

# PRECURSIVE TOOLKIT.

A COMPREHENSIVE GUIDE TO DESIGN,  
BUILD AND SELL SERVICE PACKAGES

PRECURSIVE

PLAN. TRACK. FORECAST.

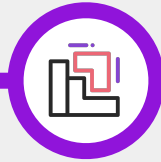


# PRECURSIVE

## PRECURSIVE **TOOLKIT.**

- 01.** HOW TO USE THIS TOOLKIT
- 02.** MARKET RESEARCH
- 03.** DESIGNING YOUR OFFERINGS
- 04.** BUILDING PACKAGES
- 05.** PRICING SERVICES PACKAGES
- 06.** SALES ENABLEMENT
- 07.** MONITORING KPIs

# HOW TO USE **THIS TOOLKIT.**



1.

## RESEARCH

Market & Industry  
Customer Journey Mapping  
Competitive Analysis

2.

## DESIGN

Cross functional team  
Customer inputs  
Outcomes mapping

3.

## BUILD

Costing sheets & project plans  
Documentation, SOWs, Contracts  
Service catalogues, digital assets

4.

## SELL

Pricing  
Sales Enablement  
Incentives

5.

## MONITOR

KPIs  
Reporting  
Iteration

**This toolkit provides a mixture of best practices, tools and templates across the lifecycle of creating services packages that can be sold successfully as products.**

# RESEARCH **SERVICES PACKAGING DEFINITION.**

## **WHAT ARE YOU BUILDING**

A Services or Success Package brings together a range of services to help the customer realize ongoing value from your product.

Services usually include one or more services including professional services, training, consulting, value engineering, customer success and technical support.

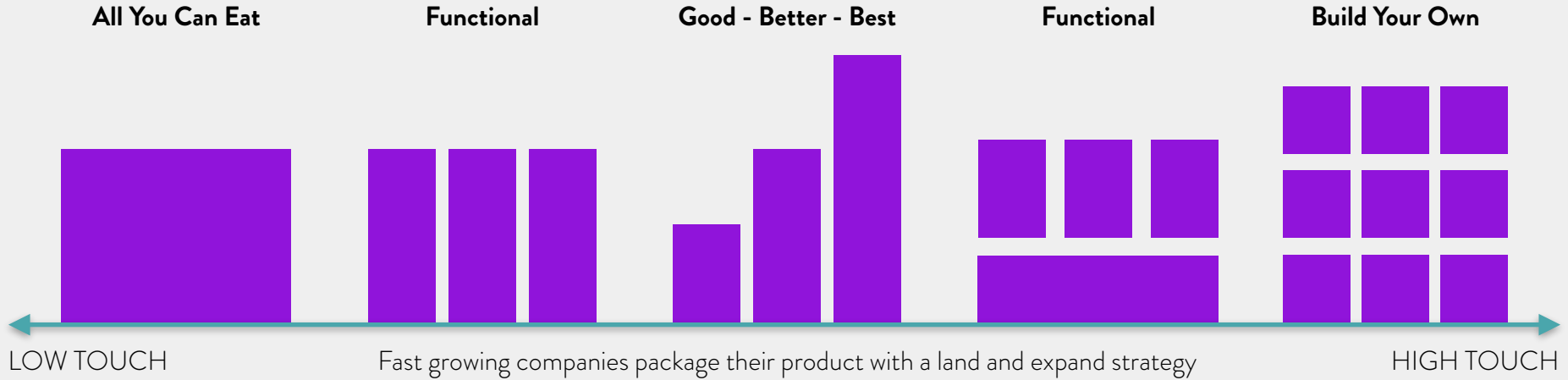
Packages either plug a value gap or provide value add.

Packages are then sold as products and only become products when you have successfully sold and delivered them over time.

