How Pittsburgh Professional Service Firms Are Achieving Sustainable Growth

with Technology in 2023
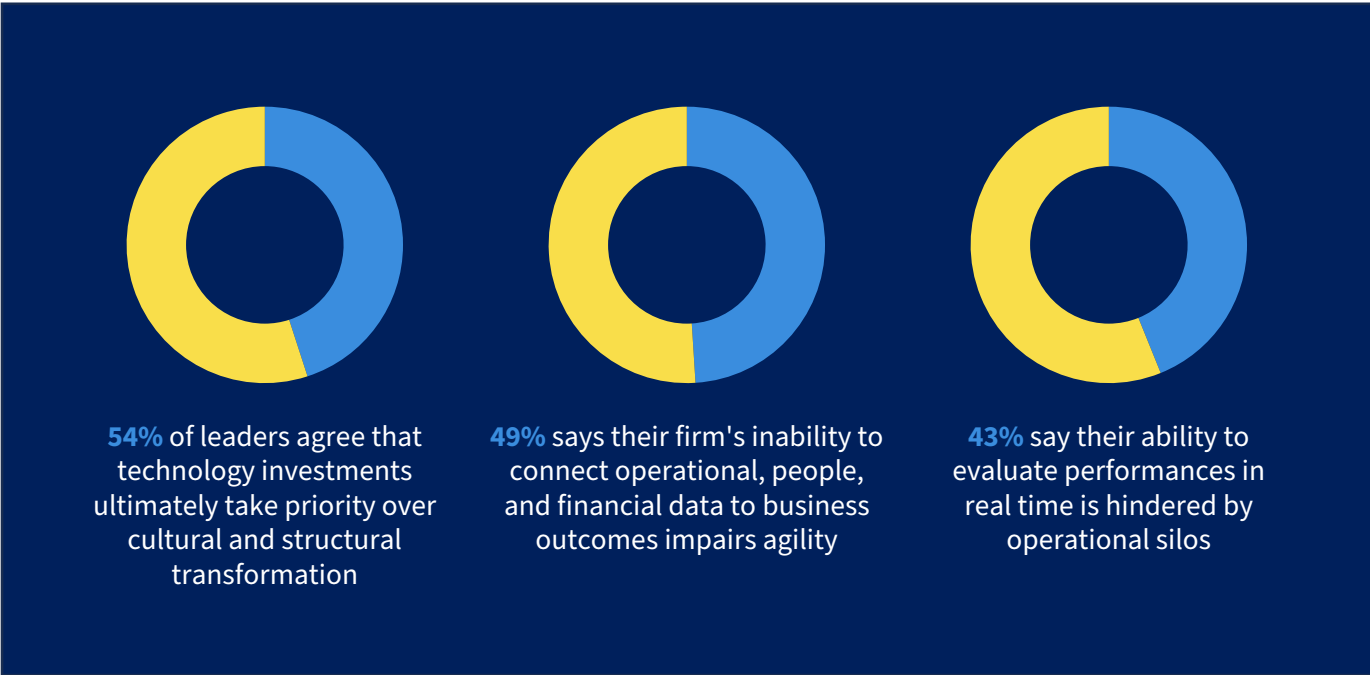
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Executive Summary

Pittsburgh professional service firms are facing a unique set of challenges in 2023. Despite the ongoing economic uncertainty and the aftermath of the COVID-19 pandemic, there is a sense of determination and optimism among Pittsburgh's professional leaders.

We've seen that in our research from talking to actual firms in Pittsburgh. From those conversations in this report, we've found that this is a year of growth. In fact, the global professional services market is forecasted to grow 5-7% percent through 2027. Our interviews suggest that these firms are focused on the **digital modernization** of their client experience, employee experience, and back-end systems to achieve sustainable growth.

While this sounds all well and good, there are major challenges facing professional service firms. For example, there is a pressure to exceed client expectations. In a world where technology is rapidly changing, clients are becoming more tech-savvy, and they expect their service providers to keep pace.

But not every firm is ready to meet those expectations. In a recent Workday global survey of 1,150 senior business executives, only 38% of professional services leaders said that their organization was digitally well equipped.

54% of leaders agree that technology investments ultimately take priority over cultural and structural transformation

49% says their firm's inability to connect operational, people, and financial data to business outcomes impairs agility

43% say their ability to evaluate performances in real time is hindered by operational silos

Source: Workday Report: Closing the Acceleration Gap: Toward Sustainable Digital Transformation

In addition to client expectations, Pittsburgh professional service firms are also facing intense competition. Keeping up with this competition requires a modern, tech-savvy approach, but ever-evolving tech makes it difficult for firms to keep up. Finally, professional service firms must protect their clients' data amid growing cyber threats to maintain client trust.

