

# Consultancy Buyers Forum Event

“Good Buying Practice”

28<sup>th</sup> February 2013

# Welcome & Introduction

## **ALAN LEAMAN, CEO OF MCA**

# Thank You – Our Event Hosts

**MCA**  
A POSITIVE FORCE  
FOR THE ECONOMY



# A Reminder. What is the Forum?

- Facilitates knowledge sharing between the consulting industry and everyone involved in the purchasing and engagement of consulting services.
- Brings together MCA member companies with major clients and procurement professionals in a series of events, projects and joint initiatives.
- An opportunity for everyone to help promote the highest professional standards and to ensure that, by working together effectively, they deliver the best for their organisations and their clients.

# Over 75 buying organisations are now represented in the Forum, including:

American Express	Dept of Work & Pensions	Legal & General
Anglo American	Diageo	Lloyds Banking Group
Astra Zeneca	Direct Line	Mars
Aviva	Dixons Retail Group	National Grid
Bank of America	DSM	Nestle
Barclays	E.ON	Prudential
BP	Friends Life	Royal Mail
BT	GlaxoSmithKline	RBS
Care UK	IHG	Thomson Reuters
Centrica	Jaguar Land Rover	Virgin Money
Citi	JP Morgan	Walt Disney

# Today marks the mid point in an exciting wave of activity for the Forum

- Four Working Groups were established following the Launch Event last September to consider ‘good buying practice’
  - Each group has contained representatives from the ‘buy-side’ and ‘sell-side’
- With your collective help we want to:
  - Reach a consensus on what ‘good looks like’ across the consultancy buying process
  - Create a range of enabling materials that will help good practice to become the ‘norm’ in the marketplace

# The Working Groups have proved to be an eye opener to some of those involved



“I had never really thought of it like that before”

“Now I understand why you ask me those questions.....”

“It has been so valuable to discuss these issues  
outside of a sales situation”

The Forum is run independently but fully aligned to the MCA's broader strategy



## Mission

***To promote the value of management consultancy for the economy and society as a whole***

## Roles

- 1. The voice of the consulting industry***
- 2. Promoting a credible and professional industry***
- 3. Creating better engagement with and between members***



# Today's Programme

Welcome & Introduction

Alan Leaman, MCA

## Keynote Speakers

Client Perspective

Bruce Crane, Anglo American

Consulting Perspective

Paul Winter, Concerto Partners

Working Group Activity

Paul Vincent, Forum Chair

Breakout Session

Working Group 'Shop Fronts'

Next Steps & Closing Remarks

Paul Vincent

Open Networking

All

Client Perspective

**BRUCE CRANE, GROUP HEAD OF SUPPLY CHAIN  
ANGLO AMERICAN**

Consulting Perspective

**PAUL WINTER, CEO CONCERTO PARTNERS**

# ‘Good Buying Practice’ : Working Group Activity

## **PAUL VINCENT, FORUM CHAIR**

# Realities & Myths



# Realities & Myths : No.1

It is not easy to buy or sell consultancy services!



# Realities & Myths : No.1

## It is not easy to buy or sell consultancy services!

- Price and value can mean very different things
- Outcomes are not always clearly defined at the outset
- Relationships and trust are important considerations
- Beauty is often in the eye of the beholder
  
- Careers can be impacted!

# Realities & Myths : No.2

Procurement  
Function



Buying  
Process



# The Consultancy Buying Process



# The Consultancy Buying Process



# Realities & Myths : No.3

Consulting is a very competitive marketplace and it would be daft if a firm did not make the most of a successful engagement by trying to sell more!!



# Realities & Myths : No.4

‘Procurement’ questions are not unreasonable!



# Realities & Myths : No.4

## ‘Procurement’ questions are not unreasonable!

- Have you/where have you done this before?
- How will you measure success?
- What is included in your fee?
- What will you leave behind?
  
- What makes you good at what you do?

