PERSPECTIVE

The Connected Services Firm

Connecting the decisions that make profit

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Summary

Most AI in finance checks the books after the fact. In a services firm, the money leaks earlier: between the approved day, the contractor's bill and the project that pays for it. And it is misjudged earlier still, when decisions are made on a project's report while the company's result is quite different. The connected services firm checks and decides where the work happens, against what it expects to happen.

Most vendors now promise an ERP that thinks with you. A services firm does not need new books. It needs the delivery facts checked before they reach the books it already has, and its decisions judged by what they do to the whole company.

What this paper argues

- **Judge decisions at company level, not project level.** In the worked example, the project report shows $9,000 better; the company is $54,000 better.
- **Check where the delivery facts are.** A contractor's bill is checked against the approved days, the agreed rate and the remaining budget before it reaches the accounting system, which does not hold that knowledge.
- **Keep the forecast in layers.** Contracted, extensions and likely work stay apart, each with its own trigger for acting. Do not blend them into one probability-weighted number.
- **Do not swap a thousand spreadsheets for a thousand AI artefacts.** Redesign each process around one record, and retire what it replaces.
- **Decide closer to the work,** within written limits, and move the measures with the information.
- **Stop selling the hour for repeatable work, redesign the apprenticeship, and read utilisation alongside contribution.**
- **Expect the finance role to split in two:** compliance and sign-off, and designing the rules the connected firm runs on.

None of this needs new books or a five-year programme. The first flow, from approved day to contractor's bill to cash forecast, can be running within a quarter, and a firm that starts now can be working this way next year. The paper covers how a firm connects its commercial, delivery and financial work. Differentiation, client outcomes, service quality, talent and growth strategy matter as much, and are outside its scope.

1. A Tuesday next year

It is a Tuesday next year, in an IT services firm of about 120 people that has connected its information and decided how AI may work on it.

Before anyone logs on. Assistants have prepared the week's timecards from the plan and the calendars. People confirm them or correct a line and say why. Forty-two contractors' bills arrived overnight. Each was read, matched against the approved days, the agreed rate and the remaining budget, and either queued with its evidence or held. Two are held: one charges a day nobody approved, and one uses last year's rate. The finance lead reviews the two, sends the queries the assistant has drafted, and approves the rest. They go to the accounting system, and each is read back once entered. The assistant has also found two extra days agreed by phone and confirmed in a project manager's email, linked them to the change request they belong to, and flagged that the change request was never updated.

At nine. A client's procurement team pushes a start date back six weeks. Within minutes the delivery lead's assistant sets out three options: who becomes free, which projects could use them, and what each choice does to profit and cash this quarter. Within the limits the leadership team has set, the delivery lead chooses. One consultant moves onto a project that was about to bring in a contractor. A second starts a smaller client's work, agreed at two weeks' notice in case the delayed client starts early. The assistant updates the plan and drafts the notice terms for the account partner. The forward view of profit and cash reflects the decision straight away.

At ten. A bid team prices a fixed-fee deal. The assistant compares the estimate with the firm's last twelve similar jobs and points out that testing ran over on most of them. The price changes before it goes out.

At eleven. The leadership team meets for forty-five minutes. The pre-read lists only what has changed and what can still be influenced: a deal whose margin depends on a contractor's rate, a practice running hot, and a renewal that has slipped for the third time. For each, the team agrees what it will do if it goes either way, and the trigger for acting.

In the afternoon. Finance, sales and delivery agree to change one definition: a person now counts as committed only when the client has confirmed the start date. Every view, every report and every assistant's answer uses it from then on, because they all read the same record.

At month-end. The routine part of the close is already done. Invoices went out against approved time and milestones, and contractors' bills reached the accounting system with their evidence. What is left is judgement: work in progress, fixed-price revenue and the accruals the assistant has proposed. The close confirms what the firm already knew.

None of this removes accountability. Every price, staffing move and entry has a named person behind it. What has gone is the gap between the work and the books, and the chasing that used to fill it.

2. Today: every decision was reasonable

Today, the same kind of delay plays out very differently. The firm is close to renewing its largest client, a bank. The two senior architects the bank expects by name are due to start in two weeks. Then the bank's procurement team asks for six more weeks.