In this report, we will dive deeper into these challenges facing professional service firms. We will also share the best practices we have surfaced from interviews with Pittsburgh leaders, covering:

- The key areas of digital transformation that other businesses are doing right now
- How to prioritize your customer and employee experience
- Ways technology can support your growth and blow your clients away

This report's goal is to help Pittsburgh professional service firms achieve sustainable growth in 2023 in a post COVID-19 world and amid economic uncertainty. If this is something your firm can benefit from, read on.

Part 1: Major Growth Challenges for Professional Services Firms – and How Technology Affects Them

Based on a series of interviews, we identified that Pittsburgh professional service firms are facing a number of challenges that affect their growth. In this section, we will explore these obstacles and how technology is a factor in each of them.

Pressure to exceed client expectations

Businesses must keep up with the changing technology and the expectations of their clients. Clients are becoming more tech-savvy than ever as Millennials slowly take over the workforce. Clients expect a seamless and efficient experience, and they want their professional service providers to deliver that experience through modern platforms.

But it's not easy for professional service firms to keep up with these high expectations! Firms need the right tools to keep their clients informed, accurately track client time, and more.

A modern IT approach is needed to keep your clients happy, but that's not all. It also means your employees must be tech-literate. It's difficult for internal staff to continuously learn new and complex platforms without support. Plus, when there's turnover, hiring experienced staff can be a struggle.

> "One major challenge is hiring to meet client demand. It's hard to find that magic person between 10 years and 20 years of experience. And [during COVID-19] we worried the whole time about losing our culture. We've been working on getting everyone a mentor when they start to improve their experience."
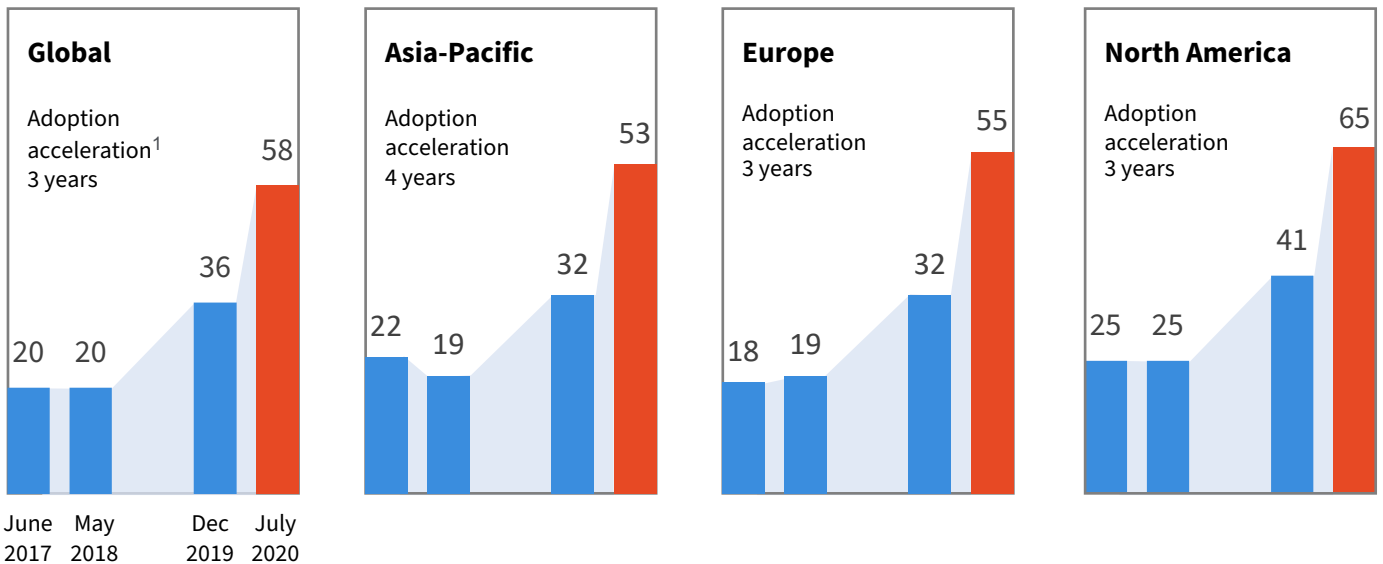>
> _Mark Markosky – Principal at The Markosky Engineering Group, Inc._

It's no secret that businesses across the country are struggling to find qualified staff with IT skills. This is a major challenge for professional service firms that want to keep up with the expectations of their clients.

The COVID-19 crisis has accelerated the digitization of customer interactions by several years.

