THE 2021 STATE OF CRM IN PROFESSIONAL SERVICES

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EXECUTIVE SUMMARY

In September 2021, Ackert Inc. conducted the sixth installment of its market-wide study on Client Relationship Management (CRM) software adoption and utilization in law firms. This year we also surveyed respondents from consulting firms. This white paper is a continuation of similar studies conducted since 2015. It examines trends in CRM utilization based on the responses of 118 U.S. consulting firms.

Key Findings:

Nine out of 10 consulting firms have a CRM platform.

Consultants use CRM at only one in five firms.

Only about 1 in 10 consulting firms rate their CRM as highly effective for pipeline management.

Fewer than half of consultants with access to CRM use it regularly for sales pipeline management.

Nearly three out of four consultants still use Word documents instead of CRM, and nearly half still use Excel spreadsheets.

Consulting firm marketing/business development leaders lack an understanding of accountability's critical role in ensuring consultants' CRM adoption.

Firms report consultants' lacking the technology they need to be effective as their top business development challenge.

DATA ANALYSIS

We asked 118 primarily U.S.-based consulting firm professionals to answer a series of questions regarding demographics, technology platforms, budget allocations, user adoption, ROI, integration, support services, and business development tracking and accountability initiatives.

Data Analysis
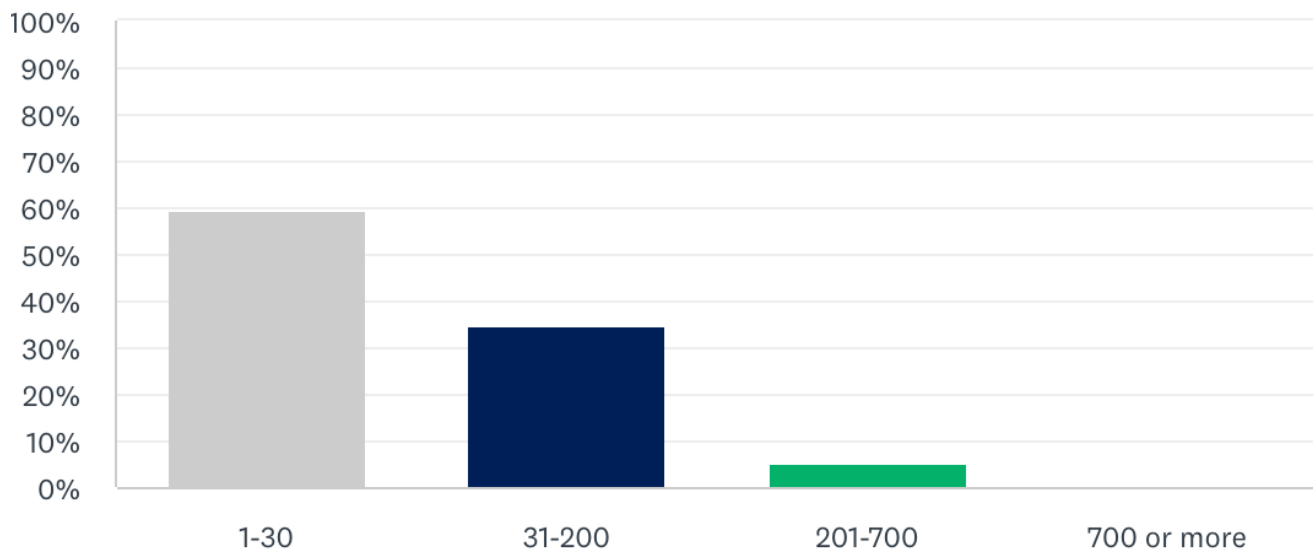
Survey respondents represented firms of all sizes. We asked them to quantify the size of their firms based on the number of consultants. 95% of firms have between one and 200 (60% have 1-30, and 35% have 31-200). 5% of firms have 201-700 consultants.

MARKETING BUDGET

We asked respondents to quantify the size of their marketing budgets as a percentage of firm revenue, excluding salaries. The response to this question indicates whether a firm can afford or how much of an investment it can make in CRM.

Marketing Budget
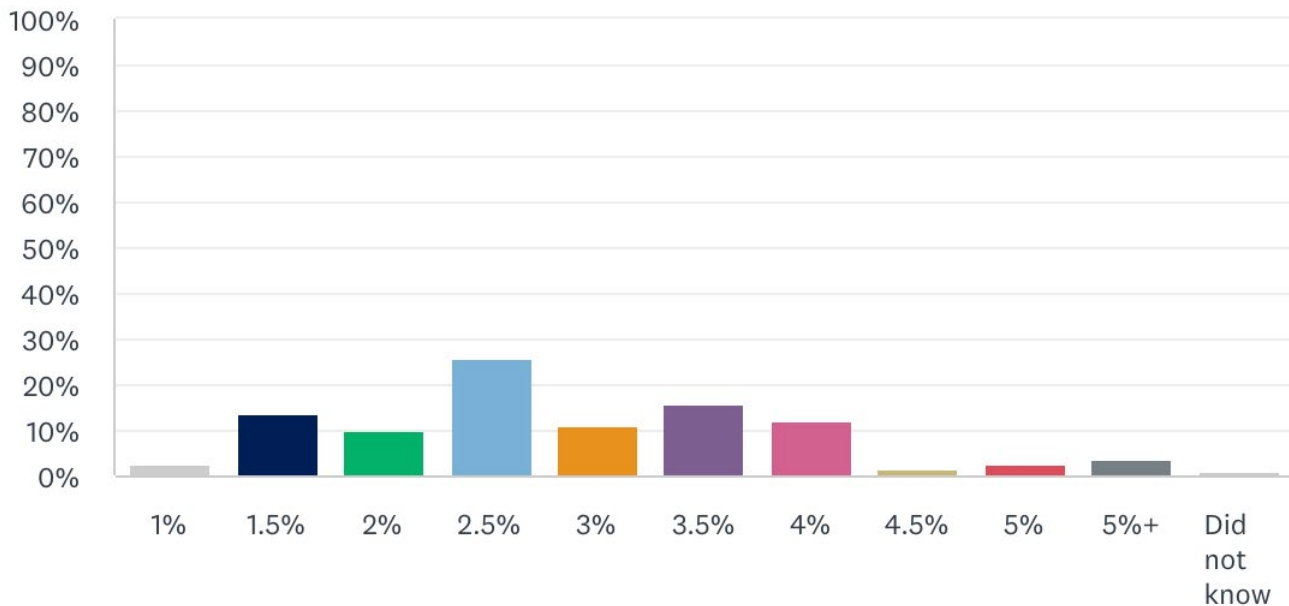
The greatest number of consulting firms (26%) have marketing budgets of 2.5%. Nearly nine out of 10 (88%) have marketing budgets between 1.5% and 4%.