## **WHY ARE YOU BUILDING**

- **DELIVER OUTCOMES WITH FASTER TTV**
- **MAXIMIZE ARR, REDUCE CHURN**
- **SERVICES RECURRING REVENUES (SRR)**
- **EVEN OUT REVENUE RECOGNITION**
- **FRICITIONLESS PROCUREMENT**

# RESEARCH **PACKAGING STRUCTURES.**

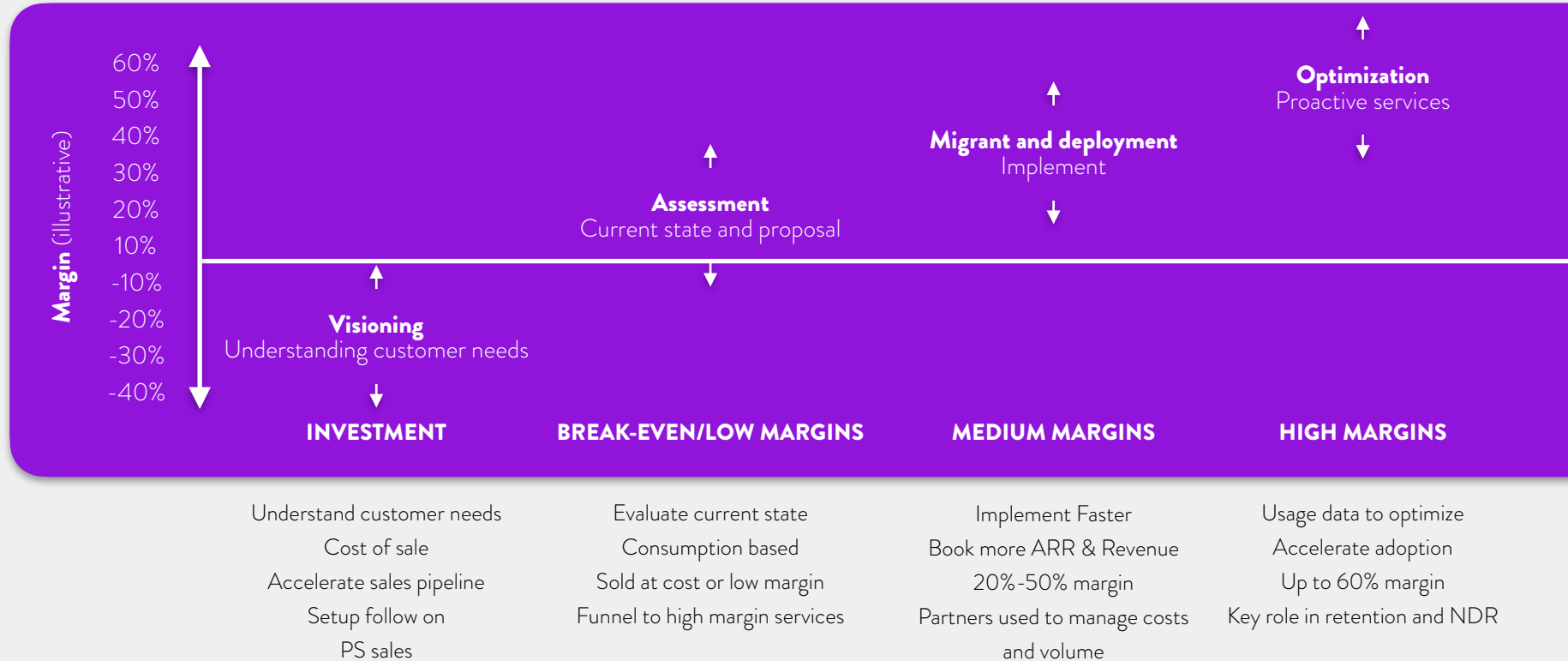


Boosting adoption of features and plugging value gaps

Segmented packages where high value services are divided over the tiers

Highly custom, aligned to enterprise customers - complex to sell and deliver

# RESEARCH **PACKAGING MARGINS.**



# RESEARCH CUSTOMER JOURNEY MAPPING.

*Precursive perspective - Don't think about the customer journey as a 1 year time horizon. Map customer needs and behaviors across multiple years and align your services to drive value over multiple years.*