# Realities & Myths : No.5

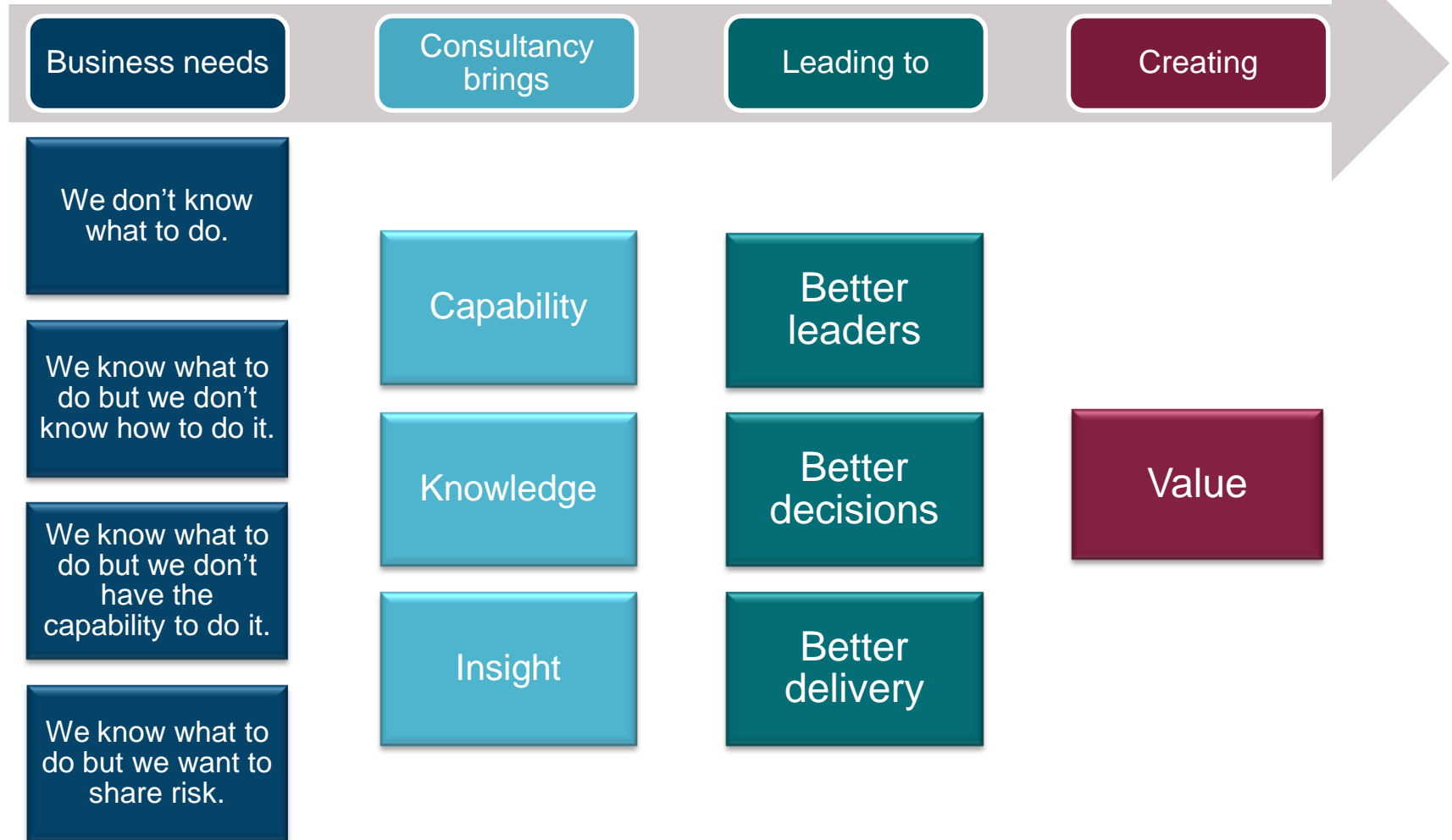
You will invariably get  
what you pay for!