HOW MANY CONSULTING FIRMS HAVE CRM

According to respondents, nine out of 10 consulting firms have CRM. Just 10% say they do not because their firms do not need it.

How Many Consulting Firms Have CRM

Have CRM	**90%**
Do not have CRM	**10%**
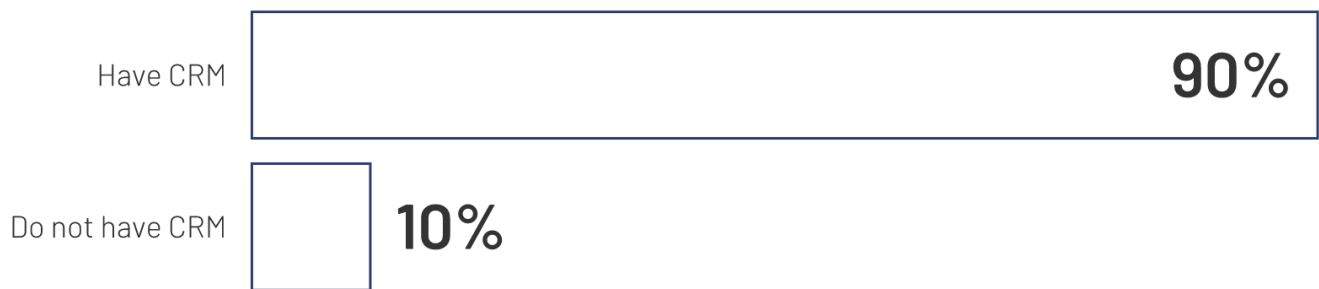
HOW MANY CONSULTANTS USE CRM

We asked respondents to identify the CRM users in their firms, consultants, marketers, or other employees. Only one in five firms report that consultants are CRM users.

Marketers are the CRM users at slightly fewer firms (17%).

How Many Consultants Use CRM
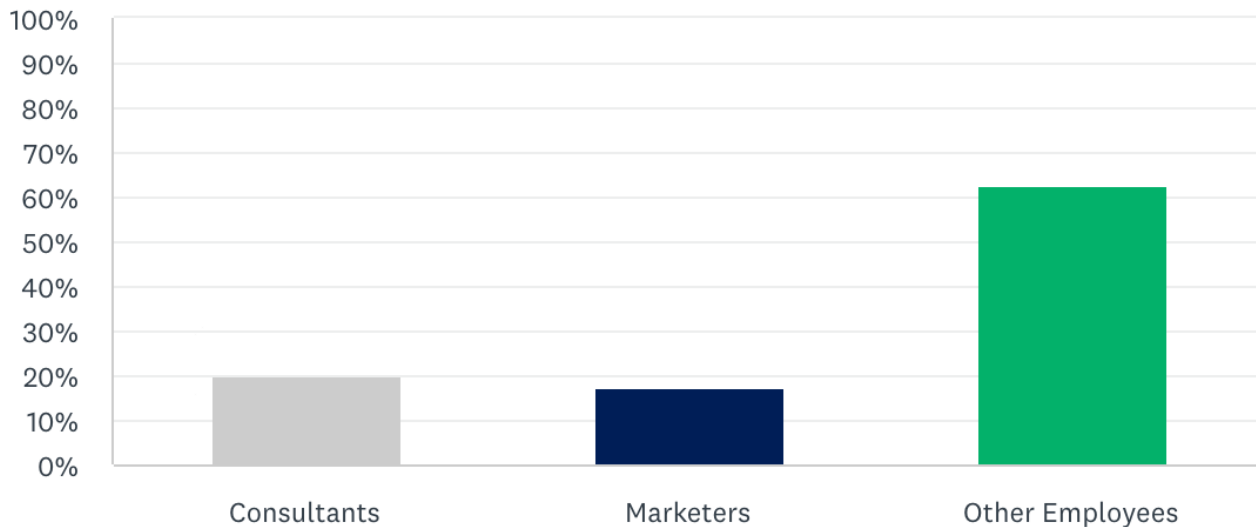
Consultants are CRM users in only 20% of firms.

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HOW MUCH CONSULTING FIRMS SPEND ON CRM IN A TYPICAL YEAR

36% of consulting firms surveyed spend between 10,000 and 25,000 U.S. dollars per year on their CRM platform, and one out of five spends less than $10,000. On the high end, fewer than one in 10 (9%) consulting firms pays $150,00-$500,00.

How Much Firms Spend on CRM

Category	Percentage
We use a free system.	7.34%
Less than $10,000 USD	20.18%
$10,000–$25,000 USD	35.78%
$25,000–$75,000 USD	16.51%
$75,000–$150,000 USD	8.26%
$150,000–$500,000 USD	9.17%
$500,000+ USD	0.92%
I am not sure.	0.92%
Other amount.	0.92%
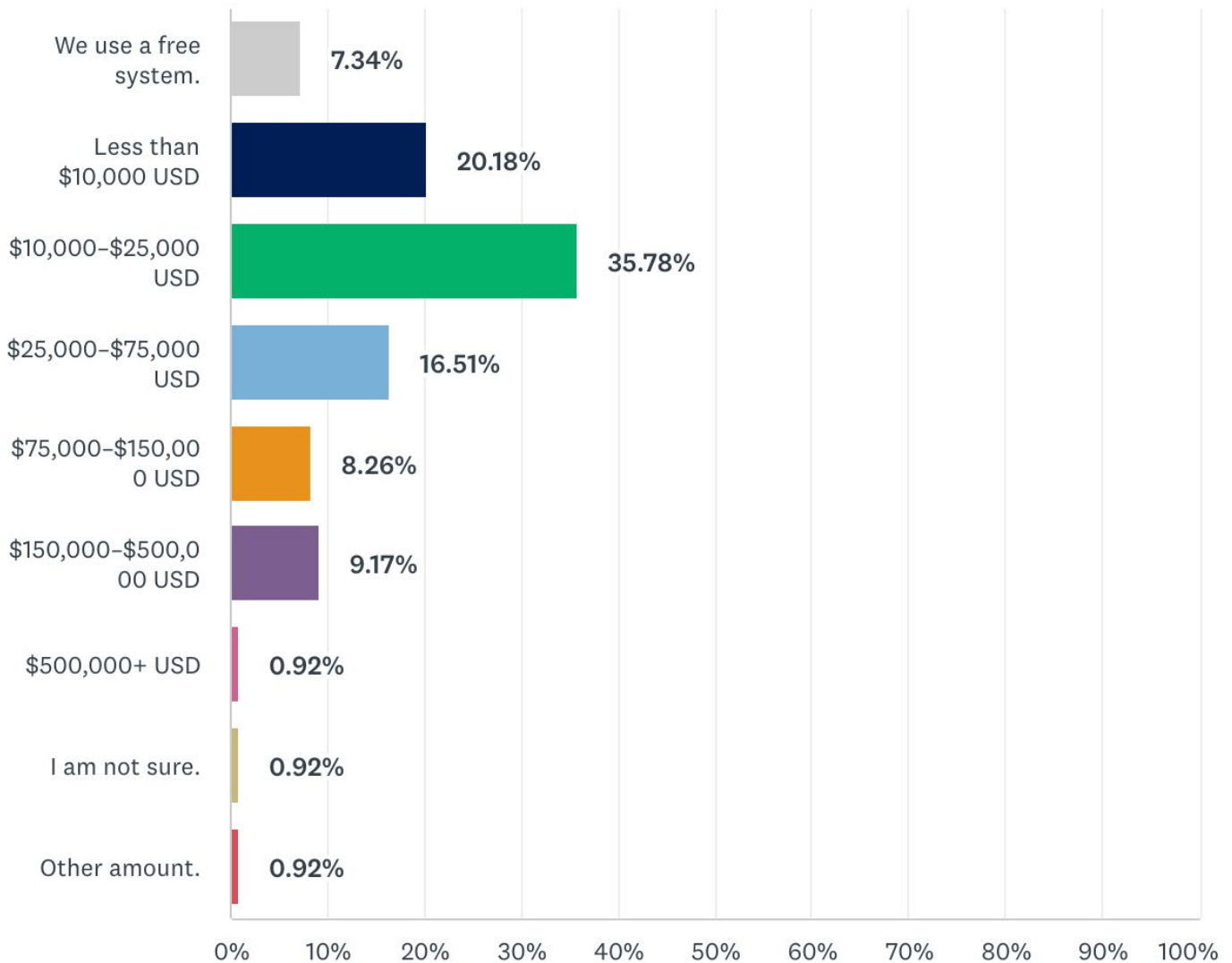
TYPES OF CRMS AND ADD-ON PLATFORMS