<b>Customer Journey</b>	<b>YEAR 1.</b> Acquire -> Onboard -> Renew	<b>YEAR 2.</b> Optimize -> Expand -> Renew	<b>YEAR 3.</b> Enhance -> Innovate -> Renew
<b>Challenges</b>	Inconsistent, slow deployments	Evolving customer needs	Need to do more with less
<b>Example Service Offering</b>	Implementation On-demand	Managed Service	Value Engineering
	Subscription Service		
<b>Expertise</b>	PM, Technical & Change Management	Technical Consultancy	Advisory and advanced engineering
<b>Margin</b>	-ive -> 20%	30-60%	40-60% at maturity

# DESIGN CROSS FUNCTIONAL TEAMS.

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<b>FUNCTION.</b>	<b>ROLE IN DESIGN.</b>
<b>Professional Services</b>	Ultimate responsibility for packages including strategy, packages format and delivery of services. Provide intimate knowledge of customer challenges and value blockers in implementation and in servicing inlife customers.
<b>Sales</b>	Provide input into the value of services in sales cycles as well as the challenges that sales teams face in positioning services with the customer. Sales should share examples of where sales enablement initiatives have succeeded or failed in the past.
<b>Finance</b>	Packages drive various financial benefits for the company in customer retention, more predictable revenue and better margins. How does finance currently recognise revenue? How would finance treat revenue from different types of offerings?
<b>Customer Success</b>	How do customers articulate their goals, challenges and in turn any frustrations or areas of perceived value opportunity with your product.
<b>Support</b>	A key source of customer inputs into day-to-day challenges, common support cases and key areas of customer frustration.
<b>Product</b>	Provide guidance on product development techniques to support the build of service products. Consider the alignment between services packages and the product roadmap - are your offerings bridging product gaps that will be bridged in a future release.

## **PRECURSIVE PERSPECTIVE.**

Cross functional alignment is critical to success. By engaging the right functions early in the process, you will save time, leverage internal expertise and ensure that there is more buy in to what you build.



# DESIGN **CUSTOMER INPUTS.**

## **CUSTOMER INPUT CHECKLIST**

- Review customer support cases to look for patterns in requests and needs.
- Customer success stories will show where services have driven added value that can be replicated or packaged.
- Feedback from professional services on areas where services plugs value gaps or provides value add.
- Analysis of co-developed offerings with customers which can be spun out to others.
- Customer Advisory Board can provide a sounding board during design and development of packages.
- Customer Surveys can be adjusted to identify value gaps that packages can plug.

We've been using product management methodologies to build our services offering with interviews with prospects and existing customers, to prioritizing what we need to include in our offerings.

**Layla Selick**  
**VP Strategic Success**  
**ProductBoard**

# DESIGN **OUTCOMES MAPPING.**

FREQUENCY

<i>Low impact &amp; happens a lot</i>	<i>High impact &amp; happens a lot</i>
<i>Low impact &amp; infrequent</i>	<i>High impact &amp; infrequent</i>

IMPACT

## **OUTCOME.**

The change the customer is looking to achieve - typically these goals are linked to increasing growth, reducing cost or improving efficiency.

## **VALUE.**

The impact of that change from a time, monetary or customer experience perspective.

# BUILD SERVICE CALCULATORS.

Customer data		Select values below ↓	Complexity	# of Weeks	Cost of Services
Learn features	API utilization	Yes	25	16	\$24,000
	Automation APP	Yes			
	Firewall Solution	Yes			
	Coach and Share	No			
	Data Migration	No			
	eCommerce	No			
	Extended Enterprise used	Yes up to 5 subdomains			
	Salesforce APP	Yes - with SF communities			
	SSO	Yes on base platform			
	Gamification				
	User Provisioning	API			
	SSO - JWT [1]	No			
Customer and Contract	Consultants involved [2]	Yes			
	Industry	Agriculture			
	Number of Use cases	2			
	Number of Monthly Active Users	Up to 500			
	Customer stakeholders in the onboarding				
	Touch rating [3]				
	Admin LMS experience [4]	With experience			
	Launch timeline or date [5]	60			
Changes to MSA [6]	No				

Docebo's professional services team created a calculator that is used to help structure and price services. This calculator determines what services are needed, resource requirements, product modules requirements and service products.