Sales protects the relationship and asks for both architects to be held. Resourcing, which is measured on keeping the right people available for the biggest client, agrees. Elsewhere, a fixed-price migration is running behind, and its delivery lead, accountable for that project's outcome, books a senior contractor for six weeks. Finance reports the result at month-end: two senior people on the bench, a contractor on the migration, and a profit outlook that has moved.

Every one of those decisions was reasonable for the person who made it. Together, they committed the firm to a contractor's cost on top of two idle salaries, without anyone assessing whether protecting the bank relationship required it. Nobody chose that outcome, because nobody could see the whole of it in time.

This is the problem I saw most often as CFO and then COO of Capgemini Australia and New Zealand, and I see it now in the firms I work with. What limits growth is rarely the quality of individual decisions. It is the effort needed to see how they affect one another, and to make the trade-off at company level while it still matters.

Two kinds of hidden work

The first is coordination: senior people gathering facts that sit in different functions, usually by asking around. In an owner-led firm, much of it routes through one person, and growth comes to depend on that person's calendar.

The second is private admin. Almost everyone keeps their own version of the truth: a pipeline spreadsheet, a resourcing sheet, a folder of statements of work, a forecast rebuilt by hand. People file, copy, reconcile and chase: a missing timesheet, a contractor's bill that does not match the days worked, a budget nobody updated.

Firms also pay in quieter ways: padded estimates, a bench nobody decided on, an annual budget out of date by the third month. Galbraith described the choice fifty years ago. An organisation that cannot process the information it needs pays for slack instead [1].

3. What makes the connected firm possible

A capable COO has always been able to connect these decisions, through meetings, spreadsheets and personal intervention. What has changed is the effort it takes. The information decisions depend on (deals, people, plans, contracts, time, costs and the documents behind them) can now be connected and kept current through the normal work, and the AI assistants people already use can read it within each person's permissions. They read the plan, the approvals and the contracts, and test each new

fact against them before anyone acts on it. A leadership team no longer has to reconstruct the relationship between sales, capacity, profit and cash every time something changes.

Checking moves up the chain

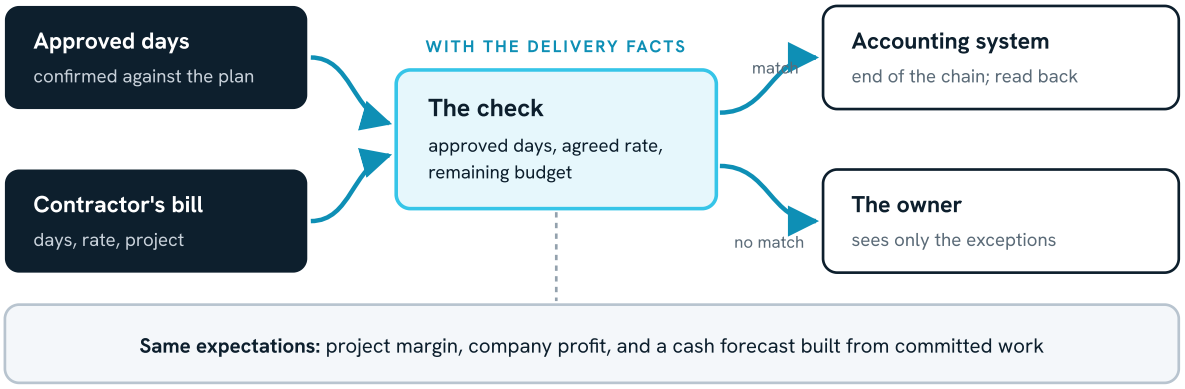
When the firm knows what it expects, routine work is checked where it happens, not found wrong later.

Timecards already show this. Where the planned assignment is on the timecard, people confirm rather than fill in, and approval is quick. Contractors' bills work the same way. Each is checked against the approved days, the agreed rate and the remaining budget before it reaches the accounting system, and the owner sees only the bills that do not match. The accounting system becomes the end of the chain, not the place where errors are found.