Types of CRM Platforms

Platform	Percentage
Deltek	19.27%
HubSpot CRM	34.86%
Microsoft Dynamics 365	37.61%
OnePlace (Intapp)	27.52%
Salesforce	22.94%
OnePlace (Salesforce)	7.34%
Zoho	6.42%
We developed our own	4.59%
Sugar	
Other (please specify)	0.92%
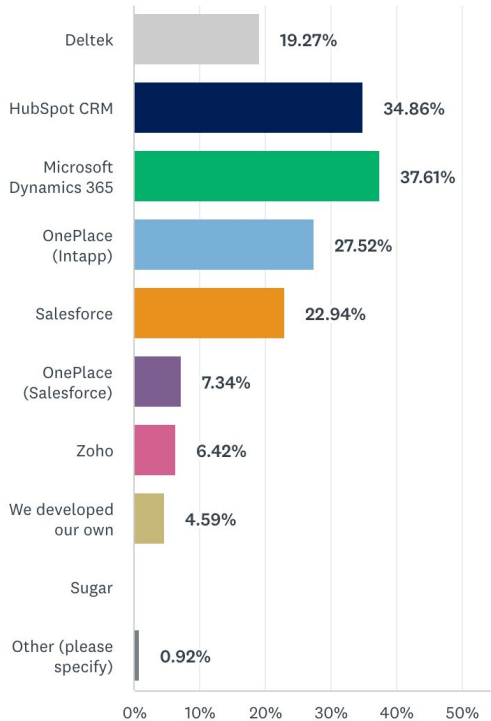
Of 16 types of CRMs and add-ons, the platform used most by consulting firms is Microsoft Dynamics 365 (37%), followed closely by HubSpot (35%). Judging by the responses, it is common for consulting firms to have multiple CRM platforms and add-ons.

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CLOUD-BASED VS. ON-PREMISE CRM SYSTEMS

We then asked whether their consulting firms' CRM is cloud-based or on-premises. Nearly nine out of 10 firms (88%) report using a cloud-based CRM. 28% report they use an on-premises CRM, indicating almost a quarter of firms use both a cloud-based and on-premises CRM platform.

Cloud-Based vs On-Premise CRM

Cloud-based	
On-premises	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
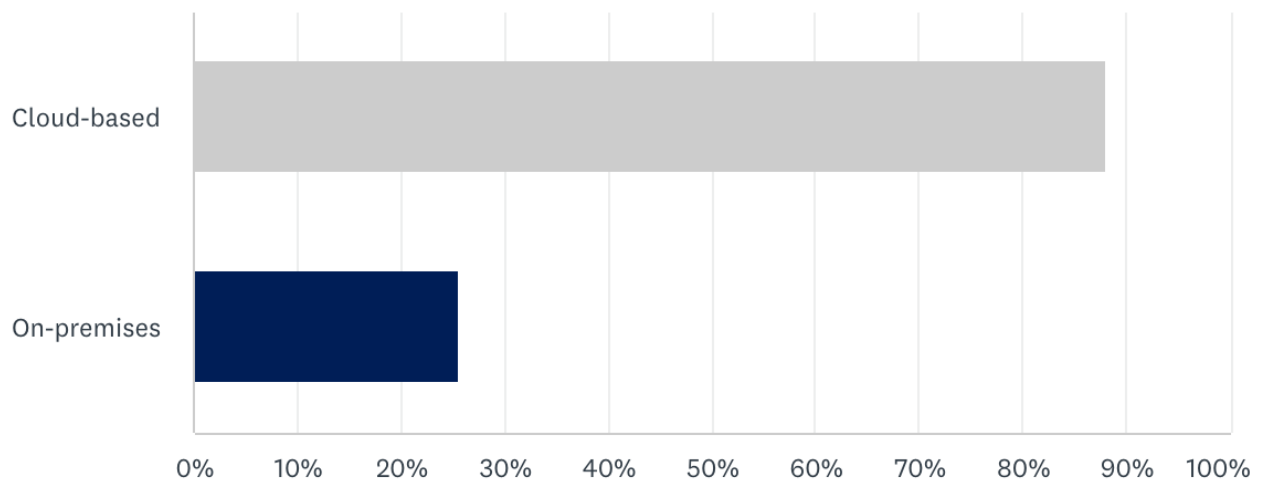
CRM PLATFORM INTEGRATIONS

Of eight types of CRM software integrations, an average of 97% of consulting firms surveyed has every platform.

