 67: Business Application Use by Market.....	76
Table 68: Impact – Percentage of organization’s projects currently utilizing Generative AI	83
Table 69: Impact – PS leadership supports adopting and integrating Generative AI	84
Table 70: Impact – Generative AI has impacted the organization’s productivity and efficiency.....	85
Table 71: Impact – 12-month estimated ROI PS can be achieved by implementing Gen AI.....	85
Table 72: Impact – Length of time for PS to see a positive ROI after adopting Generative AI	86
Table 73: Impact – How concerned is PS of the security regarding the use of Generative AI	86
Table 74: The importance of Generative AI for PS improvement	87
Table 75: The importance of Generative AI for PS improvement by Market.....	87
Table 76: The importance of Generative AI for PS improvement by Organization Size (employees).....	88
Table 77: The Leadership Maturity Model	91
Table 78: Leadership Pillar 5-year Trends	92
Table 79: Leadership Pillar Results by Organization Type and Geographic Region	93
Table 80: Leadership Pillar Results by Organization Size	93
Table 81: Leadership Pillar Results by Market.....	93
Table 82: Leadership Pillar Expectations by Organization Type and Geographic Region.....	94
Table 83: Leadership Pillar Expectations by Market	95
Table 84: Leadership Pillar Expectations by Organization Size	95
Table 85: Annual change in PS forecasted revenue growth in 2024 (over 2023)	95
Table 86: Annual change to PS embarking on major performance initiatives in 2024	96
Table 87: Annual change in PS having a documented methodology for quantifying value to clients.....	96
Table 88: Annual change in PS planned geographic expansion in 2024	97
Table 89: Annual change in the initiation of outcome-based billing models for PS.....	97
Table 90: Areas of Emphasis to Improve Performance by Organization Type and Geographic Region	98
Table 91: Areas of Emphasis to Improve Performance by Organization Size	98
Table 92: Areas of Emphasis to Improve Performance by Market.....	98
Table 93: Annual change PS business development efforts.....	99
Table 94: Annual change the importance of talent management	99
Table 95: Annual change in the importance of resource utilization	99
Table 96: Annual change in the importance of profitability growth.....	100
Table 97: Annual change in the importance of cost inflation	100

Table 98: Impact – Well-understood vision, mission, and strategy.....	101
Table 99: Annual change to communicating a well-understood vision, mission, and strategy.....	101
Table 100: Impact – Confidence in PS Leadership	102
Table 101: Annual change confidence in PS leadership	102
Table 102: Impact – Ease of getting things done	103
Table 103: Annual change ease of getting things done	103
Table 104: Impact – Goals and measurement alignment.....	104
Table 105: Annual change goals and measurement alignment.....	104
Table 106: Impact – Employees have confidence in PSO's future	105
Table 107: Annual change employees have confidence in PSO's future	105
Table 108: Impact – Effectively communicates with employees	106
Table 109: Annual change effective communication with employees	106
Table 110: Impact – Embraces change - nimble and flexible	107
Table 111: Annual change embraces change - nimble and flexible	107
Table 112: Impact – Innovation focused	108
Table 113: Annual change innovation focused	108
Table 114: Impact – Data-driven	109
Table 115: Annual change data-driven	109
Table 116: PS Sales and Marketing Maturity Model™	111
Table 117: Client Relationships Pillar 5-year Trend	115
Table 118: Service Revenue Breakdown	116
Table 119: Service Revenue Breakdown by Market	117
Table 120: Service Revenue Breakdown by Organization Size.....	117
Table 121: Annual change current clients - existing services	117
Table 122: Annual change current clients - new services (less than 1 year).....	118
Table 123: Annual change new logo clients - existing services	118
Table 124: Annual change new logo clients - new services (less than 1 year)	118
Table 125: Summary of Organizational Growth Strategy	119
Table 126: Impact – The primary growth strategy	120
Table 127: Impact – Size of deal pipeline in comparison to quarterly bookings forecast	121
Table 128: Annual change deal pipeline / quarterly bookings forecast	121
Table 129: Impact – Percentage of Bids Won	122
Table 130: Annual change percentage of bids won	122