This is where the connected firm parts company with most AI now arriving in finance. That AI works inside the books: it codes, reconciles and flags what has already been entered. For a product business, that may be enough. For a services firm it comes too late, because the books do not hold which days were approved, on which project, at what rate, against which budget.

This matters most where the money leaks. In the firms I work with, contractors often deliver a large share of the work, and their bills are where margin and cash quietly drain away. I have seen how quickly unmatched contractor bills build into a reconciliation problem that takes months of senior finance time to clear.

The same expectations give a forward view of cash, not only profit: what will be invoiced and when, what contractors and suppliers will bill, and when each is due. Applied to each client's payment terms and record, that is a cash forecast built from committed work, not an extrapolation of past totals.



Where the check sits. The accounting system holds the books, but not which days were approved, on which project, at what rate. That check belongs with the delivery facts, before the books.

Connected does not mean certain

A connected view does not make the future certain. A signed contract is not a verbal extension. A person can be available, held or committed. A fixed-price job's cost depends on work not yet done.

The common response is to blend all of this into one probability-weighted number. That is a mistake: a blended figure hides exactly the assumption leaders most need to see. The connected firm keeps the layers apart (contracted, extensions, likely), includes the people, timing and costs each layer needs, and agrees a trigger for each: the point at which it reserves people, releases them or hires.

Probabilities have a place across a large portfolio, but not to hide the staffing or cash exposure in one scenario. Comparing each layer with what happened is how the firm learns to trust its own outlook.

Shared definitions are part of data quality

An assistant is only as reliable as the definitions behind it. If sales and finance mean different things by a signed deal, a committed person or margin, an assistant will report the disagreement faster. It will not resolve it. Clean data gives you a consistent record. Shared meaning gives you an answer the CFO will sign.

Where the meaning comes from. A new generation of tools drafts these definitions automatically, by reading a database and inferring what each field means. That helps a firm with a data team to check and certify the result. Most services firms have no such team, and the meaning that matters to them is not in any one database: what counts as committed, which days were approved, and what a person costs whether they are billed or not. In the connected firm that meaning is designed in from the start, the same for every assistant and every view, and the firm's own definitions sit on top of it. An assistant should not have to guess what "committed" means.

The work that remains

Updating deals and plans, agreeing definitions, owning the data and keeping permissions reliable are continuing work, and often more political than technical. The test is simple: it must cost less than the coordination effort and the commercial mistakes it replaces. In the firms I work with, it does, by a wide margin.

Why good practices now stick

Many firms have long known what they wanted to manage better: price from evidence, decide closer to the work, run a short weekly rhythm, learn from every engagement. These practices faded more often than they failed, because keeping the information current took senior time the firm could not sustain. Connected information removes that reason. It does not fix leadership, incentives or politics.

4. The operating model: five leadership questions

The operating model is best described as five questions the leadership team answers continuously, not as a list of functions. They sit in three layers: seeing what is happening and what may happen, deciding at the right level, and learning from the result.

Q1. What work should we win, and on what terms? Offer, price, expected margin and delivery confidence. Before signing a material deal, a connected firm can assess whether the delivery plan, the people and the assumptions support the margin it has priced, and knows from its own history which kinds of work it can price at a fixed fee.

