

Professional Services Performance Benchmarks - 2026

How does your company stack up?



Table of Contents

- 02 ▶ Introduction
- 03 ▶ Delivery Performance
- 05 ▶ Billable Utilization
- 07 ▶ EBITDA & Profitability
- 09 ▶ Revenue Growth
- 11 ▶ Revenue Leakage
- 13 ▶ Talent
- 15 ▶ Controlled Profitability

Introduction

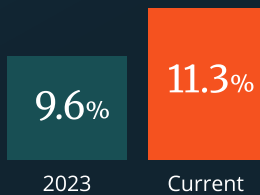
For years, professional services organizations could absorb inefficiency — a little scope creep here, some untracked hours there — and still turn a profit. That buffer is gone. With AI cannibalizing billable hours, the professional services model is shifting, and the inefficiencies that once went unnoticed are now eating directly into margin. Sustainable, profitable growth in this environment isn't just about doing more — **it's about running a smarter operation.** These benchmarks show you where the industry stands, where the gaps are, and what leading firms are doing to stay ahead.

Delivery Performance

Where the Industry Stands



Only 73.4% of projects are delivered on time, down from 80.2% just three years ago.



11.3% of projects run over budget, up from 9.6% in 2023.



Employees lose nearly 4 hours per week — roughly 9% of their work time — lost to reorienting after switching between applications.

Source: SPI Research 2025 Professional Services Maturity Benchmark; Harvard Business Review, 2022

Delivery Performance

What's At Stake

When projects run over budget or miss deadlines, the damage goes beyond the engagement itself. Client trust erodes, referrals dry up, and repeat business — the most efficient revenue a firm can generate — becomes harder to win. With new client acquisition falling to 29.3% in 2024, firms that can't deliver consistently are making an already difficult growth environment significantly harder on themselves.

And for professional services teams juggling project tools, resourcing spreadsheets, financial systems, and communication platforms, that fragmentation doesn't just slow people down; it creates the data gaps that let delivery risk go undetected until it's too late.

What Top Professional Services Teams Do Differently

Top professional services teams use real-time project visibility to catch risks before they become problems, tracking planned vs. actual performance across time, budget, and delivery milestones as work unfolds. When the whole team can see where delivery is drifting, scope creep gets addressed, timelines get reset, and clients stay informed before small issues become expensive ones.



Top professional services teams use **real-time project visibility** to catch risks before they become problems

The best teams take it even further, using AI to predict where projects are headed before issues surface, so intervention happens while there's still time to change the outcome rather than manage the fallout. Additionally, organizations that consolidate operational data into a single connected platform eliminate the switching overhead that fragments visibility and erodes delivery performance, giving teams more time on client work and leaders a cleaner picture of how projects are progressing.

Billable Utilization

Where the Industry Stands

Profitability threshold 75%



Utilization industry average: 68.9% — below the 75% threshold considered optimal for profitability

70–80%



The target "Goldilocks Zone": 70–80% — high enough to maximize revenue, low enough to avoid burnout

39% of agencies set utilization targets of 70–79% for mid-level team members, and 35% target 80–89%



Firms exceeding 80% utilization see higher attrition and long-term performance decline

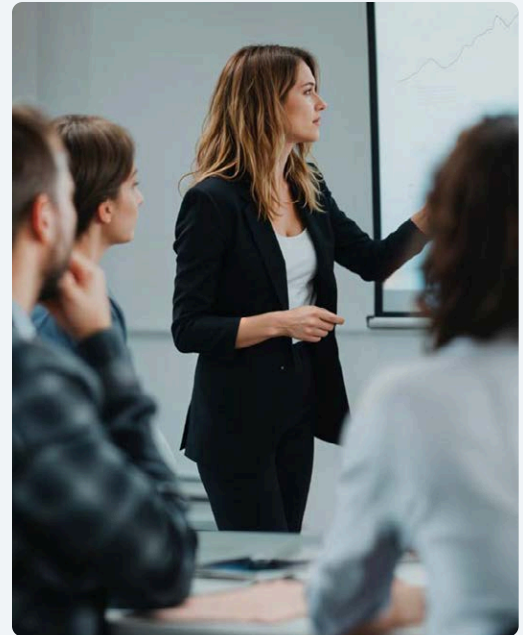
Source: SPI Research 2025 Professional Services Maturity Benchmark; SparkToro State of Digital Agencies, 2026

Billable Utilization

What's At Stake

A decline in billable utilization rates directly affects revenue per consultant, and every percentage point below 75% represents missed revenue opportunities. The challenge is that utilization rates are only as accurate as the time data behind them — and in most firms, that data has gaps.

Underutilization rarely announces itself. It hides in misallocated resources, unbilled hours, and teams that look busy but aren't generating the revenue the business needs to grow. However, the risk runs in both directions. Firms pushing utilization above 80% consistently report higher burnout and attrition, trading short-term revenue for long-term instability in talent that's far more expensive to recover from.