We also asked respondents what type of integration their firms use for each platform: out-of-the-box, custom-built API, or third-party connector. An average of 35% of firms use third-party connectors, like Zapier, and an average of 34% use custom-built API integrations. Nearly one in five consulting firms (19%) uses manual CSV imports and exports.

CRM Platform Integrations

Legend:
- Out-of-the-box integration
- Custom-built API integration
- Third-party connector (e.g. Zapier)
- Manual CSV imports/exports
- N/A - No integration
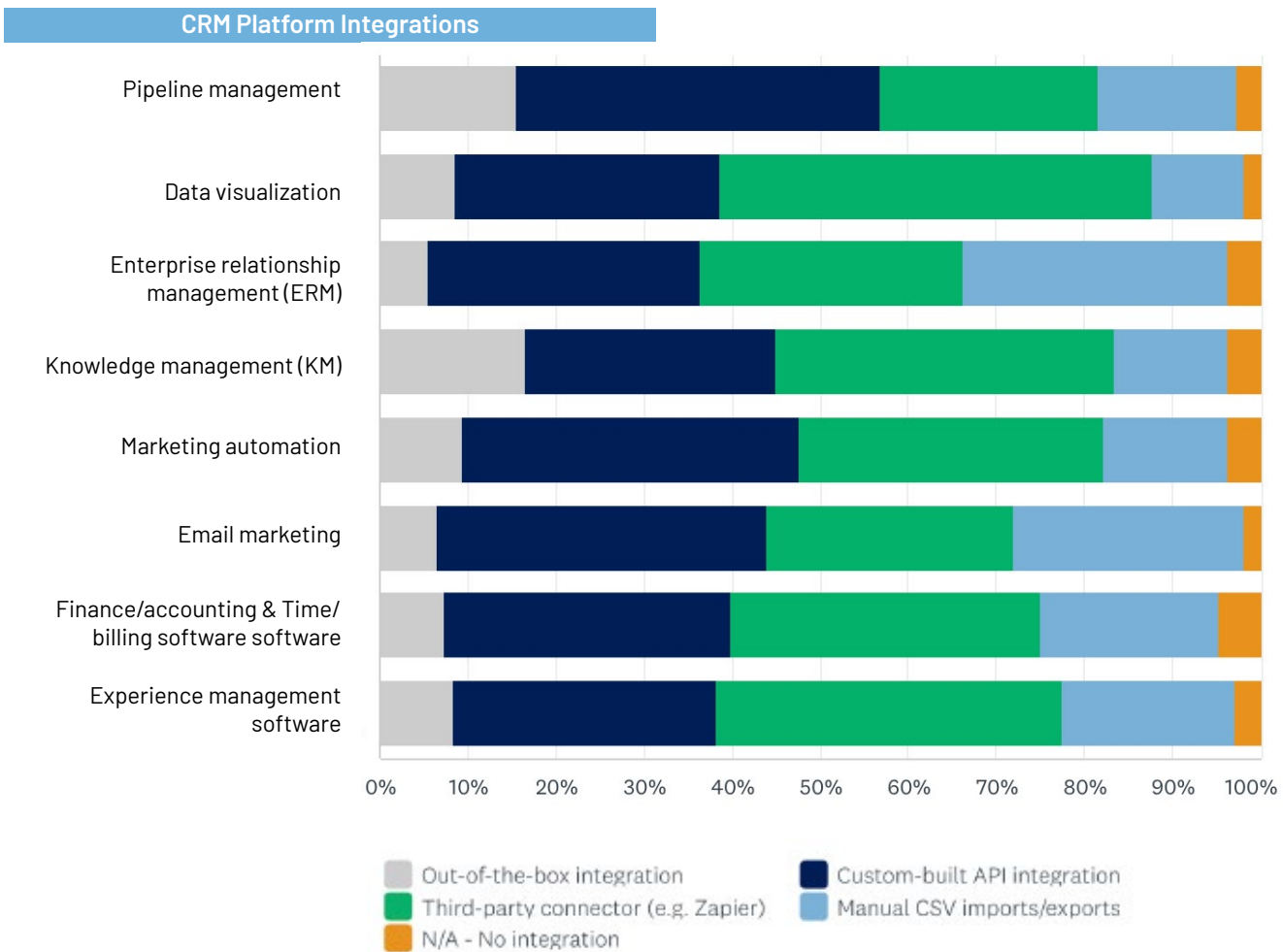
More than four out of 10 firms (41%) have custom-built API integrations for their pipeline management platform.

CRM EFFECTIVENESS

We asked respondents to rate the effectiveness of their CRM tool on a scale of 1-5 (1 being very ineffective and 5 being highly effective) for each of 12 essential marketing/business development functions. Overall, an average of 40% of consulting firms rate their CRMs as only moderately effective across the 12 functions. Only 13% of firms rate their CRM highly effective across marketing/business development functions. Surprisingly, the highest percentage of firms (17%) rate their CRMs as highly effective for social media traffic. Other functions with higher highly effective ratings are file story/sync and passive data (both 16%). Only about one in 10 consulting firms rates their CRM highly effective for pipeline management.
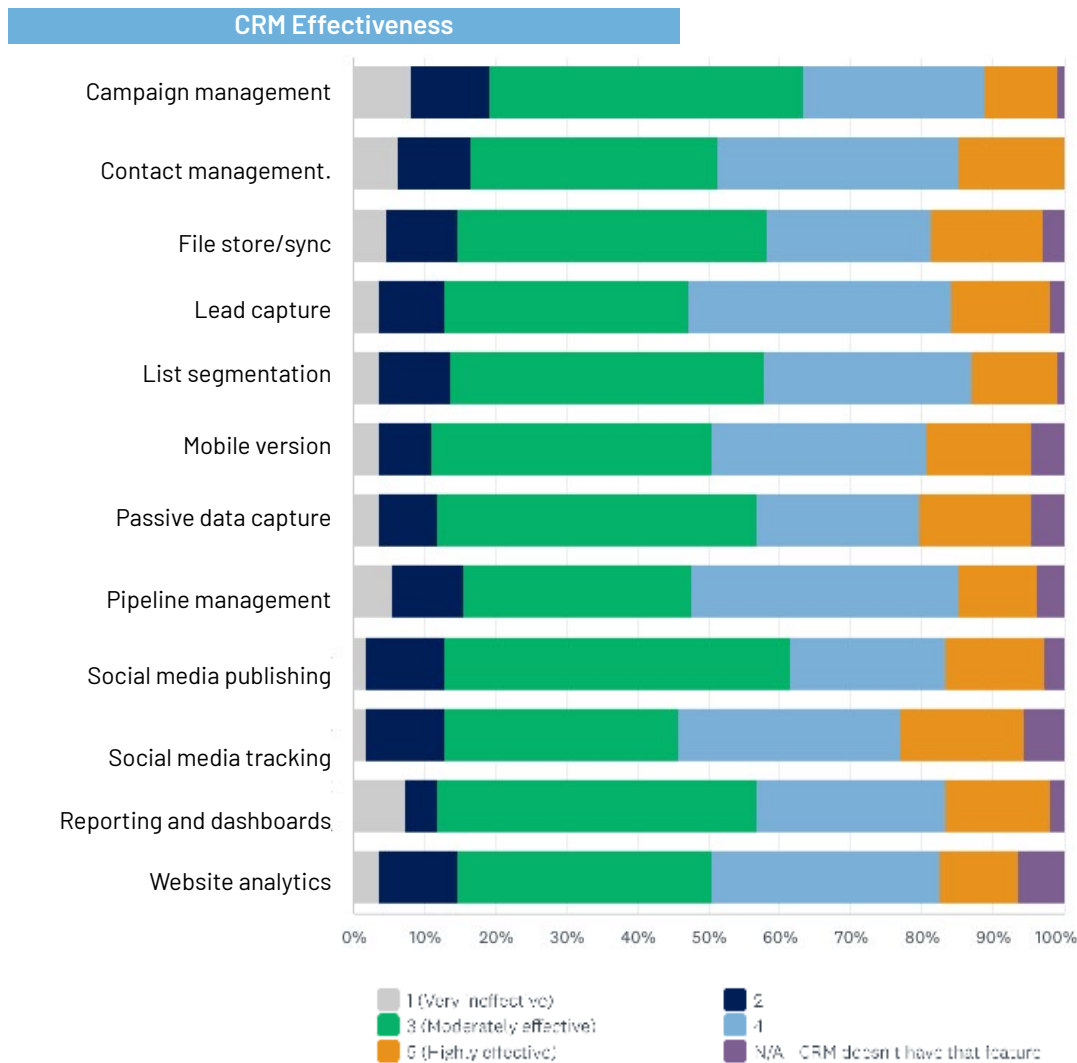
CRM Effectiveness