Table 131: Impact – Quarterly revenue target in backlog at the beginning of the quarter	123
Table 132: Annual change percentage of the quarterly revenue target in backlog	124
Table 133: Impact – Service discount given to clients	124
Table 134: Annual change service discount given	125
Table 135: Impact – Client references	126
Table 136: Annual change percentage of referenceable clients	126
Table 137: Impact – The technology infrastructure supports growth	127
Table 138: Annual change the technology infrastructure supports growth (1 poor - 5 great)	128
Table 139: Impact – Solution Development Effectiveness	129
Table 140: Annual change solution development effectiveness	129
Table 141: Impact – Service Marketing Effectiveness	130
Table 142: Annual change service marketing effectiveness	130
Table 143: Impact – Service Sales Effectiveness	131
Table 144: Annual change service sales effectiveness	131
Table 145: Impact – Efficiency of quoting service engagements	131
Table 146: Annual change efficiency of quoting service engagements	132
Table 147: Percentage of work sold	133
Table 148: Percentage of work sold by Market	133
Table 149: Percentage of work sold by Organization Size	133
Table 150: Annual change time & materials % of work sold	134
Table 151: Annual change fixed time / fixed fee % of work sold	134
Table 152: Annual change shared risk / performance-based % of work sold	134
Table 153: Annual change subscription % of work sold	135
Table 154: Annual change managed services % of work sold	135
Table 155: Annual change none of the above % of work sold	135
Table 156: Impact – Status of Client/Customer Experience (CX) Program	136
Table 157: Impact – The number of full-time equivalent (FTE) employees dedicated to service sales	137
Table 158: Annual change in the number of FTE employees dedicated to service sales	137
Table 159: Impact – Annual service sales revenue quota per person	138
Table 160: Annual change annual service sales revenue quota per person	138
Table 161: Impact – Deal size (contract value) (k)	139
Table 162: Annual change deal size (contract value) (k)	139
Table 163: Impact – Length of sales cycle from qualified lead to contract signing	140

Table 164: Annual change length of sales cycle from qualified lead to contract signing (days).....	140
Table 165: Impact – Net Promoter Score (NPS).....	141
Table 166: Annual change to overall net promoter score (NPS)	141
Table 167: Talent Maturity Model	144
Table 168: Talent Pillar Results by Organization Type and Geographic Region.....	146
Table 169: Talent Pillar Results by Market	147
Table 170: Talent Pillar Results by Organization Size	147
Table 171: Talent KPI Trends.....	148
Table 172: Impact – Why employees leave	149
Table 173: Impact – The average tenure at the firm of consultants.....	150
Table 174: Annual change in the average tenure at the firm of consultants	150
Table 175: Impact – Employee annual attrition - voluntary	151
Table 176: Annual change employee annual attrition - voluntary.....	152
Table 177: Impact – Employee annual attrition - involuntary	152
Table 178: Annual change employee annual attrition - involuntary	153
Table 179: Impact – Days to recruit and hire for standard positions	153
Table 180: Annual change days to recruit and hire for standard positions	154
Table 181: Impact – Days for a new hire to become productive	154
Table 182: Annual change days for a new hire to become productive	155
Table 183: Impact – Guaranteed annual training days/employee	155
Table 184: Annual change guaranteed annual training days/employee.....	156
Table 185: Impact – Employee billable utilization	157
Table 186: Annual change employee billable utilization	157
Table 187: Impact – Annual fully loaded cost per consultant (k)	158
Table 188: Annual change annual fully loaded cost per consultant (k)	158
Table 189: Impact – Recommend company to friends/family	159
Table 190: Impact – Well-understood career path for all emp.	159
Table 191: Annual change is a well-understood career path for all employees.....	160
Table 192: Impact – Employees have the tools they need.....	160
Table 193: Annual change employees have the tools they need	161
Table 194: Annual Hours by Organization Type and Geographic Region	161
Table 195: Annual Hours by PS Market.....	162
Table 196: Annual Hours by Organization Size	162