Average share of customer interactions that are digital, %   ■ Precrisis   ■ COVID-19 crisis

Global

Adoption acceleration[1] 3 years

June 2017	May 2018	Dec 2019	July 2020
20	20	36	58

Asia-Pacific

Adoption acceleration 4 years

22 19 32 53

Europe

Adoption acceleration 3 years

18 19 32 55

North America

Adoption acceleration 3 years

25 25 41 65

[1]*Years ahead of the average rate of adoption from 2017 to 2019.*

Source: McKinsey

Retain employees with a positive employee digital experience

While needing tech-savvy staff to meet client expectations, professional service firms are also facing the challenge of retaining these employees. Some firms have yet to start strategizing on how to provide a positive digital experience.

In today's digital world, professional service firm **employees expect a tech-supported experience**. There is a demand for businesses to invest in technology that will enhance their experience, no matter if they work remotely or in a hybrid setting.

All in all, providing a positive experience is a critical element in retaining employees. With the rise of remote work, businesses must invest in technology that provides employees with the flexibility and security they need to do their jobs, regardless of location. This includes solutions like virtual private networks (VPNs), collaboration tools like Microsoft Office, and project management software.
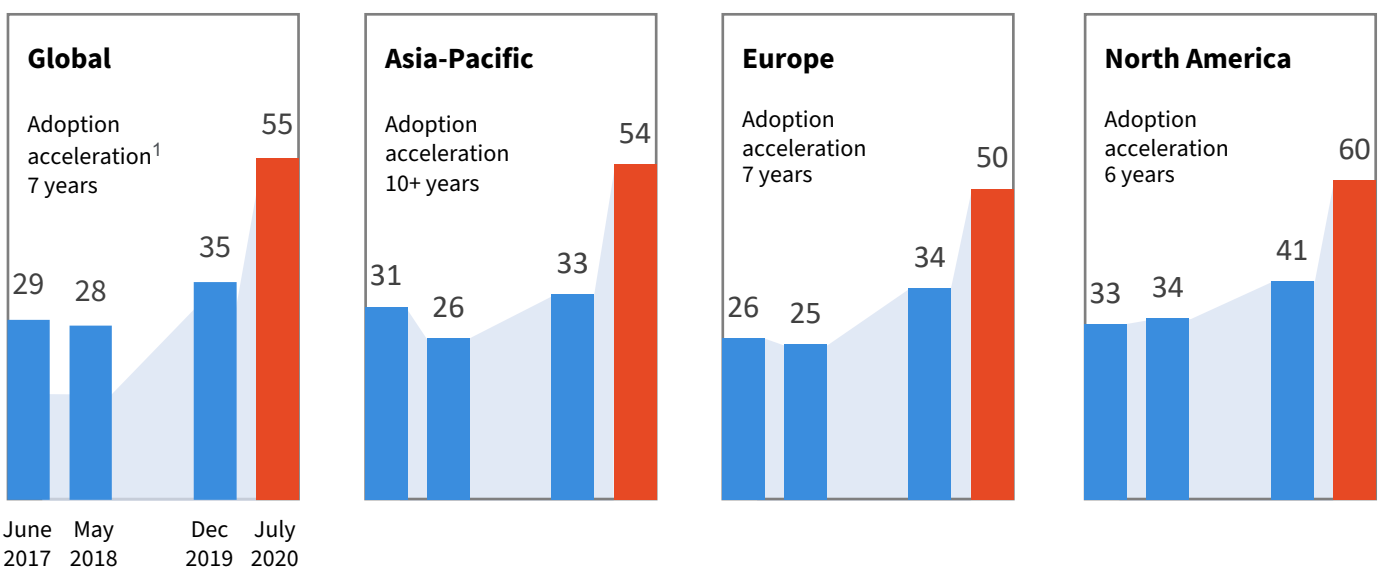
Constant battle to keep up with competition

Professional service firms are facing intense competition, and technology is a key factor for who comes out on top. Firms that do not invest in modern technology **risk falling behind their competitors and losing clients** to businesses that are better equipped to deliver a seamless experience.

But as the cost and number of available software skyrockets, it's not always possible for businesses to upgrade to the next best platform to stay competitive. TSIA's recent Economic Sentiment Survey found that 49% are planning cost savings through hiring freezes or potential layoffs, and 57% expect budgets to be flat or reduced.

Across business areas, the largest leap in digitization is the share of offerings that are digital in nature.