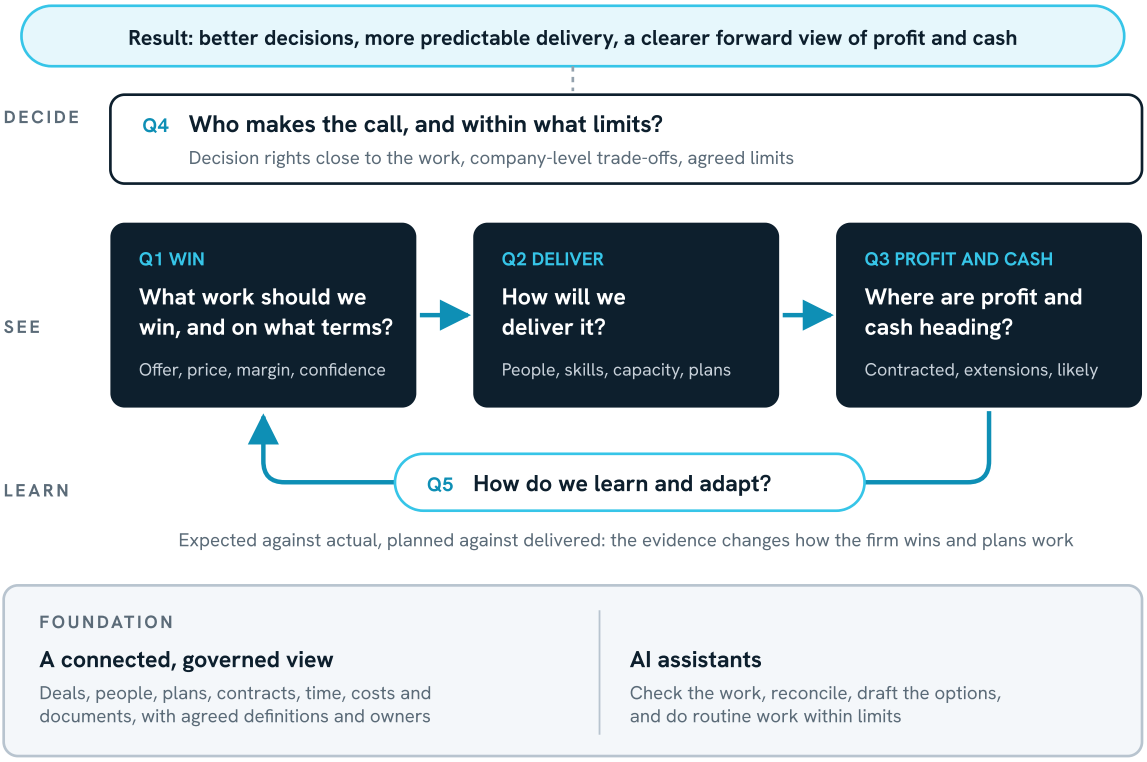
Q2. How will we deliver it? People, skills, capacity, plans and client commitments. A connected firm sees who rolls off in the coming weeks, which deals would need them, and what holding them costs

against the chance of the work arriving.

Q3. Where are profit and cash heading? A forward view that keeps contracted work, extensions and likely work as separate layers, with costs, cash and actual performance beside them. As the firm grows, leaders and investors ask for more views: by offering, client, business unit or grade, and against budget or last year. With agreed definitions, these views no longer need someone to compile them. The cost moves from building views to governing definitions.

Q4. Who makes the call, and within what limits? Decision rights, company-level trade-offs and the limits within which people closest to the work can act. This is the question the worked example turns on. It is where most firms are weakest, and it is the subject of section 8.

Q5. How do we learn and adapt? A connected firm records what it expected at the time, compares it with what happened, and compares what each engagement was sold for with what it took to deliver. Estimating, pricing and capacity rules change as a result.



The five leadership questions in three layers. Q1 to Q3 show what is happening and what may happen; Q4 decides at the right level, as close to the work as possible; Q5 feeds the evidence back. A connected, governed view and AI assistants sit underneath.

The result is better decisions, more predictable delivery and a clearer forward view of profit and cash. The connected view creates the opportunity; using it is leadership work.

5. A worked example: the same six weeks, decided at company level

Return to the bank, decided the connected way. All figures are illustrative, in Australian dollars.

The period. The six weeks, or 30 working days, starting on the date the two architects were due to start on the bank, two weeks from now. The bank's revenue is excluded from the comparison: on what is known, it moves six weeks later rather than being lost.

What is known. The bank has asked for a six-week delay. The two architects will be unassigned for those six weeks unless someone decides otherwise. The migration needs one senior person for the same six weeks, and one of the architects has the right skills; the contractor would start on the same date. A smaller client could start time-and-materials work for one person on that date too.

What is assumed. Each architect costs $1,500 a day in salary and on-costs, paid whatever they work on. The contractor costs $1,800 a day. The smaller client would pay the firm's standard rate of $2,400 a day, with about $2,000 of extra costs such as travel. The delay could lengthen; the firm cannot know that yet.