### Outputs include:

- A complexity score
- The duration of the engagement
- The forecast cost of services

# BUILD SERVICE MODELS.

Effective pricing of services packages requires both a top down and bottom up approach to costing services.

Many SaaS companies will want their “PS Attach Rate” to remain at or below a certain % where the PS revenue equates to anywhere from 10-25% of ARR.

Using this modelling technique you can calculate level of demand, FTE requirements, revenue and margin forecast for delivering a services package. However there are several key considerations:

1. Getting an accurate forecast of demand on volume of sales
2. Model using an anticipated attach rate and then price the package higher to factor for discounting
3. Build an accurate LOE per package based on a detailed project plan.

[Modelling Sheet Here](#)

Micro Model		
	Average ARR	75,000
	Attach rate	10%
	Services attach (actual)	7500
	Services package list price	10,000
	Bill rate	200
	# of hours available	38
Macro Model		
	Deal volume/year	80
	Hours / package	38
	Total demand	3040
	Billable hours / year	1248
	FTE needed	2.4
	FTE to deliver package	3
	Available hours	3744
	Excess capacity	704
	Total ARR	6000000
	PS Revenue	600000
	Loaded cost of team	360000
	Margin	40%

# BUILD PROJECT PLANS.

Include a cost per hour using actual cost rates per resource type

Task Name	Order	Stage	Reference	Predecessor Dependencies Reference	Duration	Category	Estimated Hours	Milestone	Roles	Costs
Sample Data Set	1	Value Mapping	Sample Data Set		5	Customer				
Production Data Set	2	Value Mapping	Production Data Set	Sample Data Set_+1	5	Customer				
Instance Creation	3	Kick-off	Internal Handover	Production Data Set_+1	1	High Priority	4		Project Manager	480
Intro Call with CSM	4	Kick-off	Intro Call with CSM	Internal Handover_+1	1	Call	2	Kick-off	Project Manager	240
Project Initiation Call	5	Kick-off	Project Initiation Call	Intro Call with CSM_+1	2	Call	2		Project Manager	240
Initial Data Migration Session	6	Kick-off	Initial Data Migration Session	Project Initiation Call_+1	1	Data Migration	4		Consultant	480
2nd Data Migration Session	7	Kick-off	2nd Data Migration Session	Initial Data Migration Session_+1	2	Data Migration	3		Project Manager	360
Checkpoint Call	8	Kick-off	Checkpoint Call	2nd Data Migration Session_+1	1	Call	2		Project Manager	240
Training / End Users	9	Execution	Training / End Users	Checkpoint Call_+1	2	Training	8		Consultant	960
Training / Post Sales End User	10	Execution	Training / Post Sales End User	Training / End Users_+1	2	Training	8		Consultant	960
Checkpoint Call (mid-training)	11	Execution	Checkpoint Call (mid-training)	Training / Post Sales End User_+1	1	Call	2		Project Manager	240

Map out all tasks to deliver your package

This type of project planning will provide a bottom up level of effort and associated cost. Add some contingency of 15% to give you your baseline package cost.

Accurately estimate the effort for each task

<b>Baseline Labor Cost</b>	<b>17280</b>
<b>Contingency</b>	<b>2592</b>
<b>Package Cost</b>	<b>19872</b>
<b>Price with 20% margin</b>	<b>23746</b>
<b>Price with 40% margin</b>	<b>27821</b>

# BUILD SOWs.

## SOW Best Practice

- Clearly define overall outcomes for the project
- Include clear assumptions regarding all key requirements
- Outline deliverables per activity, milestone or stage and for overall project
- Clearly defined change order approach

Here is an example of an [SOW for a Health Check from GitLab](#).