Average share of products and/or services that are partially or fully digitized, %   ■ Precrisis   ■ COVID-19 crisis

Global	Asia-Pacific	Europe	North America
Adoption acceleration[1] 7 years	Adoption acceleration 10+ years	Adoption acceleration 7 years	Adoption acceleration 6 years

Global: 29 (June 2017), 28 (May 2018), 35 (Dec 2019), 55 (July 2020)
Asia-Pacific: 31, 26, 33, 54
Europe: 26, 25, 34, 50
North America: 33, 34, 41, 60

[1]*Years ahead of the average rate of adoption from 2017 to 2019.*

Source: McKinsey

Since COVID-19, businesses around the world transformed their digital experience and tech stack, and that momentum hasn't stopped, even for professional service firms. The constant battle to keep up with competition requires businesses to make strategic investments in technology. The ever-evolving IT landscape means that businesses must **constantly assess their tech stack** to ensure that they are not falling behind their competitors.

However, with budgets potentially being flat or reduced, it can be challenging for businesses to keep up with the cost and number of available software options. It is important for professional service firms to carefully **evaluate their IT needs and prioritize investments** that will have the greatest effect on their clients and employees.

This may mean upgrading existing systems or investing in new solutions. Remember that it is crucial for businesses to strike a balance between staying competitive and managing costs. By making smart technology investments, professional service firms can stay ahead of their competition and continue to provide clients with the best possible experience.

Besides investing in software, how are professional service firms planning to tackle these challenges? In the next section, we'll hear from real Pittsburgh service leaders on how their businesses are adapting.

Part 2: How Professional Service Firms are Addressing These Challenges

Now that we have laid out the scope of challenges professional service firms are facing that affect their growth, it's time to discuss solutions. We'll address this with a look at how real businesses are using technology.
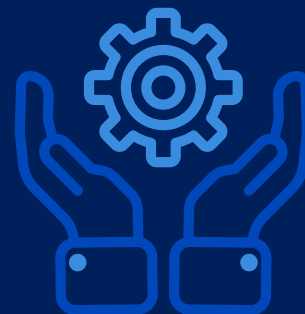
Proactive strategizing for rising tech-savvy client demand & adapting the customer experience

One way that professional service firms are addressing rising client expectations is by **proactively planning their experience**. For example, business leaders are starting to map out from beginning to end what their client's journey looks like and how it can be improved.

> "About two years ago, we started a customer experience effort. We were trained and certified through George Washington University, and took a certification class. We started to make it a huge focus of our organization and we looked at that in three ways. One was technology, one was communications, and one was engagement, which is more of the back and forth of interacting with clients. With technology, it was really about asking: 'How do we put ourselves in the shoes of the customer and create an experience using technology that can make their lives easier?'"
>
> _Jennifer Wilhem, Chief Operating Officer at the Urban Redevelopment Authority of Pittsburgh_

To transform their client's experience, businesses can leverage tools such as customer relationship management (CRM) systems, project management tools, and collaboration software. Software can help businesses streamline their processes, improve client communication, and provide a good experience.

In this current economic uncertainty, managing costs and IT budgets may be top-of-mind. But that does not have to come at the expense of a good customer experience. Data suggests that a good (i.e., digital) customer experience can help your firm manage economic headwinds:

Focusing on customer experience is a winning strategy in recession.

Total returns to shareholders of customer experience leaders and laggards,[1] % by quarter
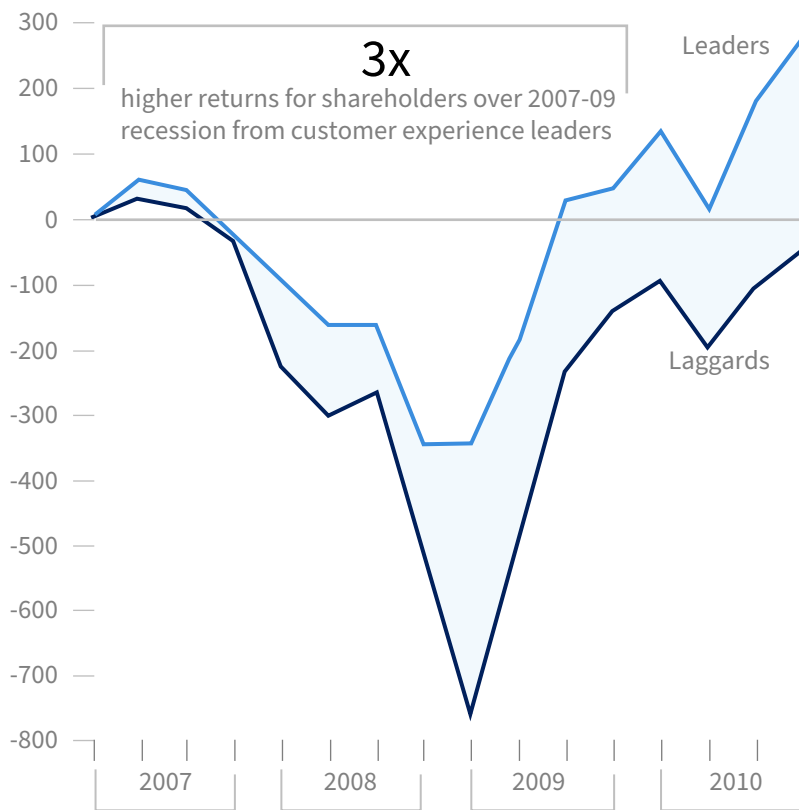
Commparison of total returns to shareholders for publicly traded companies ranking in the top 10 or bottom 10 of Forrester's Customer Experience Performance Index in 2007-09.