Table 197: Annual change billable hours on-site	163
Table 198: Annual change billable hours off-site	164
Table 199: Service Execution Performance Pillar Mapped Against Service Maturity.....	167
Table 200: Service Execution Pillar 5-year Trend.....	169
Table 201: Service Execution Pillar Results by Organization Type and Geographic Region	170
Table 202: Service Execution Pillar Results by Organization Size	170
Table 203: Impact – Resource management process.....	172
Table 204: Impact – Revenue per project (k)	173
Table 205: Annual change revenue per project (k).....	174
Table 206: Impact – Project staff (people)	174
Table 207: Annual change project staff (people).....	174
Table 208: Impact – Project duration (months)	175
Table 209: Annual change project duration (months).....	175
Table 210: Impact – Number of projects a project manager manages at a time	176
Table 211: Annual change in the number of projects a project manager manages at a time.....	176
Table 212: Impact – Number of projects a consultant works on at a time.....	177
Table 213: Annual change in the number of projects a consultant works on at a time.....	177
Table 214: Impact – The firm uses a project management office (PMO)	178
Table 215: Annual change: our firm uses a project management office (PMO)	178
Table 216: Impact – Use a standardized delivery methodology.....	179
Table 217: Annual change uses a standardized delivery methodology.....	179
Table 218: Impact – The frequency a project contract needs to be modified due to scope change	180
Table 219: Impact – Projects delivered on-time	181
Table 220: Annual change projects delivered on time	181
Table 221: Impact – Project overrun.....	182
Table 222: Annual change project overrun	182
Table 223: Impact – Project margin for time & materials projects	183
Table 224: Annual change project margin for time & materials projects.....	184
Table 225: Impact – Project margin for fixed price projects	184
Table 226: Annual change project margin for fixed price projects	185
Table 227: Impact – Project margin — subcontractors, offshore	185
Table 228: Annual change project margin — subcontractors, offshore	186
Table 229: Impact – Resource management process effectiveness.....	186

Table 230: Annual change resource management process effectiveness	187
Table 231: Impact – Estimating processes and review effectiveness	187
Table 232: Annual change estimating processes and review effectiveness	188
Table 233: Impact – Change control process effectiveness.....	188
Table 234: Annual change in change control process effectiveness	189
Table 235: Impact – Project quality process effectiveness	189
Table 236: Annual change project quality process effectiveness.....	190
Table 237: Impact – Knowledge management processes effectiveness.....	190
Table 238: Annual change knowledge management processes effectiveness.....	191
Table 239: Finance & Operations Pillar 5-year Trend.....	195
Table 240: Finance & Operations Pillar Results by Organization Type and Geographic Region	195
Table 241: Finance & Operations Pillar Results by Market.....	196
Table 242: Finance & Operations Pillar Results by Organization Size	196
Table 243: Impact – Balance Between Profit and Client Satisfaction	197
Table 244: PS’s Emphasis Between Client Satisfaction and Profit	197
Table 245: Steps PSOs Plan to Take to Improve Profits by Organization Type and Geographic Region	199
Table 246: Steps PSOs Plan to Take to Improve Profits by Market.....	199
Table 247: Steps PSOs Plan to Take to Improve Profits by Organization Size	200
Table 248: Impact – Annual Revenue Per Billable Consultant.....	201
Table 249: Annual change annual revenue per billable consultant (k).....	201
Table 250: Impact – Annual Revenue Per Employee.....	202
Table 251: Annual change annual revenue per employee (k)	203
Table 252: Impact – Percentage of Annual Revenue Target Achieved	203
Table 253: Annual change percent of annual revenue target achieved.....	204
Table 254: Impact – Percentage of Annual Margin Target Achieved.....	204
Table 255: Annual change percent of annual margin target achieved	205
Table 256: Impact – Revenue Leakage.....	206
Table 257: Annual change revenue leakage.....	206
Table 258: Impact – Invoices Redone Due to Error/Client Rejections	207
Table 259: Annual change percentage of invoices redone due to error/client rejections	207
Table 260: Impact – Days Sales Outstanding (DSO)	208
Table 261: Annual change days sales outstanding (DSO).....	208
Table 262: Impact – Quarterly Non-Billable Expense Per Employee.....	209

Table 263: Annual change quarterly non-billable expense per employee	209
Table 264: Impact – Length of time to incorporate a new acquisition	210
Table 266: Impact – Executive Real-Time Wide Visibility	211
Table 267: Annual change executive real-time wide visibility.....	212
Table 268: Impact – PS can accurately forecast revenue and skills.....	212
Table 269: Annual change PS can accurately forecast revenue and skills	213
Table 270: Annual change in PS Profitability (EBITDA)	213
Table 271: Annual Income Statement Comparison.....	215
Table 272: Income Statement by Organization Type and Embedded Service Type	216
Table 273: Income Statement by PS Market	217
Table 274: Income Statement by Organization Size	218
Table 275: Minimum Normalized Performance Pillar Scores	222
Table 276: Average Service Maturity by PSO Type and Region.....	224
Table 277: Average Service Maturity by PSO Size (People).....	224
Table 278: Average Service Maturity by Market	225
Table 279: Key Performance Indicators by Maturity Level.....	225
Table 280: Lexicon of Acronyms and Abbreviations	246
Table 281: Standard Key Performance Indicator (KPI) Definitions	247