## Statement of Work

Effective Date	<Date>
SOW #	<SOW Number>
Customer's Name	("Customer")
Customer Contact	<Customer Contact Information>
Customer Contract Information	The terms governing GitLab's delivery of Professional Services to Customer under this Statement of Work are subject to the GitLab Professional Services Agreement located at: <a href="https://about.gitlab.com/handbook/legal/professional-services-agreement/">https://about.gitlab.com/handbook/legal/professional-services-agreement/</a> ("Professional Services Agreement").
GitLab Contact	<GitLab Contact Information>
Payment Basis	<Payment Basis: Fixed Price, T&M or Both>
Billing Information	_____ _____  OR  • [Not Applicable]
GitLab Utilization of Subcontractor (if applicable)	If a partner is utilized for subcontracting services please see the applicable list of subcontractors / subprocessors here: <a href="https://about.gitlab.com/privacy/subprocessors/#professional-services-subprocessors">https://about.gitlab.com/privacy/subprocessors/#professional-services-subprocessors</a>

# BUILD DOCUMENTATION.

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	Essentials	Enhanced	Premier
Support Hours	Weekdays 9am-5pm (UK and USA Central Time)		
Response Time	4 Working Hours		2 Working Hours
Customer Contacts	5 Users	10 Users	10+ Users
Phone Support			✓
Upgrade Support		✓	✓
Online Case Submission	✓	✓	✓
Reporting & Dashboard Building	✓	✓	✓
Custom Configuration & Development Support	✓	✓	✓
Knowledge Base & LMS	✓	✓	✓
Training & Enablement	✓	✓	✓
Hours Provided Per Quarter	10	20	30

Documentation to support conversations with customers is a critical element of enablement.

Managed Services Pitch Deck Template [available here](#)

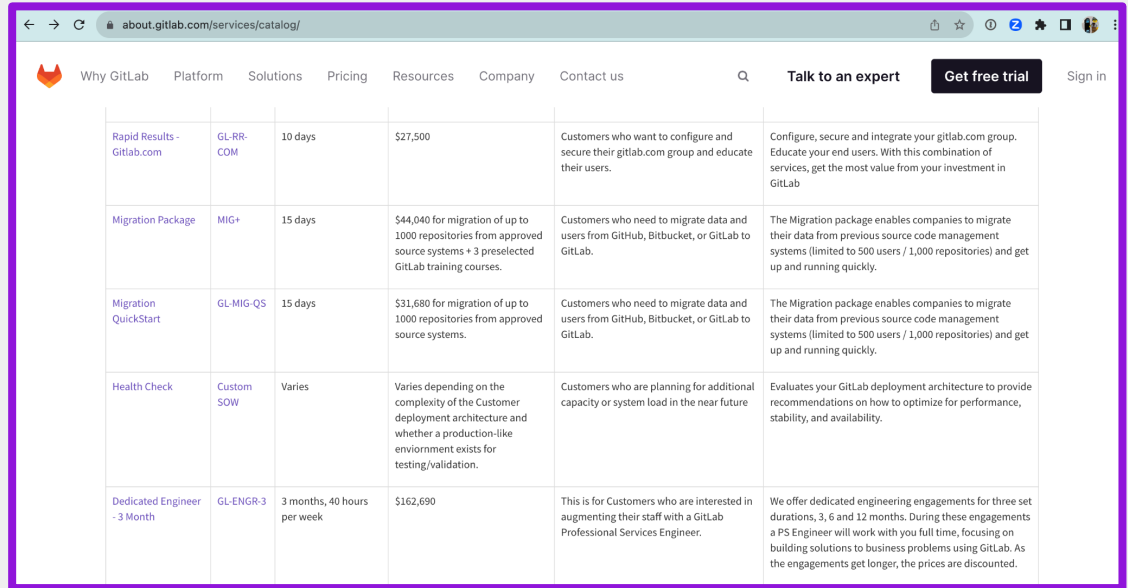
# BUILD SERVICE CATALOGS .