Source: McKinsey

For example, businesses can create a client onboarding form that sends data to many different systems at once. This allows every team to see and simplify the overall client experience. In 2023, it's archaic to ask clients to print out your emailed PDFs, fill them out, then scan them back to you.

> "One of the challenges is that the client products and services that we provide touch many departments. We knew we needed to get smarter about how that client moves in the system in a seamless way, so that they don't even have to know everything that's happening. We want people to have the best experience they can."
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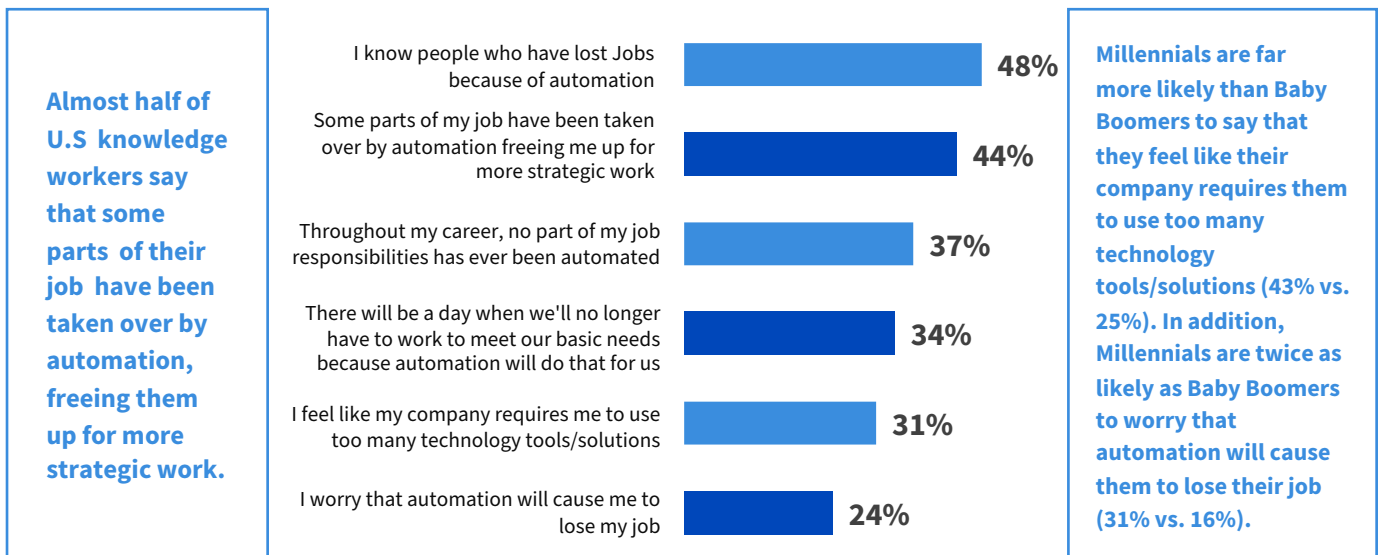> *Jennifer Wilhem, Chief Operating Officer at the Urban Redevelopment Authority of Pittsburgh*

Using technology to help your clients have a better experience is a key role in customer retention. However, for your clients to have a good experience, your employees need to understand and easily use the platforms you choose.

Modernize or invest in tech to grow your firm & keep pace with competitors

Professional service firms can also address the challenges they face by modernizing their supporting technology and investing in the right tech to keep pace with their competitors. For example, 69% of workers said that automation would give them more time to carry out their primary duties. 85% agreed that the rise of automation in the workforce will allow staff to devise new and innovative approaches to work.

How strongly do you agree or disagree with the following statements?

(% saying strongly/somewhat agree)

Almost half of U.S knowledge workers say that some parts of their job have been taken over by automation, freeing them up for more strategic work.

Statement	%
I know people who have lost Jobs because of automation	48%
Some parts of my job have been taken over by automation freeing me up for more strategic work	44%
Throughout my career, no part of my job responsibilities has ever been automated	37%
There will be a day when we'll no longer have to work to meet our basic needs because automation will do that for us	34%
I feel like my company requires me to use too many technology tools/solutions	31%
I worry that automation will cause me to lose my job	24%

Millennials are far more likely than Baby Boomers to say that they feel like their company requires them to use too many technology tools/solutions (43% vs. 25%). In addition, Millennials are twice as likely as Baby Boomers to worry that automation will cause them to lose their job (31% vs. 16%).

