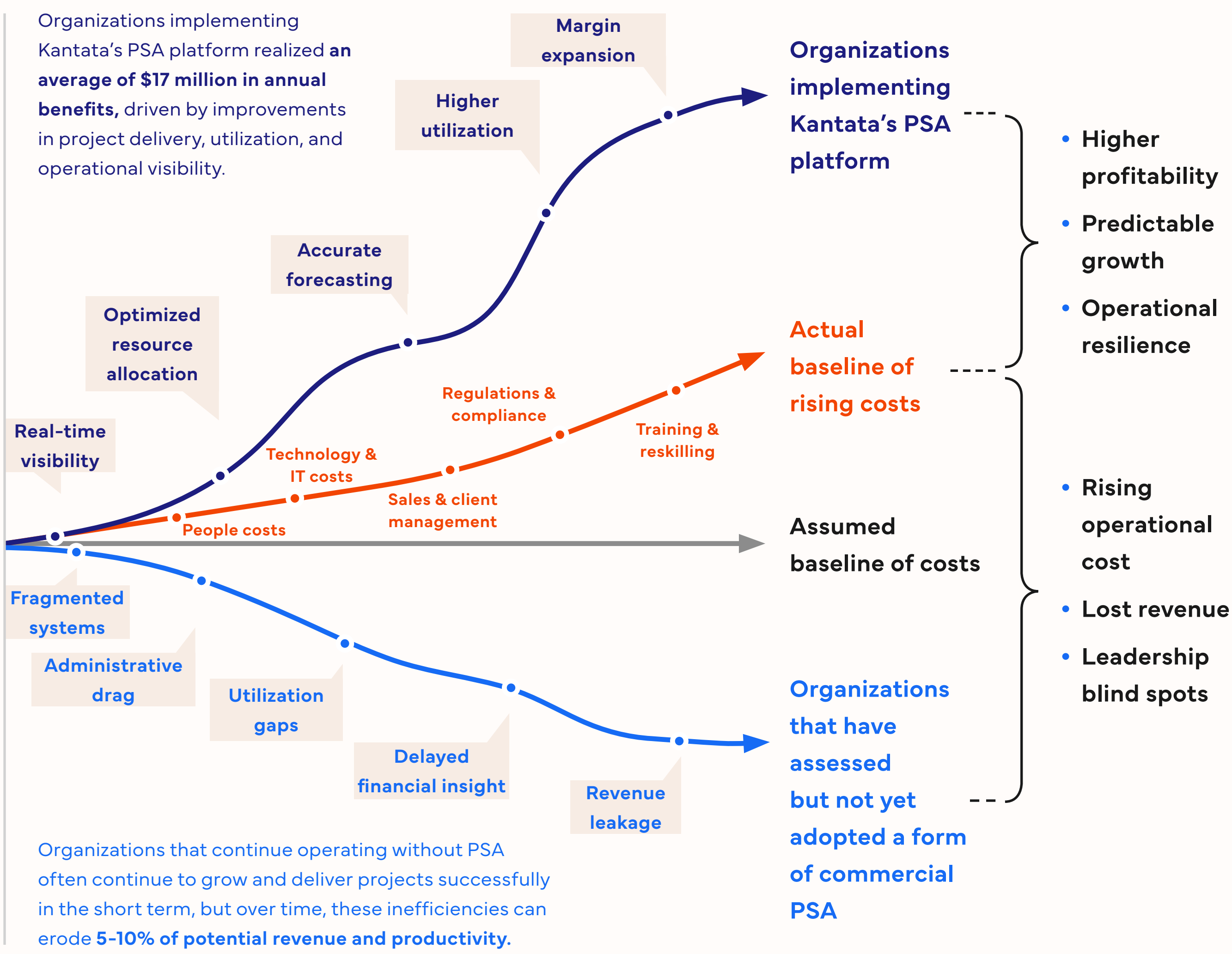
July 2026
Info Snapshot
Sponsored by Kantata

Two Possible Futures for Professional Services Organizations

Nathan Budd
Senior Director,
Custom Solutions, IDC

Figure 1



At first glance, two professional services organizations can appear almost identical. They win similar clients, deliver comparable projects, and grow their teams at roughly the same pace. Their revenue trends look healthy, their clients are satisfied, and their leaders believe they are on the right trajectory.