Legend:
- 1 (Very ineffective)
- 2
- 3 (Moderately effective)
- 4
- 5 (Highly effective)
- N/A - CRM doesn't have that feature

Overall, an average of 40% of consulting firms rate their CRMs as only moderately effective across 12 marketing/BD functions.

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HOW MANY CONSULTANTS USE CRM FOR SALES PIPELINE MANAGEMENT

Next, the survey asked of the consultants who use CRM at their firms what percentage use it regularly for sales pipeline management (defined as at least once every two weeks). According to respondents, consultants at fewer than half of firms (49%) use it regularly for pipeline management.

Considering consultants are CRM users at 20% of firms, consultants use CRM regularly for sales pipeline management at just one in 10 firms.

CRM ADOPTION CHALLENGES

For those consultants who do not utilize CRM for business development at their consulting firms, the survey asked respondents to select the top three of eight factors they believe contribute to low adoption. Perhaps not surprising to marketers and business developers, 57% of consulting firms cite the high level of data entry CRMs require. 46% of firms cite consultants' lack of time, and 42% cite their CRM's lack of mobile or remote access.

CRM Adoption Challenges
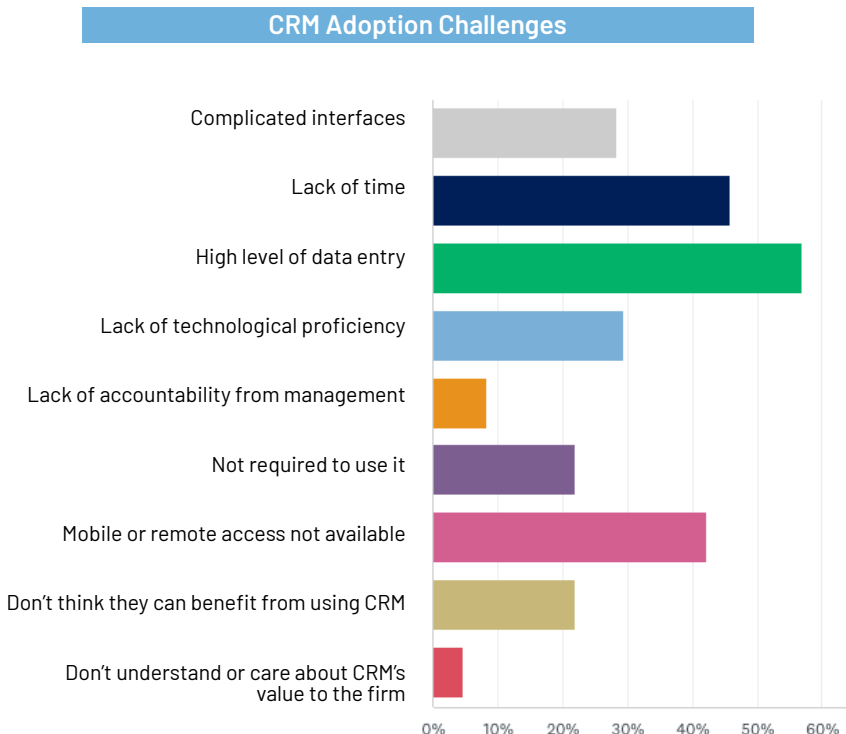
The factors the consulting firms cite the least as impeding CRM adoption are lack of accountability from management (8%) and consultants not understanding or caring about CRM's value to the firm (5%).

WHAT CONSULTANTS WHO DON'T USE CRM FOR SALES PIPELINE MANAGEMENT USE INSTEAD

Despite all the press about how consulting firms boosted their technology adoption during the pandemic, consultants at nearly three out of four firms (73%) still use Word documents to track business development. Consultants at roughly half of firms (48%) still use Excel spreadsheets.

At 39% of firms, consultants still use Outlook reminders/emails and paper notes for sales pipeline management.

Using Instead of CRM for Sales Pipeline
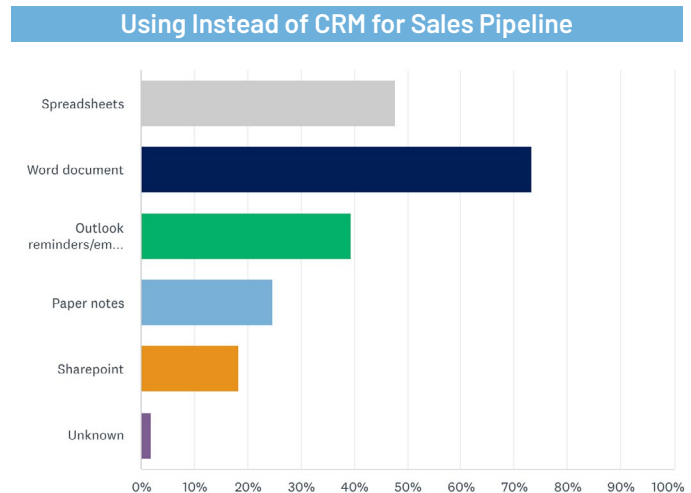
CONSULTANTS' ACCOUNTABILITY FOR USING CRM

When we asked respondents earlier in the survey to identify the top three factors contributing to low CRM user adoption at their consulting firms, just 8% cited lack of accountability from management. But in decades of work with professional services firms, we have witnessed how critical it is for leadership to have accountability measures in place for seller-doers to optimize a business development program's success. To further explore to what extent consulting firms hold consultants accountable, we asked respondents to describe, based on a scale of 1 to 5, the level of accountability firms hold them to for using CRM regularly for tracking business development.

