

2025

SERVICE PRODUCTIZATION BENCHMARK

PRODUCTIZATION: PROMISE,
PLATEAU, OR THE PATH AHEAD
FOR SERVICES?



Service
Performance
Insight

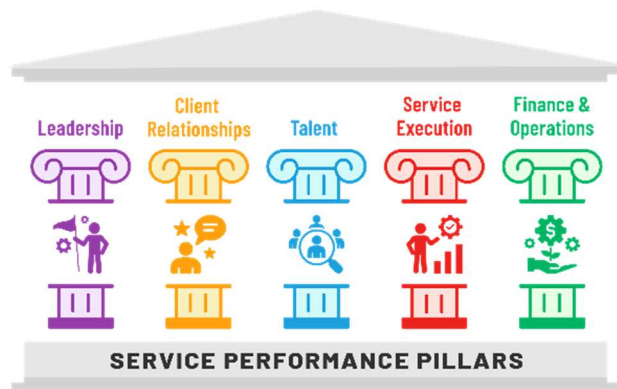


Service Performance Insight

Service Performance Insight, LLC (SPI Research) is a global research, consulting and training organization dedicated to helping professional service organizations (PSOs) achieve significant improvements in productivity and profitability. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework. It is now the industry-leading performance improvement tool that 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 independent, informed and actionable 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 – Benchmarking Scorecards

The PS Maturity Assessment™ benchmarks PSOs against industry peers across 165+ critical metrics, providing a data-driven framework and roadmap to achieve Level 5 maturity within each of the Service Performance Pillars™. In 2024, firms at Level 5 experienced, on average, a 739% increase in revenue growth, a 537% improvement in profit margins, and a 71% increase in billable utilization compared to 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 contained in this publication has been obtained from sources Service Performance Insight believes to be reliable but is 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 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 the use of 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.

© 2025 Service Performance Insight, Knoxville, TN, USA



Table of Contents

- 1. Executive Summary 1**
- 2. Introduction 3**
- 3. Frameworks: Service Lifecycle Management (SLM³) and Productization..... 4**
 - SLM³4
 - Service Productization6
 - The Three Foundations of SLM³7
 - The Six Phases of SLM³ Explored 12
 - When to Productize and Adopt SLM³ 16
- 4. SLM³ Maturity Perception 21**
- 5. Survey Demographics 24**
 - Geography24
 - Organization Type25
 - Industry Sectors.....27
 - Organizational Size30
- 6. Drivers of Productization..... 33**
 - Belief in Productization33
 - Service Sales Team Focus Area34
 - The Role of Leadership Intent35
 - Service Packaging Methodology Performance35
 - Impact of Market Trends – 2025 vs 2012.....36
- 7. High Performing Organizations (HPO)..... 38**
 - HPO Definition38
 - HPO Performance Difference38
 - HPO Bill Type39
 - HPO Pressures.....39
 - What HPOs Do Differently40
- 8. Technology Enablers 42**
 - Demographic Technology Adoption42
 - AI and Machine Learning43
 - CRM Impact.....44



Configure, Price, Quote (CPQ) Impact..... 45

PSA Impact 46

9. SLM³ Relevance & Performance in 2025 48

Leadership SLM³ Maturity 48

Client Relationships SLM³ Maturity 48

Talent SLM³ Maturity..... 49

Service Execution SLM³ Maturity 50

Finance and Operations SLM³ Maturity..... 50

SLM³ Maturity of HPOs..... 51

Overall Performance View of SLM³ Maturity..... 52

10. Overall Findings – 2025 53

11. About Service Performance Insight 55

Meet the Team 55

Report Figures

Figure 1: SLM3 Maturity and Its Effect on Performance 2

Figure 2: SPI Research’s Service Lifecycle-Management Framework – SLM³ Framework™ 5

Figure 3: Productization, the core component to SLM..... 6

Figure 4: Kotter’s 8-Step Change Model 8

Figure 5: Change Management – Driver of Adoption..... 8

Figure 6: Service Portfolio Structure 9

Figure 7: SLM3™ Organizational Structure Example 10

Figure 8: Align the Organization 11

Figure 9: SLM3™ Framework Approach 12

Figure 10: Phase 1 – “Innovate” 13

Figure 11: Phase 2 – “Define” 13

Figure 12: Phase 3 – “Develop” 14

Figure 13: Phase 4 – “Launch” 14

Figure 14: Phase 5 – “Optimize” 14

Figure 15: Phase 6 – “Retire” 15

Figure 16: How Are You Governed: Autonomy vs. Standardization..... 17

Figure 17: What to Productize: Volume vs. Variability 18

Figure 18: Service Productization Prerequisites..... 18



Figure 19: SLM3™ Maturity Model 21

Figure 20: SLM3™ Productized Service Maturity 22

Figure 21: Survey Regional Demographics 24

Figure 22: Percentage of Surveys by Sub-Market 27

Figure 23: SLM3 Maturity and Its Effect on Performance 52

Report Tables

Table 1: Customized vs. Productized Services 6

Table 2: Benefits of Productizing with SLM3 15

Table 3: Perceived Maturity Approach to Service Lifecycle Management 22

Table 4: Perceived Maturity Approach to Service Lifecycle Management by Organization Size (emp.) 23

Table 5: Perceived Maturity Approach to Service Lifecycle Management by PS Market 23

Table 6: Survey Participant Demographics by Organization Type and Geographic Region 25

Table 7: Pressures Faced by Organization Type and Geographic Region 25

Table 8: Revenue Mix by Organization Type and Geographic Region 27

Table 9: PS Growth, Marketing & Margin by Sub-market 28

Table 10: Pressures Faced by Sub-market 29

Table 11: Revenue Mix by Sub-market 29

Table 12: PS Growth, Marketing & Margin by PS Organization Size 30

Table 13: Pressures Faced by PS Organization Size 31

Table 14: Revenue Mix by PS Organization Size 32

Table 15: Impact – Participants believe productization will help business performance (Table A) 33

Table 16: Impact - Participants believe productization will help business performance (Table B) 33

Table 17: Impact – Service sales team focused area (Table A) 34

Table 18: Impact - Service sales team focused area (Table B) 34

Table 19: Impact - Service packaging and innovation are fully supported and aligned with strategy, goals and measures 35

Table 20: Impact - Service packaging methodology used (Table A) 36

Table 21: Impact - Service packaging methodology used (Table B) 36

Table 22: 2025 vs 2012 Market Shifts 37

Table 23: HPO Performance vs The Rest 38

Table 24: High Performers Billing Types 39

Table 25: Challenges Facing High-Performing PSOs Driving Services Creation 40



Table 26: What HPOs Do Differently 40

Table 27: The information tools support standardized offerings 42

Table 28: Use of Technology by Demographic 43

Table 29: Professional Services has adopted AI/ML tools to support productization 44

Table 30: Impact – Client Relationship Management Use 44

Table 31: Impact – CPQ Use Improves Operational Efficiencies 45

Table 32: Impact – Professional Services Automation Use 46

Table 33: Leadership approach to service lifecycle management..... 48

Table 34: Sales & Marketing approach to service lifecycle management 49

Table 35: Internal resourcing approach to service lifecycle management..... 49

Table 36: Delivery approach to service lifecycle management 50

Table 37: Finance and operational approach to service lifecycle management..... 51

Table 38: HPOs Perceived SLM³ Maturity 51