Profitability Tactics

From the book *Managing the Professional Service Firm* by David Maister. In descending order of impact on profit health.

1. Raise fees
    - Earn higher fees through specialization, innovation, adding more value
    - Use marketing to get “better” work
    - Speed up skill-building process in staff
    - Invest in new (higher-value) services
2. Lower variable costs (delivery cost for each engagement)
    - Improve engagement management performance
    - Increase leverage in the delivery of services
    - Make greater use of paraprofessionals
    - Develop methodologies to avoid duplication of effort
3. Fix underperformers
    - Deal with underperformers
    - Drop unprofitable services
    - Fire unprofitable clients
4. Increase volume
    - Increase utilization (billable hours per person)
5. Lower overhead costs
    - Improve speed of billing
    - Improve speed of collections
    - Reduce space and equipment costs
    - Reduce support staff costs