Source: Workfront Report

A digital employee experience not only improves employee satisfaction, but it also helps to increase retention rates. In the 2021 Willis Towers Watson global survey, 92% of employers indicated that enhancing the employee experience (EX) will be a priority over the next three years.

To modernize their technology systems and IT infrastructure, professional service firms can migrate to Office 365 and stop emailing spreadsheets. Most businesses can also use customer relationship management (CRM) and upgrade to better enterprise resource planning (ERP) systems.

Keep in mind that modernizing your business technology should be approached holistically. It's important to understand what your department's day to day workflows look like, and even more importantly, what functions aren't working well. That's why a one-size-fits-all strategy isn't effective in technology modernization.

Once you understand the daily challenges your team faces, you can create more efficient workflows with modern workplaces solutions, like Microsoft 365. Here are four examples of changes we have seen that create measurable impact for professional service firms:

1 Intranet knowledge hub

This is a landing page for employees with links and access to all company applications, documents, and line of business applications. It usually includes a simple way to manage and routinely update it. Traditionally, this is called an "intranet." This centralized hub of resources not only reduces time spent searching for documents, but also fosters transparency.

2 Microsoft chat-bot

A Microsoft Teams based chat-bot for HR departments can automatically answer daily questions from staff and direct them to their answers. This technology improves the speed and efficiency of your business' HR response while reducing your HR department's workload. For non-HR employees, a chat-bot serves as an accessible source of information, quickly addressing common queries and reducing frustration.

3 SharePoint Online

SharePoint Online is a powerful tool for document collaboration, encouraging team members to easily work together on projects. This can improve turnaround times for client work, teamwork with external staff, and create a unified internal environment.

4 Employee experience measurement & management

Lastly, utilizing a platform like Microsoft Viva to measure and manage employee experiences can provide invaluable insights. These insights help professional service firms fine-tune their digital transformations and drive higher employee satisfaction. If you don't have this data, it's difficult to understand who needs support, and where.

One of the biggest recommendations our team has regarding your employee experience is making sure that your staff is utilizing their technology correctly and to their fullest potential. We see businesses that have environments set up in Microsoft 365 or Google Suite, but they are not utilizing important elements of that software.

By providing your staff with the right tools and technology, you create an environment that encourages efficiency and focus. Many of our professional services clients rely on Microsoft Viva to help in this regard.
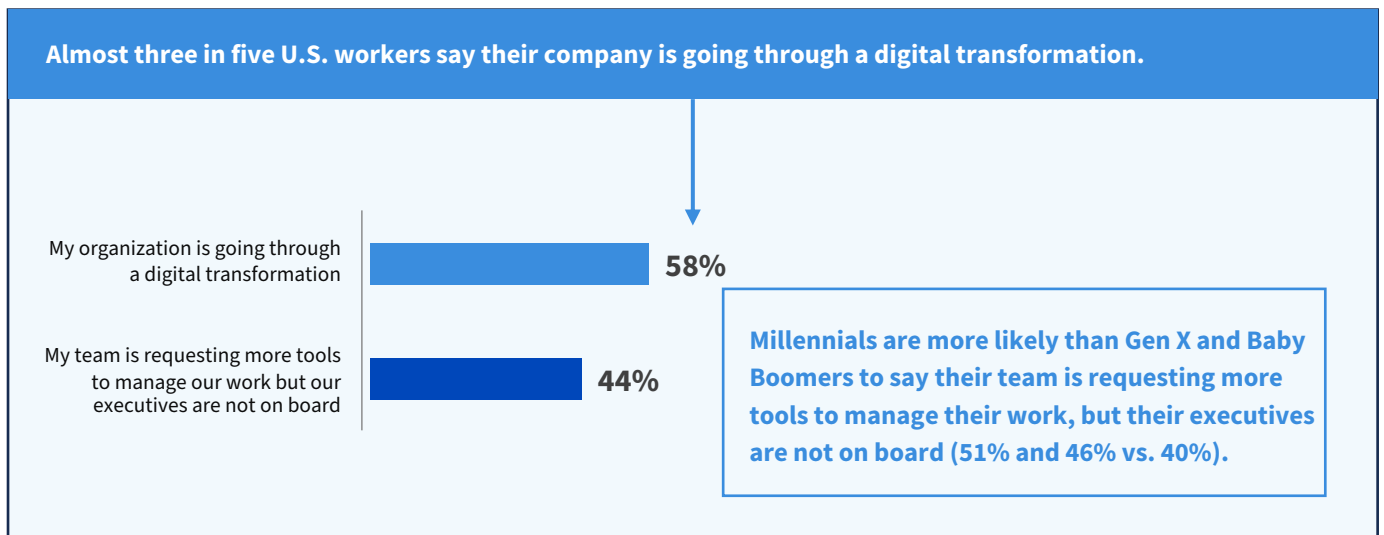
This platform combines communications, learning, insights, and employee engagement tools to create a unified digital experience. Viva streamlines collaboration, encourages continuous learning, and helps employees better manage their well-being and work-life balance. A platform like Viva can have a true bottom line impact, as that higher productivity and engagement translates to better business performance.