Consultants' Accountability for Using CRM

Consultants face either little to no or a medium level of accountability for using CRM regularly for business development at eight out of 10 firms. Consulting firm leaders at only one in five firms hold consultants to a high level of accountability for using CRM regularly for business development. Yet only 8% of firms acknowledge lack of accountability as a leading CRM adoption challenge.
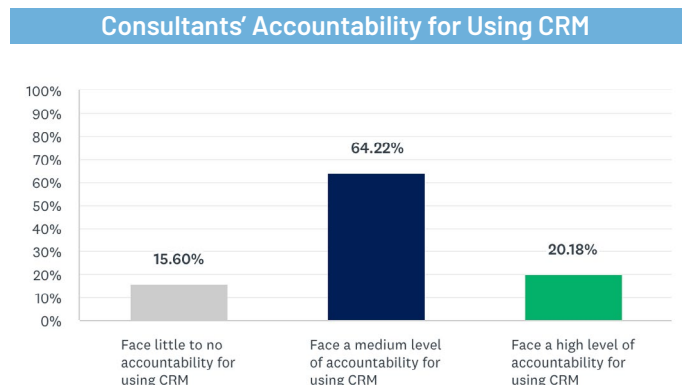
It seems that firm marketing/business development leaders may lack an understanding of the critical role accountability makes in ensuring consultants' CRM user adoption.

TOOLS AND INITIATIVES CONSULTING FIRMS USE TO INCREASE CRM ADOPTION

In addition to accountability, firms can implement many other tools and initiatives to boost CRM user adoption among consultants. We asked respondents what their departments have used from a list of eight options.

Tools Consulting Firms Use to Increase Adoption

Tool	Percentage
Business development coaching (provided by internal managers)	30.28%
Business development coaching (provided by external coaches)	59.63%
Pipeline management software	46.79%
Gamification/contests	24.77%
Regular encouragement from managers/marketers	8.26%
Internal email reminders/newsletters	18.35%
Managers/marketers updating CRM on behalf of seller-doer	34.86%
Secretaries/assistants updating CRM on behalf of seller-doer	28.44%
Not yet, but we hope to within the next year or two	9.17%
We have no plans to increase CRM adoption at this time	1.83%

Six out of 10 consulting firms use business development provided by external coaches to increase CRM adoption, and nearly half (47%) use pipeline management software.

Likely not surprising to firm marketers and business developers, managers/marketers update CRMs on behalf of consultants at more than a third of firms (35%). Secretaries and assistants do the same at 28% of firms.

Also, a telling follow-up to our findings on the level of accountability firms hold consultants to for regular use of CRM for business development is that they receive regular encouragement by managers/marketers at only 8% of firms.
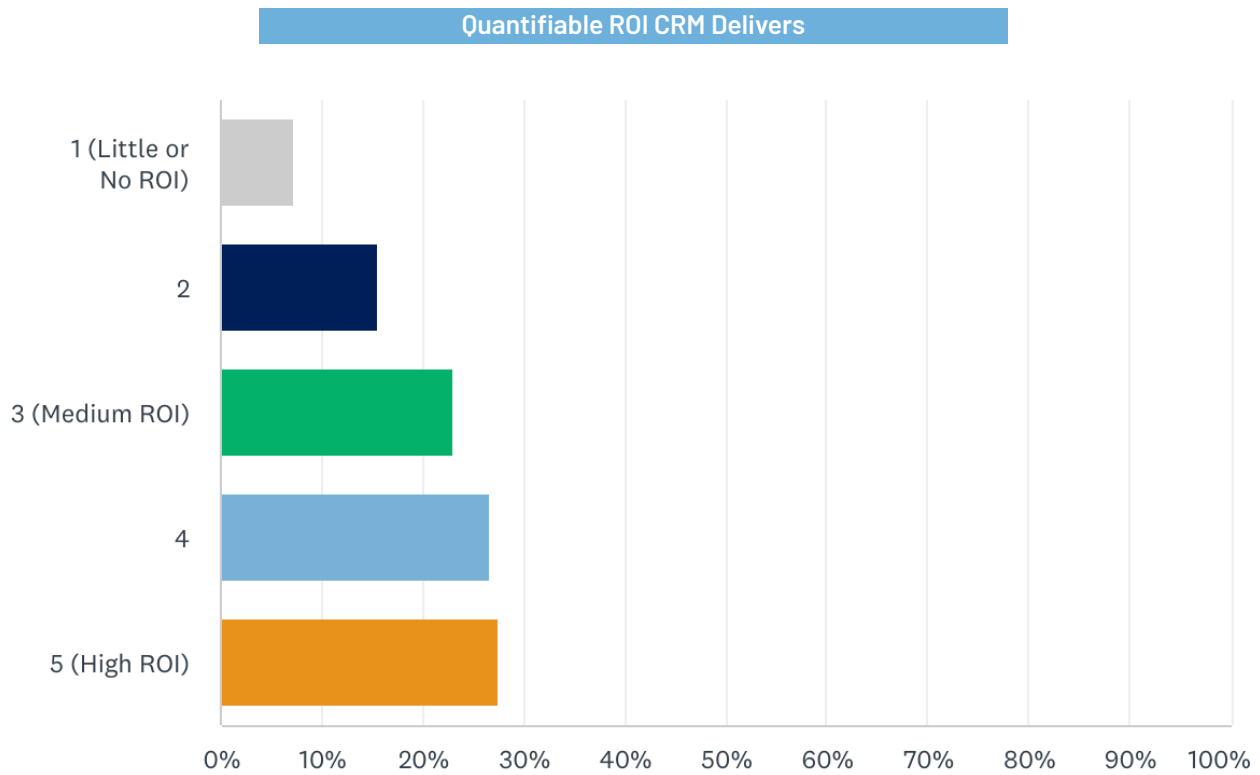
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QUANTIFIABLE ROI CRM DELIVERS

Perhaps the million-dollar question is how much return on investment consulting firms get from their CRM platforms. On a scale of 1 to 5, we asked respondents what level of quantifiable investment their CRM delivers.