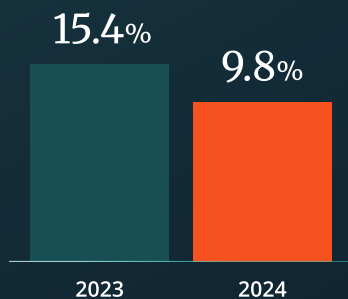
What Top Professional Services Teams Do Differently

Organizations that integrate time tracking directly into project workflows, rather than relying on end-of-week manual entry capture, significantly increase billable hours and provide a more accurate picture of where capacity actually stands. That accuracy is what makes the difference between managing utilization reactively and optimizing it intentionally.

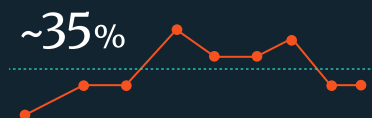
The best firms don't just chase higher utilization numbers; they manage to the right range. AI-assisted resourcing matches the right skills to the right work in real time, keeping utilization in the optimal zone, high enough to maximize revenue, without pushing top performers toward the burnout that drives attrition. When leaders can see capacity across the entire team in real time, they can course-correct in either direction, filling idle capacity before it becomes a revenue problem, and redistributing overloaded teams before it becomes a people problem.

EBITDA & Profitability

Where the Industry Stands



Industry EBITDA: 9.8% in 2024 — the lowest in five years, down from 15.4% in 2023



Average project margin: ~35% — relatively stable, but under pressure from rising overhead

Source: SPI Research 2025 Professional Services Maturity Benchmark

EBITDA & Profitability

What's At Stake

EBITDA margins falling to single digits make efficiency improvements a survival necessity, not an optimization strategy. What makes this particularly urgent is the disconnect between project margins and overall profitability; project margins have held relatively steady at 35%, which means the erosion is happening elsewhere. Overhead is growing, administrative burden is consuming capacity, and the gap between what projects earn and what the business keeps is widening quietly. Organizations that can't identify where margin is leaking at the operational level will continue to watch EBITDA shrink even when individual projects look healthy on paper.

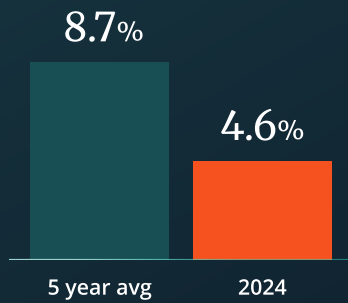
What Top Professional Services Teams Do Differently

High performers don't wait until month-end to understand their financial position. They track profitability by project, client, and work type in real time, so the moment an engagement starts drifting, they can adjust pricing, scope, or staffing before the damage reaches the bottom line. Critically, they connect delivery performance directly to financial outcomes, eliminating the lag between what's happening on the ground and what leadership sees in the numbers. That speed of insight is what separates the companies that protect their margins from those that discover they've lost them too late to do anything about it.

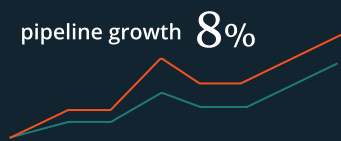


Revenue Growth

Where the Industry Stands



Industry revenue growth: 4.6% YoY in 2024 — well below the 8.7% five-year average



Deal pipelines grew 8% — demand exists, but firms are struggling to convert it

Source: SPI Research 2025 PS Maturity Benchmark

Revenue Growth

What's At Stake

The pipeline isn't the problem — conversion is. With deal pipelines growing at 8% while revenue growth sits at less than half the five-year average, the disconnect between what firms are winning and what they're delivering profitably is widening. Operational inefficiencies, capacity blind spots, and a lack of real-time visibility into whether the organization can actually deliver new work at target margins are turning promising wins into disappointing financial outcomes. Companies that can't close this gap will keep chasing growth that never quite materializes in the bottom line.

What Top Professional Services Teams Do Differently

Leading firms treat pipeline and delivery as one connected system, not two separate conversations. Before committing to new work, they have real-time visibility into team capacity, current project health, and margin performance, so they can price accurately, resource confidently, and avoid the overcommitment that turns a good quarter of wins into a bad quarter of delivery. Visibility across the full quote-to-cash lifecycle is what closes the gap between what's won and what's actually recognized as profitable revenue.



Revenue Leakage

Where the Industry Stands



42% of businesses experience some form of revenue leakage



Average leakage in professional services: 4.3% of revenue



For a firm generating \$10M annually, **4% leakage equals \$400,000 in earned revenue** that never gets collected



Retainer model

85% of agencies operate primarily on a retainer model

Source: SPI Research 2025 Professional Services Maturity Benchmark; SparkToro State of Digital Agencies, 2026

Revenue Leakage

What's At Stake

Revenue leakage is invisible by nature — it doesn't show up as a line-item loss. It hides in untracked hours, unbilled scope changes, missed invoice follow-ups, and manual processes that let billable work slip through the cracks. Most firms only discover it when they reconcile projects post-delivery, by which point it's too late.