What needs confirming. The assistant flags the one question that matters, and the account partner asks the bank: is one named architect enough for the first phase? The bank says yes.

The options the delivery lead's assistant sets out, compared with the default of holding both architects and hiring the contractor:

Option	Project view	Company profit over the six weeks, compared with A	Main risk
A. Hold both; hire the contractor (the default)	Migration carries $54,000 of contractor cost	Baseline: two salaries paid, no revenue against them	Lowest risk to the bank
B. One architect to the migration instead of the contractor; hold one	Migration margin up $9,000: the architect's cost replaces the contractor's	Up $54,000: no contractor, and the salary is paid anyway	One named person not free for the bank (which the bank has accepted)
C. As B, and the second architect starts the smaller client's work	The smaller client's work earns about $25,000 at the standard rate	Up about $124,000: $54,000 plus $70,000 of revenue net of extra costs	Two weeks' notice needed if the bank moves sooner

Option B shows why the project view and the company view differ. The migration's report improves by $9,000, because it now carries the architect's cost instead of the contractor's. The company is $54,000 better off, because it was paying the architect anyway. Judged on project margin alone, the decision looks six times smaller than it is.

What still needs judgement. No view of the facts says how far to trust the bank's new date. So the delivery lead takes option C, within the limits the leadership has set, and agrees in advance what the firm will do if the date moves. The smaller client accepts, up front, that the architect can be released at two weeks' notice, and the account partner agrees the same notice with the bank for an early start. If the bank starts early, the architect moves and that part of the gain falls away. If the bank slips again,

both assignments run on. The decision is made in the first week, with its reasons recorded, rather than discovered at month-end.

What the firm learns. Later, it checks: is this the third renewal from this client to slip, and did the migration's estimate miss because of the work or the team? The answers change how it judges start dates and prices fixed-fee work.

6. How AI works in the connected firm

In the connected firm, AI does the finding, checking, reconciling, drafting and preparing. People make the decisions that matter.

Each person works through their own assistant. It reads the firm's systems through open standards such as the Model Context Protocol, within that person's permissions, and it does more than answer questions. It matches a bill to the work, links an email to the contract it changes, drafts the options when a date moves, prepares the client notice, updates the plan once a decision is made, and reads every change back to confirm it landed. As models improve, the share of routine work an assistant completes end to end keeps growing. What does not change is who is accountable.

The practices for doing this safely are now widely shared, and they are necessary rather than distinctive: one governed record that no assistant or view copies (see section 9), agreed definitions, access by permission, a source and date on every answer, routine work within written limits, an owner's approval and a read-back for every entry, and a named person for every consequential decision. One matters more in a services firm than elsewhere: agreements made outside the systems, in an email or a call, are linked to the change request or contract they alter, and any difference is flagged.

People check rather than do. The risk is that when proposals are usually right, people stop reading them. So the firm decides where a person must look, and checks that they did.

7. Four objections, answered

"Agents will post straight into the books." Not in a firm that wants to sign its accounts. AI proposes, rules decide, an owner approves, and every entry is read back after it is made. A ledger that is right most of the time is not a ledger. What changes is not who is accountable for the books. It is how little reaches them unchecked.

"AI will replace accountants." The role splits in two. One part is compliance and sign-off: tax, lodgements, the year-end. The other is designing and governing the rules the connected firm runs on: the definitions, the limits, the checks, and making sure the setup is correct and complete. The second is

the more valuable job, not a smaller one. In a smaller firm, a fractional CFO often does it for several firms.

"AI changes very little." The studies behind this view are right about tasks. An experiment with 758 Boston Consulting Group consultants found large gains on some tasks and worse results just outside what AI does reliably [4]. A large Danish study reports modest time savings and no measurable effect on earnings so far [5]. In McKinsey's 2026 survey, 80 per cent report better individual productivity, but only 37 per cent a positive effect on EBIT [2]. Faster tasks alone do not reach profit. Redesigned flows do: nearly three-quarters of McKinsey's high performers report having substantially redesigned workflows, against about a quarter of others [2]. As Agrawal, Gans and Goldfarb argue, the large gains come from redesigning systems of linked decisions [3]. That is the connected firm.