However, over time, their paths begin to diverge.

The difference is not dramatic at first. It begins with small operational variations: how easily leaders can see project performance, how accurately resources are deployed, and how quickly financial data reflects reality.

Like two aircraft departing from the same runway, then adjusting their headings by only a few degrees, these small differences gradually compound. At first, the distance between them is barely noticeable. Hours later, they are flying toward completely different destinations.

This same dynamic is emerging in professional services organizations today. In both cases, the courses are corrected by a set of very different driving forces and cumulative impacts, as outlined in Figure 1.

IDC research explores both trajectories

IDC research shows that firms adopting modern professional services automation (PSA) are in a much better position to unify project delivery, resource management, and financial insight into a single operating model. Conversely, organizations struggle without one.

In-depth interviews with five Kantata customers, supported by IDC's study titled ***The Business Value of Kantata* (IDC #EUR253817925, September 2025)**, reveal the benefits organizations achieved by adopting Kantata across the key areas of staff productivity, business enablement, and operational efficiency. IDC calculates that organizations using Kantata realized an average annual benefit of US$17 million, driven by improvements in project execution, resource utilization, financial operations, and business development.

IDC also produced a complementary report, titled ***The Cost of Inaction — The Business Impact of Not Using Professional Services Automation* (IDC #EUR154271426, February 2026)**. For this white paper, IDC surveyed 100 professional services organizations in the United States, Canada, and the United Kingdom and conducted three in-depth case study interviews with service leaders whose firms had evaluated PSA solutions within the last five years but chose not to proceed.

In this report, IDC concluded that, by contrast, organizations that continue operating without a commercial PSA may continue to grow and deliver projects successfully in the short term, but inefficiencies begin to accumulate beneath the surface. In many cases, fragmented systems will inevitably create administrative overhead, limit visibility into utilization and future resourcing requirements, and ultimately delay financial insight. Over time, these inefficiencies can erode 5–10% of potential revenue and productivity.

Neither organization appears to be failing. Both may even report strong performance in the early stages. However, their operational systems are shaping two very different trajectories.

In organizations without integrated systems, manual coordination expands, data becomes fragmented, and leaders spend increasing amounts of time reconciling information rather than driving outcomes. Small inefficiencies compound across project management, resource allocation, and financial operations. These two perspectives are compared in Figure 1.

In organizations that adopt PSA, the opposite dynamic emerges. Integrated systems provide real-time visibility into projects, people, and performance. Leaders can identify risks earlier, allocate talent more effectively, and maintain tighter control over margins. In short, the predictability of performance is not only a benefit for each of the business areas identified but has a compounding impact on the organization. In response, the firm can foresee issues early on and course-correct accordingly. This includes resourcing for tomorrow, not just today, and the use of financial forecasting to further drive margin across all areas of the organization.

The fundamental difference between PSA-enabled and non-PSA-enabled organizations is not simply efficiency. It is control. Organizations without PSA experience a reinforcing cycle of operational friction. Organizations with PSA experience a reinforcing cycle of operational intelligence and action.

Professional services firms compete with three fundamental capabilities: time, talent, and trust. Without integrated systems, all three gradually erode. PSA platforms interrupt this cycle. They restore visibility, enable proactive decision-making, and convert operational discipline into competitive advantage.

Organizations operating without PSA rarely collapse suddenly. Instead, they experience a gradual loss of control as operational inefficiencies compound across projects, resources, and finance. For professional services leaders, the decision to adopt PSA is not about software. It is about choosing which trajectory the organization will follow: slow erosion or acceleration.