



get the most from your consultant

If you're paying what feels like a small fortune for consultancy, it makes sense to go in with your eyes wide open.

Martin Price, chair of the Association of Consultants and Trainers (ACT) and **Mike Hudson**, senior partner of Compass Partnership explain how to make the consultant's skills work best for you.

The management consultancy profession continues its relentless growth. Both the public and private sectors continue to make ever increasing use of consultants and the income of the firms that are members of the Management Consultancies Association now exceeds £2,000 million per annum. Growth in the demand for consultants has been driven by organisations' need for short-term injections of specialist skills. A few years ago the first reaction to an opportunity or a problem would have been to appoint a new member of staff; today it is often to appoint a consultant. Increasingly, activities are being divided into 'project size' pieces of work and out-sourced to consultants. This results in fewer long-term commitments for the organisation and more focused use of peoples' time.

Users play a critical role in the success of a consultancy. This begins by being really clear about the objectives, the scope and

the brief for the assignment. It involves the time consuming task of finding consultants with the skills and experience needed to deliver a successful assignment. When selection is by competitive tender, it involves briefing no more than three consultants to tender (ideally face to face) and seeing their presentations. They have to choose the consultants who meet the specification and, equally important, who have the personal chemistry to fit in with the organisation's culture and work with people to achieve the desired results.

Users also have to be clear about who should be involved during the assignment and ensure that staff have the time required to do the work that the organisation has to undertake. They should manage each stage of the consultancy, and ensure that all stakeholders are signed up to the diagnosis, the recommendations and to implementation. Finally, the manager of the assignment has to expect that the brief may change as work proceeds and to manage those changes with all the



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stakeholders. Such changes are often a sign that the consultant is shedding new light on the issue - and starting to add real value.

Types of consultancy

A management consultant is an independent person or firm brought in to help deal with a specific problem or task. The consultancy will be most effective if the organisation has given careful thought beforehand to what it wants the work to achieve, why it wants to use someone from outside, when the work has to be done and what it can afford to pay. The many types of management consultancy are described in different ways. Some of the distinctions are illustrated by asking whether you want the consultant to:

- do a specific task, for example draw up a business plan, introduce new technology, draw up personnel procedures or help to restructure a department or the whole organisation? This is sometimes called task-based consultancy
- help people in the organisation think and talk through what needs to be done about a particular task - then leave it to the organisation, rather than the consultant, to complete the task? This may be called process consultancy or facilitation
- help improve the way people communicate with and relate to each other? This is sometimes called process consultancy or team building
- help resolve a conflict within the organisation? This is sometimes called mediation
- conduct training to help people learn specific skills or increase their awareness of particular issues?

In practice these overlap in most consultancy projects. But the type of work you want done will affect the sort of consultant

you should look for and what you can realistically expect. Consultants range from individuals to international firms with large consultancy departments. Before contacting potential consultants, start to think through what you want them to achieve. This will help to clarify the skills and experience you require from your consultant. You may know the consultant you want to hire or may want to see proposals from a number of consultants. For larger pieces of work you may want to have a competitive tendering process. This usually involves some research to find consultants who have the skills and experience to do the job. You can then ask the two or three that seem to best fit your requirements to prepare a tender. Avoid asking more than two or three because they will put less effort into your tender. For smaller pieces of work a formal tendering process may be unnecessarily cumbersome but you may want to talk to two or three potential consultants by phone, and probably meet them, before choosing.

The brief

There are two essential stages to starting a consultancy:

- defining the brief
- preparing a short-list of suitable consultants

Depending on the nature of the work, the brief might range from one page to an extensive document. It is important to describe the situation in detail so the consultants can cost the work accurately - especially if you are asking potential consultants to bid for the work. The brief should include:

- a short description of the organisation: what it does, when it was set up, how it is structured
- a description of the problem or situation which has led the organisation to want a consultant

- an outline of what the consultancy is expected to achieve
- the starting date, and how long the work is expected to take
- any thoughts the organisation has had about how the consultancy might be done, who might be involved etc.

The brief might state what the organisation intends to pay, and ask the consultants to indicate what they could do within that fee. Another approach is to ask the consultants to describe what they would do and what it would cost. In this case, remember that the cheapest bid is not necessarily the best. Even if potential consultants are to be approached by phone it is important to have a good brief.

A consultancy can go wrong if the organisation has not clarified what it wants, or if different people within the organisation have different ideas of what is wanted. Potential consultants may need more information. The brief should make clear who can provide such information. It should also make clear when and to whom a proposal or bid should be submitted, and when a decision will be made.

Quality consultants

Consultants work in very different ways, and what is right for one organisation or one piece of work may be inappropriate for another. However, you should at the very least expect from your consultant:

- commitment and an understanding of your sector in general and the particular part of the sector in which your organisation operates
- commitment to working with individuals and organisations to help them achieve high levels of effectiveness
- commitment to equality of opportunity in the consultant's own practice and within the organisations the consultant works with



So you're thinking of using a management consultant?

