

HOW TO GET VALUE FROM A MANAGEMENT CONSULTANT

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Unlike many other outside services, management consulting is distinguished by qualities that appear less tangible -- and are therefore more difficult to assess up-front. Usually the fee must be set before the consultant's assignment begins. So how can a value-conscious manager make sure the company gets the consulting service, support and results that it's paying for?

First, make sure you are using a management consultant for the right reasons: to formulate an objective; to receive an informed opinion; to find a way to solve a tenacious or complex problem; to get something acted upon in a hurry; or to work your way through an implementation.

Try not to use a consultant merely to "shake things up," support a preconceived point of view or do the decision-making for your company.

Second, before you meet with a consultant, attempt to define your problem thoroughly, clearly and candidly. Determine what you would like the consultant to do and to what degree you would like your own staff involved.

Finally, ask yourself during your first meeting, does the consultant:

- Listen well?
- Understand the key issues involved?
- Know about your industry?
- Focus questions on your problem?
- Challenge your assumptions?
- Offer a relevant approach?
- Project a sense of empathy?
- Appear trustworthy?
- Seem enjoyable to work with?

What to Expect from the Consulting Process

Consulting represents a personal relationship and a process between individuals working together to face challenges and solve a problem. By conducting a preliminary confidential interview with you, the consultant will attempt to understand your perception of the challenges and problem(s), agree on the scope of the assignment, and verify your expectations. Be "honest and open". The consultant will be evaluating your openness and willingness to change, your willingness to listen to new ideas, and how objectively you can look at your company's weaknesses.

The consultant should verbally, or in a written proposal, state the understanding of the assignment:

- The objective, scope and nature of the assignment
- A summary of your situation
- The suggested consulting strategy
- The potential work products and benefits to be generated from the work

Further, the consultant should provide a written agreement describing:

- The names and qualifications of the consulting staff
- The nature and extent of your employees' participation
- An estimate of the time-frame of the assignment
- An estimate of fees and expenses

After reviewing the agreement, decide whether its terms are complete and clearly stated. Are you satisfied with the staffing plan and schedule? Are you prepared to provide the required support?

Once the Assignment is Underway

Inform your organization about the consultant's role and assignment. Tell your employees who the consultant is, why this person has been selected, when the process will begin and how you expect them to assist in the effort. As for yourself, establish an effective working relationship with the consultant. It's important to be straightforward in relating your concerns, expectations and working style. Appoint someone on your staff as the liaison on the project. Make sure this individual understands the consultant's work plan in order to provide any necessary introductions or resources.

When the consultant comes back with findings, listen carefully, even if you don't like what you hear. Make sure you understand the basis for any conclusions the consultant has drawn.

Frequently in getting to the heart of a problem, the consultant will uncover other issues that need to be resolved. Some may be prerequisites, but many will not. It's always tempting to add all of these issues to the project. But if meeting your original schedule and budget is important, don't ask the consultant to include them in the current assignment. Where it is necessary to expand the scope of an assignment, be sure the consultant tells you what impact it will have on the schedule and fee.

How To Stay Within Budget?

Narrow the scope of the assignment if necessary, provide more leeway in scheduling the work, have your own people assume more of the tasks in the project, or segment the assignment into phased projects.

Research, Results and Feedback

After the start date is set, the management consultant will want to meet again with you, your key associates and anyone else who will be involved with the assignment. The consultant should use this meeting to introduce the consulting staff and describe the approach and plan of action. After the meeting the consultant will begin the process of generating as much useful information as possible in a limited period of time. This will entail:

- One or more methods of data collection and review
- Analysis of the findings
- Testing of assumptions
- Development of alternative solutions
- More testing of viability and practicality
- Drawing conclusions and developing recommendations

Throughout this process the consultant should provide you with continuous, informal feedback and preliminary findings so that you understand what is being done and why. After

the formal recommendations are in your hands, the consultant should provide you with a clear direction for implementation, either with or without further assistance.

How to Evaluate the Consultant's Advice

When the consultant presents the recommendations, ask yourself these questions:

- Has the consultant delivered the product promised earlier?
- Have the real issues been addressed?
- Are the recommendations logical and will they work in your organization?
- Are the next steps clear?
- If there are potential savings involved, do you know how to achieve them?
- What have your employees learned from the experience?
- Will your company be stronger as a result?
- When will the consultant return to check on the success of the project?

If you are not satisfied with the answers to any of these questions, ask the consultant to give you the additional information you need. A good consultant would rather put in additional effort than leave a client less than satisfied.

Act Immediately on the Recommendations

To make sure you get value for the fees paid, put the consultant's recommendations into effect before they are lost in any organizational inertia. Tell your staff to come back to you in one month with the status of the progress they are making toward installing or implementing the consultant's recommendations, and call for regular reports until the work is complete. You can expect the consultant to take an equal interest in seeing his or her recommendations result in benefits to you.

If the urgency, lack of capability or employee resources is such that you are concerned about the timeliness and effectiveness of implementation, then consider asking the consultant for an implementation assistance proposal. Remember, a good result is worth its cost; a poor result is a loss - no matter what the cost!

MCA Associates, a management consulting firm since 1986, works with wholesale-distribution and manufacturing companies providing operational excellence – idea leadership – and implements continuous improvement solutions focused on business process re-engineering, supply chain management, sales development, information systems and technology, organizational assessment and development, and succession planning.