"Our accounting software already does this." It can match a bill to a purchase order. It usually does not hold which days were approved, on which project, at what rate, against which budget. That knowledge sits with the delivery facts, and that is where the check belongs.

8. The leadership work

Connecting the information is necessary, not sufficient. In the bank example, the information existed. Nobody could see it together in time, and each leader acted on their own part. Changing that is leadership work.

Decide closer to the work

In most firms today, a decision that crosses functions travels upwards, because only the top of the firm can see enough of the picture to make it. That is why so many of those decisions arrive late.

In the connected firm, they are made where the information now is. When the delivery lead can see what a contractor does to the forward view, and the account partner can see who rolls off next month, cross-functional decisions are made by the people closest to the work, within limits the leadership has agreed. Escalation becomes the exception: when a decision exceeds those limits, or the functions involved cannot resolve the trade-off.

The call still belongs to a named person. What shrinks is the circle that has to be consulted, and the time it takes. Information boundaries between functions weaken faster than accountability boundaries, and rightly so: sales still owns the client promise, and delivery still owns execution. Leaders have to move the authority, and the measures, with the information.

Use the meeting to act, not to report

When everyone can see that a deal has moved or a project has drifted, the leadership meeting no longer needs to establish what happened. Its job is what can still be influenced: which actions improve the chance of the outcome the firm wants, and what the team will do if each scenario happens. If the bank starts early, who moves? If it slips again, what is the next assignment?

Resourcing stays a balancing act, but the team aligns on its response before the issue arises, not after the month-end report.

Internal measures have to follow. Measures that reward each function only for its own number, such as bookings, utilisation or project margin, pull against this. A practice leader paid on their own utilisation will usually hold on to a scarce specialist, however clear the company case for releasing them. Leaders need to see, and be recognised for, the company outcome as well as their own.

Three positions

AI puts pressure on hourly pricing for repeatable work.

If an assistant does much of a well-specified task, selling the hour hands most of the saving to the client, and in my experience clients increasingly expect a share of it. Time and materials will stay where work is genuinely uncertain. For repeatable work, firms that know what it costs them to deliver will be best placed to move to fixed-price or fixed-fee arrangements, and to decide how much of the gain to share. Firms that keep selling the hour will not avoid the choice. Clients and competitors will make it for them.

The apprenticeship has to be redesigned.

The base of the pyramid did two jobs: billable procedural work, and training the next seniors. In the firms I work with, AI is already taking a growing share of the first. However a firm responds, how juniors learn judgement now has to be designed deliberately.

Utilisation is not enough on its own.

Utilisation measures how much of people's time is booked, not what that time earns. A firm can be well utilised on underpriced work, or with senior people doing junior tasks. Read it alongside contribution after the full cost of delivery, rework, and how far the forward outlook drifts from what actually happens.

Three trade-offs to work through

Shared information does not make decisions obvious. It makes the trade-offs visible.

Protecting a strategic client versus protecting near-term margin. Holding people for a client that matters is often right. The discipline is to make it a decision, with its cost known and an end date, rather than a default. Ask: what are we paying to hold this capacity, for how long, and what would change our mind?

Delivery autonomy versus commercial control. Moving decisions closer to the work is faster and usually better informed. It needs written limits ("a delivery lead may accept scope changes up to a

stated share of the remaining margin"), a record of what was decided, and a review of the limits once there is evidence. Start narrow and widen the limits as the record shows they are used well.

Visibility versus surveillance. A view everyone can read can feel like a reporting system aimed at the people doing the work. It lands better when those people get the most use from it: when the delivery lead sees their margin before finance does.

Systems change on a date. Habits do not.

When I led the integration of acquired businesses as COO, the systems were rarely the hardest part. They moved on a project plan. The acquired teams kept their old commercial habits for far longer than anyone expected: how they sold roles, how they treated a timecard, who they thought a consultant belonged to. Those habits had made sense in their own firm. They had worked.