Clear and transparent communication with clients is vital for growth and a positive reputation. In 2023, communication between businesses and clients is facilitated by modern tools that share documents, progress updates, and even invoices. Microsoft 365 is a common and useful tool that many businesses use.

By investing in the right technology, leaders can increase efficiency and keep pace with their competitors.

Almost three in five U.S. workers say their company is going through a digital transformation.

My organization is going through a digital transformation — **58%**

My team is requesting more tools to manage our work but our executives are not on board — **44%**

Millennials are more likely than Gen X and Baby Boomers to say their team is requesting more tools to manage their work, but their executives are not on board (51% and 46% vs. 40%).

Source: Workfront Report

Train & adopt tech for your current workforce to improve their overall experience

Training employees to use new technology is no easy task. Even for businesses that have already adopted technology to meet their clients' needs, their employees might not have a good relationship with it. This leads to lower employee engagement, which affects your customer's experience – and can lead to turnover.

A minor obstacle we have seen is that after training, employees want to use their new technology, but they may have too many applications going at once. Businesses want communication to be quick, but files can get lost in an ocean of emails, or a Team's messages get missed in daily chats.

> "One challenge is having too many methods of communication. You're constantly checking your email, Teams, etc. Everyone gets this 'alert fatigue'... You've got to build guidelines and set expectations for communication, but that comes with its own challenges."
>
> *Jennifer Wilhem*, *Chief Operating Officer at the Urban Redevelopment Authority of Pittsburgh*

By investing in technology training, leaders can prioritize their internal communication channels, leading to a better employee experience and retention rates. In fact, more than one-third (36%) of professional services leaders say faster acquisition and deployment of new skills and teams presents the top opportunity for digital growth in the next 12 to 18 months.

For example, one of our recent clients wanted to switch from Google Apps to Microsoft 365. We trained the whole team upfront and walked them through their new digital employee experience multiple times. However, due to a lack of internal communication from the project leader to their team, they missed telling their staff what we were doing and how our team was making a new experience.

The project represented a large-scale shift in how people complete their day-to-day projects. A massive change like this needed more communication from leadership. Once we filled in the communication gap, the project was a major success and the company was in a better position to serve its clients. To avoid an initial setback like this, **employers need to appoint the right person with the right tools to lead internal technology and change management projects.** They also have to give them the time to do it right.

> "People aren't fungible. They're somewhat unpredictable and they're not static. We've seen a large increase in the focus on managing people much more intelligently with systems."
>
> Justin Joseph
> Senior Director of Product Strategy for the Professional Services Industries
> Workday

It's becoming vital to create playbooks that walk your employees through how to use your technology. This means that leaders need to meet with each team to adapt the playbook to their specific workflows. By co-creating a playbook that addresses how everyone uses technology, employees will be more willing to use it. For example, teams can build a playbook together on how they use Microsoft 365.

"At the JCC, there's a wide range of skills and level of comfort with technology. When we started off on this journey of using the licenses that we pay for, the employee experience is always at the top of the list. Because if people are uncomfortable with it at the start, and the experience is bad the first time or the second time, they're just not going to use it. So we have to make the experience as good as possible upon rollout and also be open to feedback. And make sure that we're listening to issues with the experience and trying to fix them...If we standardize and use [IT] tools at our disposal to standardize how we store files and communicate with each other, it opens up new lines of communication and new possibilities."

Ben Katz, Jewish Community Center of Greater Pittsburgh

Another challenge that businesses face when implementing new technology is the age gap between employees. To address this, leaders can start including tech training in the onboarding of all new employees for a better employee experience. This ensures that all employees are up-to-date on the latest platform uses and are equipped to deliver a seamless and efficient experience to your clients.

"Like most workforces, we have many generations. There are levels of familiarity with different technologies based on what you may be used to and what you grew up with. For us to create a culture that is inclusive of all different levels of folks and their history with technology, we must be as educating as possible, and that starts with onboarding. It starts with making sure that everyone gets a common understanding and we don't make assumptions about what people may be starting with."