Service Catalog can be made available online, see [this example from GitLab](#).

The catalog is your menu of services and so needs to be digestible to your customer.

Watch out for building too many service products (SKUs) initially that don't get traction.

Start small, sell and deliver the first ones well to get a mix of customer and company buying to this strategy.



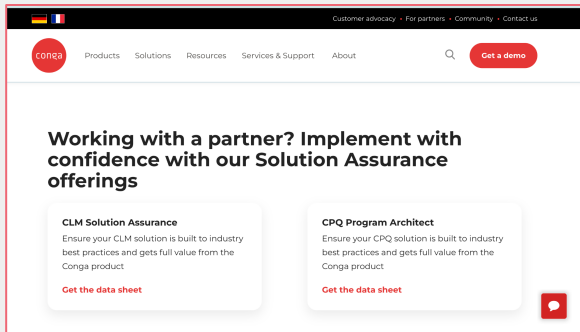
The screenshot shows the GitLab Services Catalog page. The table lists various services with their details:

Service Name	Code	Duration	Price	Target Audience	Description
Rapid Results - GitLab.com	GL-RR-COM	10 days	\$27,500	Customers who want to configure and secure their gitlab.com group and educate their users.	Configure, secure and integrate your gitlab.com group. Educate your end users. With this combination of services, get the most value from your investment in GitLab
Migration Package	MIG+	15 days	\$44,040 for migration of up to 1000 repositories from approved source systems + 3 preselected GitLab training courses.	Customers who need to migrate data and users from GitHub, Bitbucket, or GitLab to GitLab.	The Migration package enables companies to migrate their data from previous source code management systems (limited to 500 users / 1,000 repositories) and get up and running quickly.
Migration QuickStart	GL-MIG-QS	15 days	\$31,680 for migration of up to 1000 repositories from approved source systems.	Customers who need to migrate data and users from GitHub, Bitbucket, or GitLab to GitLab.	The Migration package enables companies to migrate their data from previous source code management systems (limited to 500 users / 1,000 repositories) and get up and running quickly.
Health Check	Custom SOW	Varies	Varies depending on the complexity of the Customer deployment architecture and whether a production-like environment exists for testing/validation.	Customers who are planning for additional capacity or system load in the near future	Evaluates your GitLab deployment architecture to provide recommendations on how to optimize for performance, stability, and availability.
Dedicated Engineer - 3 Month	GL-ENGR-3	3 months, 40 hours per week	\$162,690	This is for Customers who are interested in augmenting their staff with a GitLab Professional Services Engineer.	We offer dedicated engineering engagements for three set durations, 3, 6 and 12 months. During these engagements a PS Engineer will work with you full time, focusing on building solutions to business problems using GitLab. As the engagements get longer, the prices are discounted.

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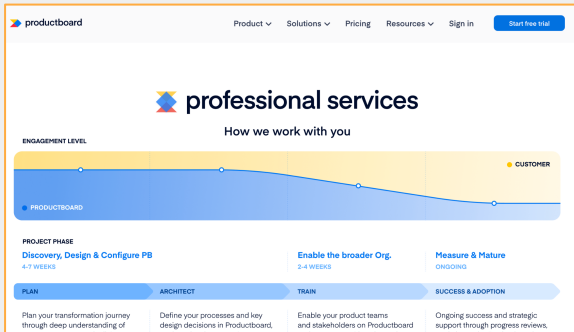
# BUILD DIGITAL & DATA SHEETS.



The screenshot shows the Conga website's 'Working with a partner?' section. It features two main offerings: 'CLM Solution Assurance' and 'CPQ Program Architect'. Each offering includes a brief description and a 'Get the data sheet' button. The website header includes navigation links for Products, Solutions, Resources, Services & Support, and About, along with a search bar and a 'Get a demo' button.