For retainer-based firms, the risk is particularly acute. When billable hours aren't tracked accurately, it's nearly impossible to know whether the work delivered stays within the retainer scope or quietly exceeds it. That gap between hours worked and hours billed doesn't show up as an overrun. It simply disappears.

What Top Professional Services Teams Do Differently

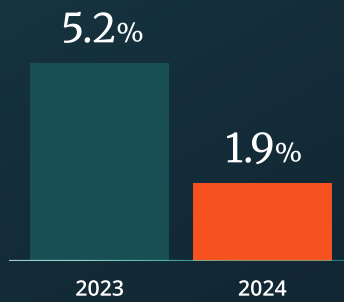


Revenue leakage quietly drains profit by hiding in untracked hours, unbilled work, and missed follow-ups.

Firms that automate time capture, connect billing directly to project activity, and monitor invoice status in real time recover significantly more of the revenue they've earned. For retainer-based agencies, this means real-time visibility into hours delivered against the contracted scope, so over-service is caught and addressed before it becomes a pattern, rather than discovered long after the margin is gone. Eliminating the gap between work delivered and work invoiced is one of the highest-ROI improvements any professional services organization can make. The firms that recover the most aren't necessarily billing more — they're simply capturing and invoicing what they've already earned, consistently and without manual gaps.

Talent

Where the Industry Stands



Professional services headcount growth fell to 1.9% in 2024, down from 5.2% in 2023



Attrition rate: 11.7% — slightly better than the five-year average of 12.8%



Nearly 70% of organizations still face challenges recruiting for full-time positions

Talent

What's At Stake

In professional services, your people are your product. When headcount growth slows and skilled talent is hard to find, professional services firms can't simply hire their way out of capacity problems — firms have to get more out of the team they have. That means smarter resource allocation, better workload visibility, and proactive capacity planning that prevents burnout before it drives attrition.

What Top Professional Services Teams Do Differently

Leading firms are leveraging hybrid workforce models — balancing full-time staff with strategic use of subcontractors — and using AI-assisted resourcing to match the right skills to the right work. Real-time visibility into team capacity prevents overloading top performers, protecting the people firms can least afford to lose.



Real-time visibility into **team capacity** prevents overloading top performers, protecting the people firms can least afford to lose.

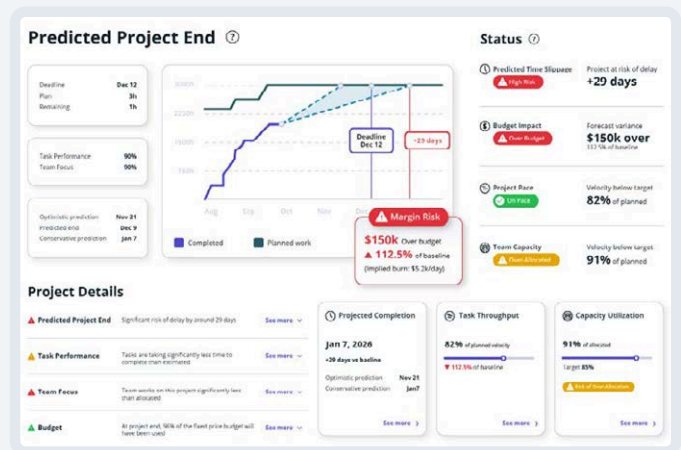


How Accelo Puts Profitability in Your Control

Every benchmark in this guide points to the same underlying problem: professional services firms are operating without the visibility they need to make decisions that protect delivery, margin, and growth. Accelo is built to change that, connecting the people, projects, pipeline, and financials that drive your business into one AI-powered PSA platform, so leaders always know where things stand and can act before problems compound.