Jennifer Wilhem, Chief Operating Officer at the Urban Redevelopment Authority of Pittsburgh

With your new platforms implemented and your employees trained, it's time to think about your firm's proactive cybersecurity plan.

"Cybersecurity is a big concern. We just went through cyber liability insurance which was really challenging. I see the horror stories from the law journals and fraud in title insurance journals. But if you have a good IT partner you don't have to think about this, they're coming up with ideas to address your cybersecurity and systems issues. In the past 15 years, IT has become a major component of our business.

John Prorok, Partner at Maiello Brungo & Maiello, LLP Law Practi ce

A proactive cybersecurity plan is the backbone of professional service firms. This process should include regularly updating software and systems, implementing multi-factor authentication, adopting a zero-trust model, utilizing best-in class managed detection and response systems, regularly backing up data and much more. By investing in cybersecurity protection, businesses can ensure that their reputation and data are protected.

In addition to improving your IT security posture, businesses must ensure that their employees are trained. This training can include:

- ✔ Ongoing phishing testing and training
- ✔ What to do in the event of a cyber incident
- ✔ Strict password policies
- ✔ Routine awareness training for all employees
- ✔ Promoting a culture of security awareness

If budget or internal resources are in question, professional service firms can consider partnering with a managed IT services provider (MSP). MSPs provide ongoing support, technology expertise, and cybersecurity training. An IT MSP can also provide additional resources in the event of a security incident by minimizing the impact to clients.

What should my business focus on first?

Overhauling your professional service firm's employee and client experience is a monumental effort, and that doesn't include possible changes to your back-end systems. Which one should be prioritized?

We asked this question during one of our interviews with Pittsburgh businesses, and this is what one leader said:

Invest in a stronger cybersecurity plan

Cybersecurity threats are becoming more complex and frequent in 2023. It is increasingly important for professional service firms to invest in a stronger cybersecurity approach. Keeping pace with evolving cybersecurity threats is crucial for maintaining client trust and keeping their data safe.

"We had to get our own ducks in a row first. During the pandemic, we did a couple brand new system implementations. We connected them between two new systems, a loan processing system, and also a financial system of record. It made the back of the house workflow seamless. Our clients got a normal, one entry experience that looked effortless. **We had to really focus on ourselves first** in order to provide a better external experience."

Jennifer Wilhem, Chief Operating Officer at the Urban Redevelopment Authority of Pittsburgh

Conclusion:

In this report, we explored the major growth challenges that professional service firms are facing. These difficulties include pressure to exceed client expectations, the constant battle to keep up with competition, and the need to have a positive employee digital experience. We also discussed how professional service firms are addressing these challenges by:

- Planning and adapting their customer experience

- Training and adopting technology for their current workforce

- Modernizing their technology to better compete in their spaces

- Protecting against the latest cybersecurity threats

It's clear that professional service firms in Pittsburgh must embrace technology to stay competitive and meet client demands. With the support of technology, businesses can empower their employees and exceed rising expectations. We've seen this in our recent interviews with real Pittsburgh professional service firms, such as JCC, The Urban Redevelopment Authority of Pittsburgh, The Markosky Engineering Group, and more.

If you're a professional service firm in Pittsburgh looking to grow in 2023 and beyond, it's time to embrace technology. By partnering with an IT MSP like Ceeva, modernizing your technology, processes, and employee experience becomes easy. Empower your firm with technology and reap the benefits of sustainable growth and success!

About Ceeva

Ceeva is a Pittsburgh-based IT managed services firm specializing in providing you with the confidence that you need to do business in a digital world. **For over 30 years,** Ceeva has helped organizations with managed IT solutions, cloud security, cybersecurity training, digital literacy, and more.

Our team is composed of executive-level technology expertise, hands-on network engineers, and accessible support to help your organization at all levels. Our goal is to provide the friendly, day-to-day helping hand that your front-line needs to stay connected and protected.

Here are some ways how Ceeva can help your professional service firm:

- ✔ Scalable, Proactive Managed IT Solutions
- ✔ Organization-Wide Digital Literacy Training
- ✔ Strategic Continuity Services
- ✔ Effective Cloud-Based Security
- ✔ Expert Consultation for Secure Configurations
- ✔ Secure Data Backups
- ✔ Foundational Support for a Secure Digital Culture

Are you looking for the skills, services, or expertise to improve your firm's digital transformation? The team at Ceeva can help, offering scalable services tailored to fit the unique needs of your firm.

Meet with an expert from our team to learn how we can take your professional service firm's IT landscape to the next level!

Find out more ❯

The pros you want with you

in the server room, the boardroom,

and even the lunchroom.