Company: Conga  
Package: Partner Assurance  
[Webpage Here](#)

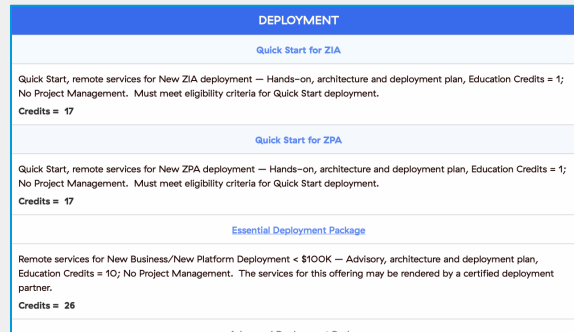
*“We are accountable to you and will work hand-in-hand with your partner to provide key project and solution reviews, documented recommendations, and an inside track to our product and technical support teams. Successful customers and partners means we all win.”*



The screenshot shows the Productboard website's 'professional services' section. It features a diagram titled 'How we work with you' showing the engagement level between Productboard and the customer over time. Below the diagram is a 'PROJECT PHASE' section with four stages: 'Discovery, Design & Configure PB' (4-7 WEEKS), 'Enable the broader Org.' (3-4 WEEKS), 'Measure & Mature' (ONGOING), and 'SUPPORT & ADOPTION'. Each stage has a brief description of the work involved.

Company: Productboard  
Package: Implementation  
[Webpage Here](#)

*“Our proven methodology has driven product excellence, strong adoption and transformation across many organizations. Our programs bring 120% more weekly roadmap views.”*



The screenshot shows the Zscaler website's 'DEPLOYMENT' section. It features three deployment packages: 'Quick Start for ZIA', 'Quick Start for ZPA', and 'Essential Deployment Package'. Each package includes a brief description of the services provided and the number of credits associated with it. The 'Quick Start' packages are for New ZIA and New ZPA deployment, while the 'Essential Deployment Package' is for New Business/New Platform Deployment.

Company: Zscaler  
Package: Service Credits  
[Webpage Here](#)

*“Credits provide a common currency that allows the customer to purchase credits at any time to be redeemed later toward a variety of fixed-scope service offerings that support a range of needs.”*

# SALES PRICING.

Pricing is not just about selling at the right price and margin but about how your customer will consume your service and the alignment of pricing model to that structure.

## A LA CARTE.

**Unit-based, pay as you go**

Usually fixed price per unit.

Provides simplicity and pricing certainty to customer.

Whilst efficient, it requires good governance on the part of the vendor to avoid overrun or over-serving which reduces margin.

## SERVICE POINTS.

**Drawdown Model**

A mixture of pricing approaches with fixed price, per credit, per service point consumed.

Companies can employ a use it or lose it term to the engagement.

Clear guidance needed on consumption in this pricing model.




## SUBSCRIPTION.

**On-demand or bundled services**

A renewable subscription paid for upfront and ideally 12 months in duration.

Key benefit is frictionless procurement whereby the supplier does not have to get separate orders signed off or new POs. Services Recurring Revenues (SRR) are more valuable than one-time project revenue.






## Sales EnGAGEment Checklist.

-  Engage early with sales leadership, managers and AEs to develop closer partnerships.
-  Align with sales & finance on AE compensation to ensure that sales is incentivized to include PS.
-  Have data on services consumption < > upsell & cross-sell ratio to help evangelize the impact of PS to customers.

*“You have to have an honest conversation with the VP of Sales about what you both want, where you align and identify the friction points. Ultimately you both care about growth, ARR and time-to-value.”*

**Vijay Ladwa, Director of Project Management**  
**Enable**

## Sales EnABLEment Checklist.

-  Enablement is not one and done. Continuous enablement required to support sales.
-  Communications plan to teams covering the why (why PS matters), the what (why service packages benefit customers and sales), the when (when are packages being released)
-  Clear pricing and discounting policies with escalation rules to support sales in a proactive way.
-  More packages = more enablement needed. Start small and get buying with first offers, make them successful then repeat.
-  Leverage existing customer education and training materials, LMS, proposals and documentation with internal teams - don't build two sets of material!!!!