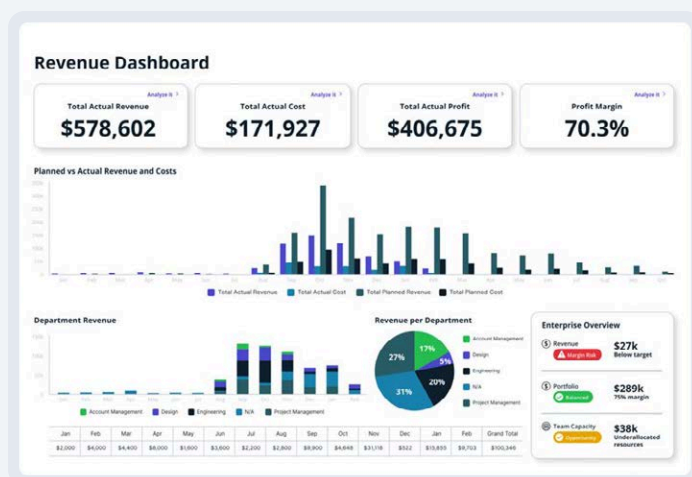
Delivery Performance

Accelo provides teams with immediate, real-time visibility into planned vs. actual performance across time, budget, and delivery milestones, ensuring that delivery risks surface as work unfolds rather than during a post-mortem. AI-driven predictive intelligence flags project direction and estimated completion timelines before minor issues escalate into overruns, allowing leaders to intervene while there is still time to change the outcome rather than simply managing the fallout.



Billable Utilization

Accelo integrates time tracking directly into project workflows, eliminating the end-of-week memory exercise that leaves billable hours on the table. AI-assisted resourcing matches skills to demand in real time, keeping utilization in the optimal range without overburdening your best people or leaving capacity sitting idle.



EBITDA & Profitability

Accelo connects delivery performance directly to financial outcomes, tracking profitability by project, client, and work type in real time. Leaders see the full financial picture as work unfolds, not after the quarter closes, so pricing, scope, and staffing decisions are made with margin in mind from the start.

How Accelo Puts Profitability in Your Control

Revenue Growth

Accelo treats pipeline and delivery as one connected system. Real-time visibility into team capacity, project health, and margin performance means organizations can commit to new work confidently, pricing accurately, and resourcing correctly from the moment a deal is won, not after the first delivery stumble.

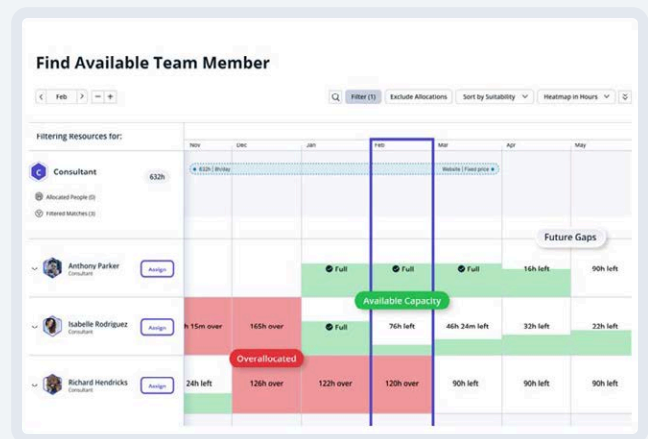


Revenue Leakage

Accelo automates time capture and connects billing directly to project activity, so billable work is recorded, invoiced, and collected without manual gaps. Invoice status is monitored in real time, and automated reminders keep cash flow moving, closing the distance between work delivered and revenue recognized.

Talent

Accelo gives operations and delivery leaders real-time visibility into team capacity, workload distribution, and upcoming demand, enabling proactive rather than reactive resource decisions. AI-assisted resourcing prevents overloading top performers, which drives burnout and attrition. At the same time, dynamic capacity modeling lets teams plan for upcoming work and assign the right resource as commitments are confirmed — keeping delivery staffed correctly without the last-minute scramble.



Looking Ahead

The agencies and consultancies pulling ahead in 2026 aren't working harder than everyone else. They're running operations that are connected, visible, and built to protect margin at every stage of delivery. Accelo gives professional services organizations the platform to do exactly that.

See how Accelo can help your firm grow profitably, without leaving margin on the table. It starts with a [personalized demo](#).

About Accelo

Built for professional services, Accelo brings pipeline, projects, resources, and financials into one AI-powered platform so you can stay ahead of issues, protect margins, and scale with confidence. With Accelo, profitability becomes controlled, predictable, and repeatable.

By connecting delivery, resourcing, and financial data into a single operational layer, Accelo keeps effort, cost, and outcomes aligned as work unfolds. Its proprietary machine learning engine continuously learns from how your teams plan and deliver, improving forecast accuracy, strengthening resource decisions, and increasing confidence in financial outcomes, while staying seamlessly connected to your CRM and accounting systems.

The result: clearer visibility, faster decisions, optimized utilization, and an operation built to scale with control.

Accelo is trusted by thousands of professional services organizations worldwide, replacing reactive execution with coordinated, data-driven performance. Learn more at [Accelo.com](https://www.accelo.com).

Sources

- SPI Research, 2025 Professional Services Maturity Benchmark
- MGI Research, Revenue Leakage Series, 2025
- SparkToro / Paddy Moogan, State of Digital Agencies 2025 Survey, January 2026
- Harvard Business Review, *How Much Time and Energy Do We Waste Toggling Between Applications?*, August 2022
- SHRM, 2025 Talent Trends Report
- SPI Research via Sage, Professional Services Metrics