Although few consulting firms find their CRMs to be highly effective for pipeline management (and many other marketing/business development functions), more than three out of four firms (77%) report their CRM delivers a medium to high level of ROI. In fact, the highest percentage of firms (28%) say their CRM delivers a high ROI.

Clearly, CRMs provide value for consulting firms, but consultants are not using them regularly or effectively for tracking business development.

Quantifiable ROI CRM Delivers

1 (Little or No ROI)	
2	
3 (Medium ROI)	
4	
5 (High ROI)	

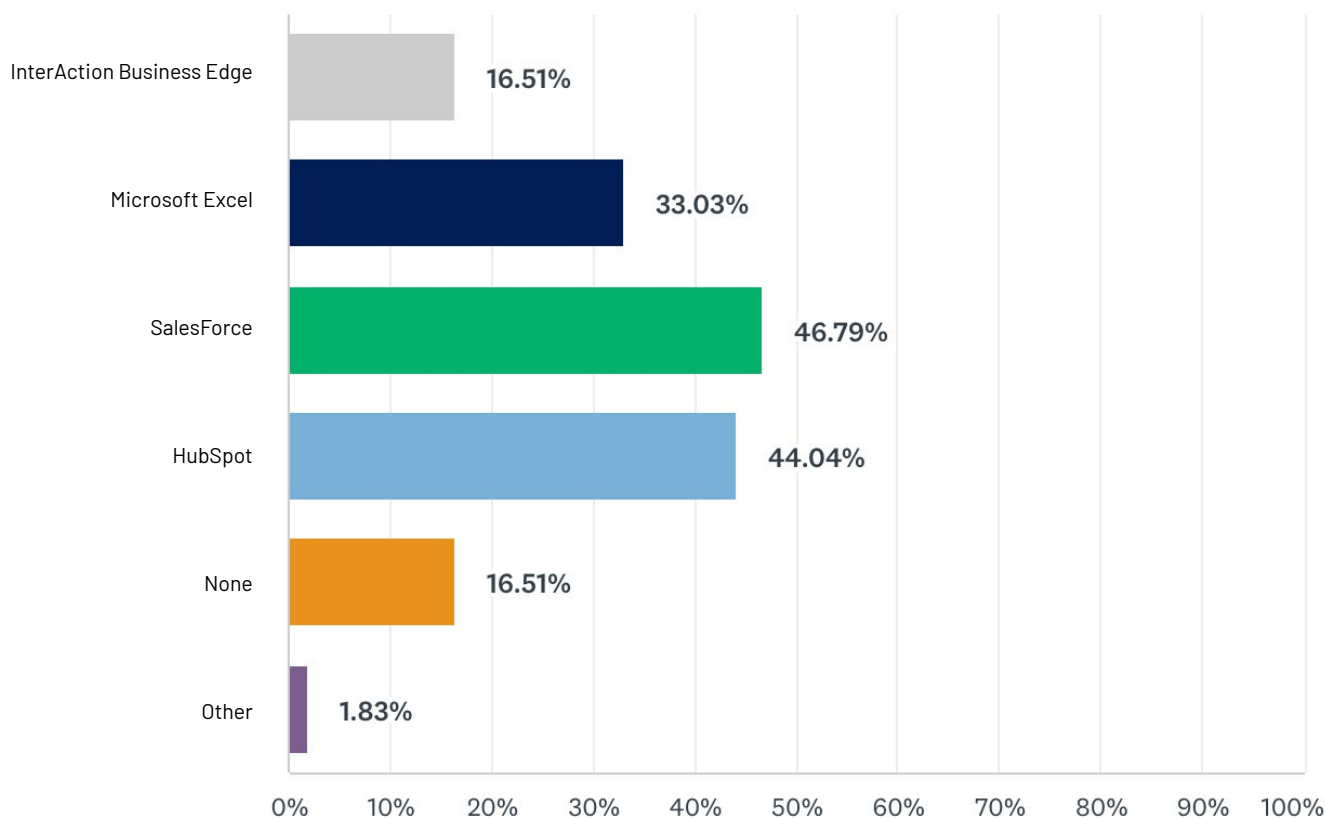0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

PIPELINE MANAGEMENT TOOLS USED BY CONSULTING FIRMS

We then asked respondents what pipeline management tools they use at their firms.

Salesforce, used by 48% of consulting firms for this specific function, is the most popular pipeline management tool, followed by HubSpot (44%).

And even though 17% of consulting firms do not use a pipeline management tool, many firms use more than one tool, based on the numbers.
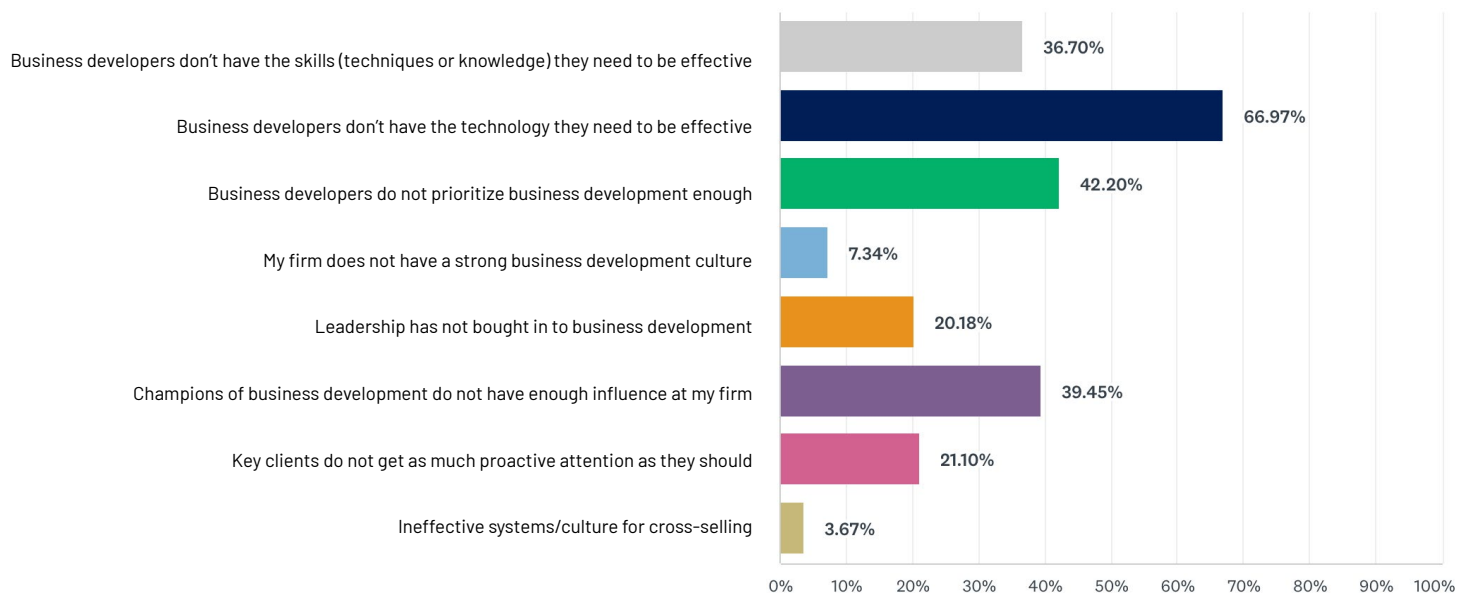
Pipeline Management Platforms Used by Consulting Firms

