



SRC ASSOCIATES


POSITION PAPER – 1 – MAY 2003 THE ROLE OF CONSULTANTS AND CLIENTS



As a consultancy and advisory services firm ourselves, we have a responsibility to take a critical look at what we do and how we serve our clients. Additionally, we must also consider what we will and will not do in order to remain viable. For example, ethically speaking, we would not serve two clients in the same industry offering the same services if we felt that relationship would somehow breach the confidentiality of our original client and the work we did for them.



Consulting firms are all too often willing to take on or expand any engagement as long as they believe it will add to the revenues and bottom line of the firm. It is intriguing to see how even some of the largest consulting organizations in the world have floundered recently, seemingly unable to develop a sustainable strategy even though that is in essence what they sell potential clients (the ultimate paradox).



On the other hand, it is often the case that when hiring consultants, some clients have not formulated a clear idea of what they want the engagement to address and the objectives that they want to achieve. They seem to believe that everything will be all right in the end and that the consultants will know their limits and understand what is expected of them. Unrealistic goals are also a problem.

Our perspective of these issues is quite straightforward. Consulting firms are not supposed to do the job of management and exempt them from responsibility of ultimate decision making. Whilst outside, impartial advice is extremely valuable, the buck must stop with the management of a firm, the detailed understanding of an industry and operational know how imbedded in most firms is very valuable. In many cases, a company has substantial untapped potential within the organization (its people), but have just forgotten or neglected the most basic tenets of management, get people interested and involved and they will respond. Perhaps, you do not even need a consultant, but just your very own MBA who can spurt a new line of thinking or ignite some new ideas.

Of course, very often a consulting firm may have specialist knowledge that cannot be

easily acquired. Even so, you must adopt a rigorous procedure for deciding if you really require the services of a consultant and on what basis. Have clear and realistic objectives in mind and set performance measures with the consultant to see to it that those objectives are being met. Do not give carte blanche assignments but rather have specific issues in mind and work with your consultant firm closely on these issues. Do not expect problem situations to magically disappear without your attentive and close involvement on a regular basis (and they still won't magically disappear). It is imperative that you get all you can from an engagement in terms of knowledge transfer, ideas and thinking processes because that it was one of the major things a consultant actually sells. At SRC, we believe that challenging your assumptions and clarifying your thinking is one of the major components of any engagement. You should take as much credit as anyone for the solution to a problem and we believe that you must work through the problem to find the solution with a substantial amount of input from the consulting firm. Our job as a consultant is to work ourselves into relative unemployment!

Below is a list of guidelines from the ground breaking book *Dangerous Company* (O'Shea and Madigan) on hiring a consulting company. We think this is a list that will be most valuable to those considering to hire an outsider to look at their business.

1. *Be clear about why you are doing this. Have a defined goal in mind.*
2. *Ask yourself if you really need outsiders to help.*
3. *If you do hire a consulting company, be clear as to who will do the work and be involved with your own people. Make sure what is promised is delivered and do not be shy about sending people away that you feel uncomfortable with.*
4. *Determine what it will cost and demand specificity from your consulting company. If the project is high risk, expect the consultant to share in the risk.*
5. *Never give up control. Be involved in all aspects.*
6. *Don't accept unhappiness for a moment. Speak out if you have a problem.*
7. *Beware of glib talkers. Just because someone has done similar work before is no guarantee that it will work in your case. Insist on tailor made engagements.*
8. *Value your own employees. One of the biggest complaints of consultants is that they talk down to staff. You are buying intelligence, not arrogance.*
9. *Measure the process.*
10. *If it isn't broke, don't try to fix it. Consultants like to find trouble where none exists.*