There are many reasons why you might consider bringing in a management consultant. It could be to:

- help clarify the organisation's mission and objectives; to help draw up a strategic or business plan or to help in organisational or staff restructuring
- help strengthen the governing body
- sort out communication problems within the staff, or between the staff and governing body
- help people work more effectively as a team; to help draw up personnel, equal opportunities, operational or other policies and procedures
- deal with a specific management problem or task that no one has the time, energy and/or expertise to deal with
- provide training on management topics
- act as a mentor or 'sounding board' for the chief executive or other senior staff
- serve as a temporary director or chief executive

The agreement

The agreement between your organisation and the consultant should at the very least include:

- the parties to the agreement (the individual consultant or consultancy firm, and your organisation)
- a description of the work, in sufficient detail to ensure both parties are clear what is to be done
- details of when the work is to start, dates when specific parts of the work are to be started and finished and, if appropriate, the finishing date

If the work is to last more than a few days, a procedure for the consultant and organisation to review the work, ensure it is proceeding satisfactorily, deal with any problems and agree any changes in the nature of this work

- how much will be charged for the work, and whether this is on an hourly, daily, weekly or monthly basis, or on the basis of a fixed fee for the job as a whole
- whether there is a maximum fee (so you do not pay for more time than was anticipated)
- whether VAT is to be charged, and if so whether it is included in the stated fee or is additional
- whether expenses such as travel, phone, postage, materials etc. are included in the fee, and if not, how they are charged; whether payment(s) will be made in advance, in stages during the work, or only on completion
- how soon payment is due after the consultant submits invoices

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- willingness to learn about and work within the values and culture of your organisation
- commitment to continuously updating his or her own skills and knowledge

It is reasonable to ask consultants to provide information about similar work they have undertaken, and similar organisations they have worked with. You will need to have information about their relevant skills, knowledge and experience, plus an outline of how they would undertake the work you want. It is useful to know how they would involve people in the process and what they would provide, not to mention an explanation of how they set their fee. It is not going too far to request a copy of a code of practice for their own work and details of how they monitor their performance. To protect both the organisation and the consultant it is important to have an agreement setting out each party's obligations. (See box on 'the agreement')

During the consultancy

Because consultancies are so hugely varied, it is not possible to generalise about how they should proceed. But some or all of the following questions are likely to be relevant, and you should think about them while the work is under way.

'Do we know what the consultant is doing?'

When consultants work on their own, one person or a small steering group should keep in regular contact with the consultant. It should be clear from the beginning how often the consultant should report to them, and whether this should be verbally or in writing.

'Is the consultant doing what we thought they would be doing?'

Misunderstandings can occur, especially about processes as complex as manage-

ment consultancy. Often the nature of the work has to change, but any change should be jointly agreed. If the consultant seems to be doing something other than what you thought was agreed, it is important to sort this out quickly.

'Are we satisfied with the work so far?'

For a consultancy lasting over time, there should be a regular procedure for assessing the work. This is more than just a report on what the consultant has done; it is an opportunity to look at whether the work is going well or badly and to put right any problems. Even if this review process was not built into the original agreement, you should ask for it. After all, you are paying for the work, and if you are not satisfied it is in everyone's interest to put it right as quickly as possible.

'Is there a need to change the brief?'

Situations change; the consultancy may uncover problems or issues which have to be dealt with before the specified work can be done. Both the organisation and the consultant should be flexible enough to adapt the work if this is necessary.

If you are dissatisfied...

Most management consultancies achieve what the organisation wanted, and often much more besides. You may dislike the proposals made by the consultant, for example where a consultant recommends unpopular new procedures or a restructuring. Or you may believe there has been a breach of the agreement, for example the consultant not doing what was supposed to be done or not doing it on time (without having agreed an extension). If you are not satisfied with the quality of the work, you should raise your concerns with the consultant or with a more senior person in the firm at the earliest opportunity. Disputes arising from non-compli-



ance with the agreement should, if possible, be resolved informally. If this is not possible, independent mediators can be contacted through the Centre for Dispute Resolution (020 7430 1842) or Mediation UK (0117 924 1234).

Finishing the consultancy

Every consultancy, whether long or short, should have a clear ending. This ensures that the organisation does not become dependent on the consultant. The contract might specify that the consultancy will end on a fixed date, or when a defined piece of work is completed. Some consultancies are open ended. These should be regularly reviewed to ensure they are still meeting the organisation's needs. For in-depth consultancies, one or two follow-up sessions might be included in the assignment. Sometimes a completely new consultancy is needed - with the same or a different consultant - to implement the consultancy recommendations. But even without formal follow-up, you can reasonably expect a

consultant to give telephone advice to help you think through how to deal with issues arising from the consultancy. Most consultants ask for feedback a short time after the consultancy. This might be a simple telephone call or questionnaire asking whether the work met the organisation's objectives, whether the organisation was satisfied and whether any changes were implemented as a result of the consultancy.

The use of consultants is, however, not a panacea. Consultancy assignments do go wrong, relationships are sometimes less than ideal and the outcomes can be less valuable than anticipated. So, if this way of working is to become even more common what needs to happen for it to be more successful in the future? Both consultants and users of consultancy need to take action. Consultants need to invest substantially more time in continual professional development and users need to become far more skilled at ensuring they get best value from their consultants.



ACT

This article has been drawn up by management consultants who work in not-for-profit organisations (charities, campaigning associations, housing associations, arts organisations, community groups and other not-for-profit organisations). ACT is an association for management consultants who work with not-for-profit organisations. It promotes good practice in management consultancy and training with arts, housing and voluntary organisations. For more information visit www.act-assn.co.uk

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