Platform	Percentage
InterAction Business Edge	16.51%
Microsoft Excel	33.03%
SalesForce	46.79%
HubSpot	44.04%
None	16.51%
Other	1.83%

CONSULTING FIRMS' BIGGEST BUSINESS DEVELOPMENT CHALLENGES

Our survey concluded by asking respondents to share consulting firms' biggest business development challenges during normal market conditions. 67% of consulting firms report that consultants don't have the technology they need to be effective.

Biggest BD Challenge

Challenge	Percentage
Business developers don't have the skills (techniques or knowledge) they need to be effective	36.70%
Business developers don't have the technology they need to be effective	66.97%
Business developers do not prioritize business development enough	42.20%
My firm does not have a strong business development culture	7.34%
Leadership has not bought in to business development	20.18%
Champions of business development do not have enough influence at my firm	39.45%
Key clients do not get as much proactive attention as they should	21.10%
Ineffective systems/culture for cross-selling	3.67%

Nearly as many consulting firms report that consultants don't prioritize business development enough as those who say champions of business development do not have enough influence at their firms (42% and 39%, respectively). More than a third of firms (37%) report that consultants don't have the skills, techniques, or knowledge they need to be effective business developers.

CONCLUSION

Since the onset of the COVID-19 pandemic in the first quarter of 2020, consulting firms have experienced a digital transformation, with even the most conservative and tech-averse firms quickly pivoting to enable remote work and meet rising client demands. With traditional business development activities like in-person meetings, conferences, and networking events put on hold indefinitely, firms quickly learned to rely on webinars, podcasts, blogs, virtual events, and social media to gain business development leads and nurture relationships through the funnel.

But no matter what the tactic, business development takes consistent and persistent work. Busy consultants, who are notoriously more interested in and comfortable doing the billable work they were trained to do, rely on marketing and business development leaders to provide the training, systems, and tools to make business development possible.

Unfortunately, as our research shows, while more than 9 out of 10 consulting firms have a CRM platform, few report getting a high, quantifiable return on investment from it. And, while firms find their CRM to be effective for a few marketing/business development functions, just 16% find it highly effective for pipeline management, which is a crucial aspect of growing firm business.

What's more, our research shows that consultants are CRM users at just 20% of firms, and fewer than half of them use it regularly for sales pipeline management.

So why are firms' CRM platforms not being widely used for pipeline management?

It may not be surprising to consulting firm marketers/business developers to learn that nearly half (46%) cite lack of time, followed closely by the high level of data entry CRMs require (43%).

Do consulting firms hold seller-doers accountable for using CRM?

The results on this topic were troubling. When asked about factors that contribute to low CRM adoption, the second-lowest percentage of firms identified lack of accountability from management. Yet, respondents also report that leaders hold consultants to a high level of accountability for using CRM at just one in five firms.

It seems consulting firm marketing/business development leaders may lack an understanding of the critical role accountability makes in ensuring consultant CRM user adoption.

Outside of not doing a great job of holding seller-doers accountable for using CRM, it's not as though consulting firms aren't using tools and initiatives to increase adoption. The research shows that firms use business development coaching provided by external coaches at 42% of firms, coaching provided by internal managers at 39%, and pipeline management software at 38%.

When asked about their usage of pipeline management tools specifically, more than three-quarters of firms reported that they at least use something; however, firms report using Excel spreadsheets more than any pipeline software platform.

Despite the digital transformation journey consulting firms quickly embarked on when the pandemic hit, they still rely heavily on Excel spreadsheets and Word documents for business development and sales pipeline management – table stakes digital tools introduced before the digital transformation even began.

PIPELINEPLUS is a relationship management system for the busy professional. With a simple, intuitive interface, it solves many of the biggest challenges associated with low CRM adoption like excessive data entry and constrained time.

With our quick setup process, users have a sales pipeline up and running in just 5 minutes. *PIPELINEPLUS* prioritizes users' most important relationships so that business developers stay focused. It also provides AI-powered insights and recommendations on how to close new business, addressing the business development skills gap cited by many firms in this study.

Built-in tutorials provide business development best practices, so business developers always know what to do next.

PIPELINEPLUS integrates with Outlook calendars and can be used as a standalone tool or integrated with CRM as a power app to boost pipeline adoption.

To learn more, visit www.ackertinc.com
or contact us with any questions.

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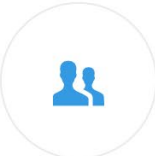**ROUNDTABLES FOR FIRM LEADERS**
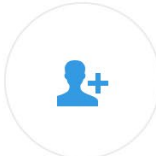
WEBINARS AND WORKSHOPS

EXECUTIVE COACHING

LEADERSHIP DEVELOPMENT
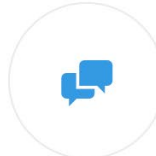
TRAIN THE TRAINER

CONSULTING

FRACTIONAL CMO

CLIENT FEEDBACK

AUTHORS

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David Ackert, M.A., is the President of Ackert Inc. and its subsidiaries, and business development mentor to thousands of high-achieving professionals in the legal, corporate, A/E/C, and accounting sectors.

Over the past two decades, David has developed and implemented revenue acceleration programs for hundreds of professional services firms around the globe. He is the founder of several technology platforms including the *PIPELINEPLUS* software suite. His programs are winners of "Your Honor Awards" in both the U.S. and Canada, are featured in NLJ's "Technologies on the Rise," and rankas the top-rated offerings in their G2Crowd category.

David regularly keynotes at partner retreats and serves as a guest lecturer at USC's Marshall School of Business, Carnegie Mellon University, and at the UCLA School of Law. His work has been published and quoted in several business books and media, including the Los Angeles Times, the National Review, the Daily Journal, and more.