# SALES COMMUNICATIONS.

## You Broke Your Promise Inc

\$50 ACV with no PS package  
Our deployment took 120 days  
Invoice was paid 3 months late & 0 upsell in year 1



**Customer:**  
“Why I am paying for licenses?”

Time-to-Launch 120 days

Upsell Window 6 months

Renewal ???

## Faster To Value Inc

\$50 ACV with \$15k PS Package  
We promised to go-live in 80 days  
Our deployment took 60 days  
\$20k upsell booked inside 6 months



**Customer:**  
“I’m happy to do a case study”

Time-to-Launch 60 days

Upsell Window 9 months

Renewed Early !!!







**Think about how your structure the narrative for your sales team. Make clear that selling the right PS package helps to accelerate delivery times leading to more upsell and cross sell which they get comp’d on in year 1.**

# MONITOR **METRICS & KPIs.**

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<b>METRIC.</b>	<b>WHY THIS METRIC MATTERS.</b>
PACKAGED SERVICES REVENUE	Services revenue helps to improve profitability and fund future investments.
SUBSCRIPTION SERVICES RENEWAL RATE	As you roll out subscription services, renewal rates will be the early indicator of the value you drive.
TIME-TO-VALUE PER PACKAGE	The #1 (velocity) metric that influences retention, upsell and cross-sell (ps. Go-live isn't value)
PRODUCTIVE UTILIZATION	Gauging productivity by using billable time combined with pre-sales or time on package iteration.
PACKAGED PROJECT MARGIN	Helps to demonstrate cost efficient delivery with lower margins exposing bottlenecks.
IMPLEMENTATION NPS	How does the customer perceive the quality of your services delivery.
PACKAGED SERVICES CONSUMPTION : ARR GROWTH RATE	Are customers who consume packaged services growing faster and if so, by how much.
% OF PACKAGED IMPLEMENTATIONS COMPLETED ON TIME	A key throughput metric that is a good lagging indicator of delivery efficiency.

# MONITOR **BUILD REPEATABLE PROCESS.**

GUIDANCE.	BEST PRACTICE CHECKLIST.	Y/N.
<p>This process will include the activities that your team needs to do as well as tasks for customer across the process.</p>	We have mapped out the activities that contribute to the overall onboarding process.	
	We have allocated task and responsibilities to different team members based on skills or knowledge.	
<p>The best companies focus on having minimum number of steps and the least amount of admin for both your team and your customer.</p>	We understand the amount of time it should take to complete each activity	
	We have forecast the capacity required to deliver this work by our team.	
<p>This process will be reviewed to optimize the steps and review of the level of effort required in order to refine the package.</p>	We have highlighted dependencies between activities as well as key milestones for our customer.	
	We have identified key risks and blockers that can derail this plan and made the customer aware of them.	

# MONITOR REVENUE MANAGEMENT.

<b>SERVICE OFFER.</b>	<b>DESCRIPTION.</b>	<b>WHEN IS REVENUE RECOGNIZED?</b>
Implementation	Fixed price implementation	% completion; milestones (e.g. UAT); Go-Live
Consumption	Drawdown of hours, use it or lose it	Recognized as consumed or at the point of 'losing it'
Advisory	Value based services structured around outcomes	At delivery of agreed milestones or outcomes
Managed Service	Hygiene based services based on hours	As time is used
Service Credits	Credits that can be redeemed during a time period	On consumption of credits
Subscription	Ongoing enhanced services with specific SLAs	Flatlined over the year ( <sup>1</sup> / <sub>12</sub> per month)

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THE SERVICES DELIVERY CLOUD FOR SALESFORCE

**PLAN. TRACK. FORECAST.**

[www.precursive.com](http://www.precursive.com)