What helped most was sharing a set of operating principles. They sat outside the systems, everyone could apply them, and they helped integrate new joiners as well as acquired teams. Among them: we sell full-time roles, unless the role is senior; a timecard reflects reality; and consultants choose their home team, provided the receiving team agrees, which removed the standing disputes between team leaders over who a consultant belonged to. The point is not those particular rules. It is that a few principles, understood by everyone, changed behaviour faster than the systems did.

The same holds for the connected firm. The new view arrives quickly; deciding differently takes longer. It is led through how the meeting works, where decisions are made, and a few principles everyone can apply.

9. Where to start: redesign the process, not the spreadsheet

The obvious route is the wrong one. AI makes it easy for everyone to build their own analysis, dashboard or small tool. A firm that lets that happen swaps a thousand spreadsheets for a thousand AI artefacts, each with its own copy of the data and its own definitions. The same question gets three answers, only faster.

The connected firm does the opposite. It keeps one governed record and redesigns each process so that AI works on that record, not around it. For each process, ask how it would run if AI did the routine work:

- **What does the firm expect to happen?** The plan, the rate, the budget, the payment terms.
- **Where can the work be checked against that expectation as it happens,** rather than reconciled afterwards?
- **What can an assistant do within limits, and what needs a person?** Write the limits down.
- **Which spreadsheets and side records does the new process replace?** Retire them. Do not let AI rebuild them.
- **How will the firm compare what it expected with what happened?**

Start with the flow that proves it fastest: from approved days, to the contractor's bill, to the cash forecast. It is high in volume, easy to measure and easy to reverse. Measure how many bills pass without an exception, how long the exceptions take, and how far the cash forecast moves from what happens. In my experience, it can show results within a quarter.

Then take the flow that changes decisions: from a deal becoming likely, to the people it needs, to the forward view of profit and cash. Do it in one practice first, around the decisions it carries, not the departments it passes through.

One test applies to every flow: if the old spreadsheet survives, the redesign has not happened.

Why mid-sized firms can move first

Mid-sized firms have fewer systems, fewer approval layers and a leadership team small enough to agree, so they can redesign faster than large ones. Patchy data and dependence on a founder are the usual obstacles. The firms that move first agree definitions, decision rights and measures, and give the change real capacity.

When the firm's own connected record can answer a question, owners no longer depend on a few people, or on outsiders, to assemble insight. What they still need from others is judgement.

10. A leadership discussion

Use these five questions with your leadership team. For each, agree the evidence, mark where you are and name the most important gap. Where two leaders answer differently, the reason is usually the most useful finding.

Question	Difficult to see	Visible with effort	Connected and used
Q1. Before we sign a material deal, can we assess whether the delivery plan, people and assumptions support the margin we priced?	We find out after it is won	We can check, with manual reconciliation	Assistants check plan, people and assumptions against the price as the deal develops; leaders act on the gaps
Q2. Can we see who rolls off in the next eight weeks, and what holding them costs?	We see the bench after the weeks are spent	We can see it, but someone has to assemble it	Assistants flag roll-offs and their cost as they emerge; the team has agreed what it will do
Q3. Can we see how a material deal or delivery change moves the forward profit and cash outlook, and on what assumptions?	We reconstruct the effect when asked	We can see it, with manual reconciliation	Each change flows through; assistants prepare the options and the meeting acts on what can still be influenced
Q4. For decisions that cross functions, is it clear who can make the call, and within what limits?	Each function decides for itself	Some cross-functional decisions are discussed, informally	Decisions are made close to the work within written limits, and escalate only beyond them
Q5. Do we compare what we expected with what happened, and change how we price, plan and hold capacity?	Rarely, and mainly when something goes wrong	Sometimes, for large engagements	Assistants compare expected with actual as work closes; estimating, pricing and capacity rules adjust

About the author

Gerben Bosch was CFO, then COO, of Capgemini Australia and New Zealand. He advises IT and professional services firms through Bosch CG, and is the founder and CEO of Profitdrive. Profitdrive is designed to give leaders a connected forward view across pipeline, projects, people and P&L, with actuals beside it. It can inform decisions about pricing, capacity and delivery. The choices themselves, and the incentives and accountabilities around them, remain leadership responsibilities.

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