# In any discussion about good buying practice...stay real!



# Focus on achieving **Best Value**





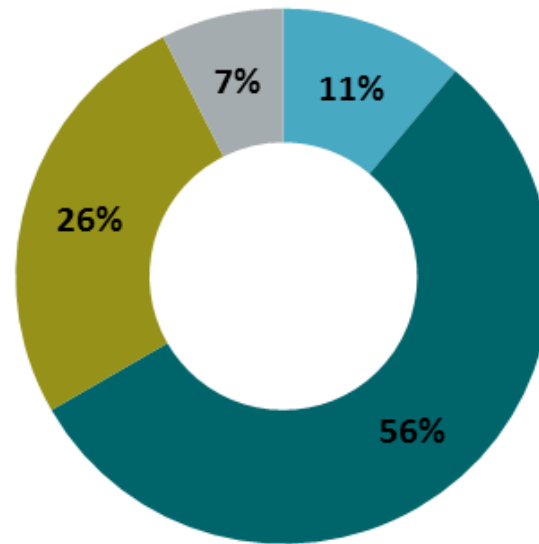
# The Objectives of the Working Groups

- Identify ideas and approaches which could most practically improve the effectiveness and efficiency of the consultancy buying process
- Hone in on those which could make the biggest positive difference to the delivery of consultancy value



# Post Launch Event Survey [26 Responses]

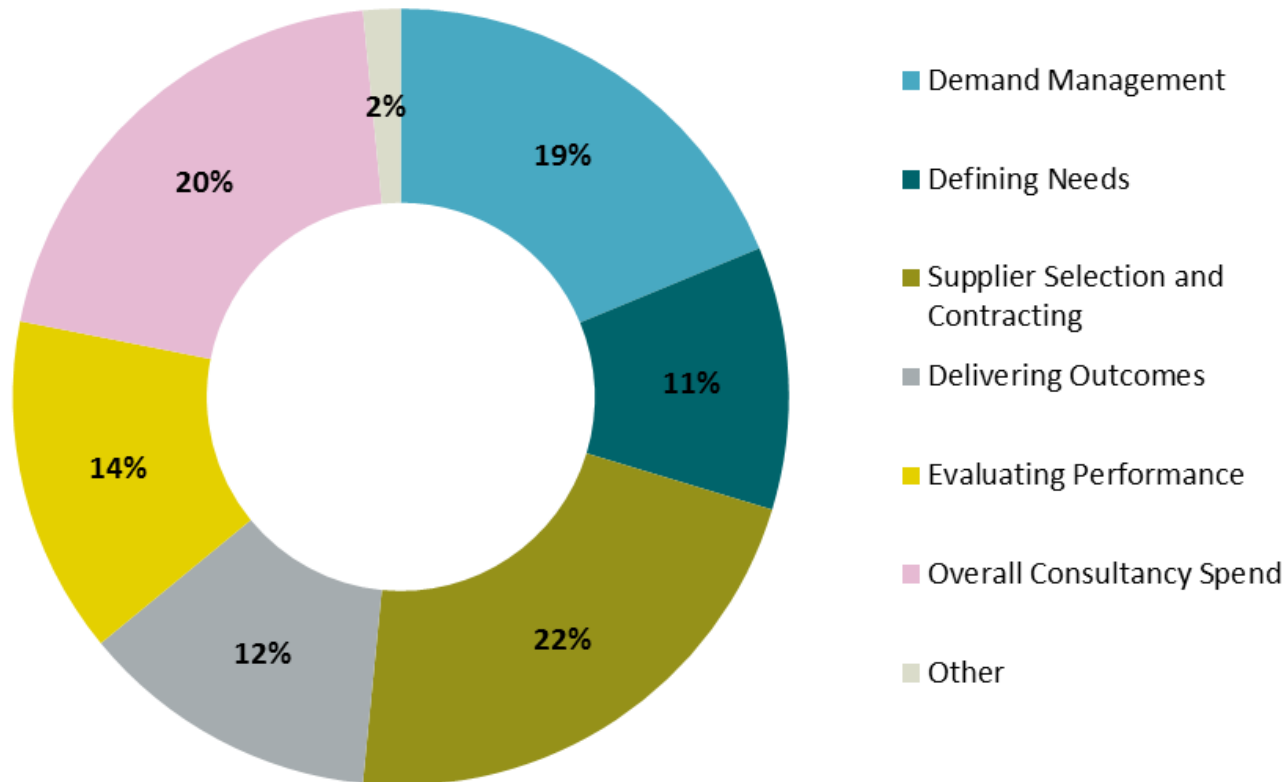
*Has your organisation altered its approach to buying consultancy services in the last 12 months (or is currently altering its approach)?*



- Yes - changes now in place
- Yes - changes currently being implemented
- No - but considering making changes
- No - and no changes being considered

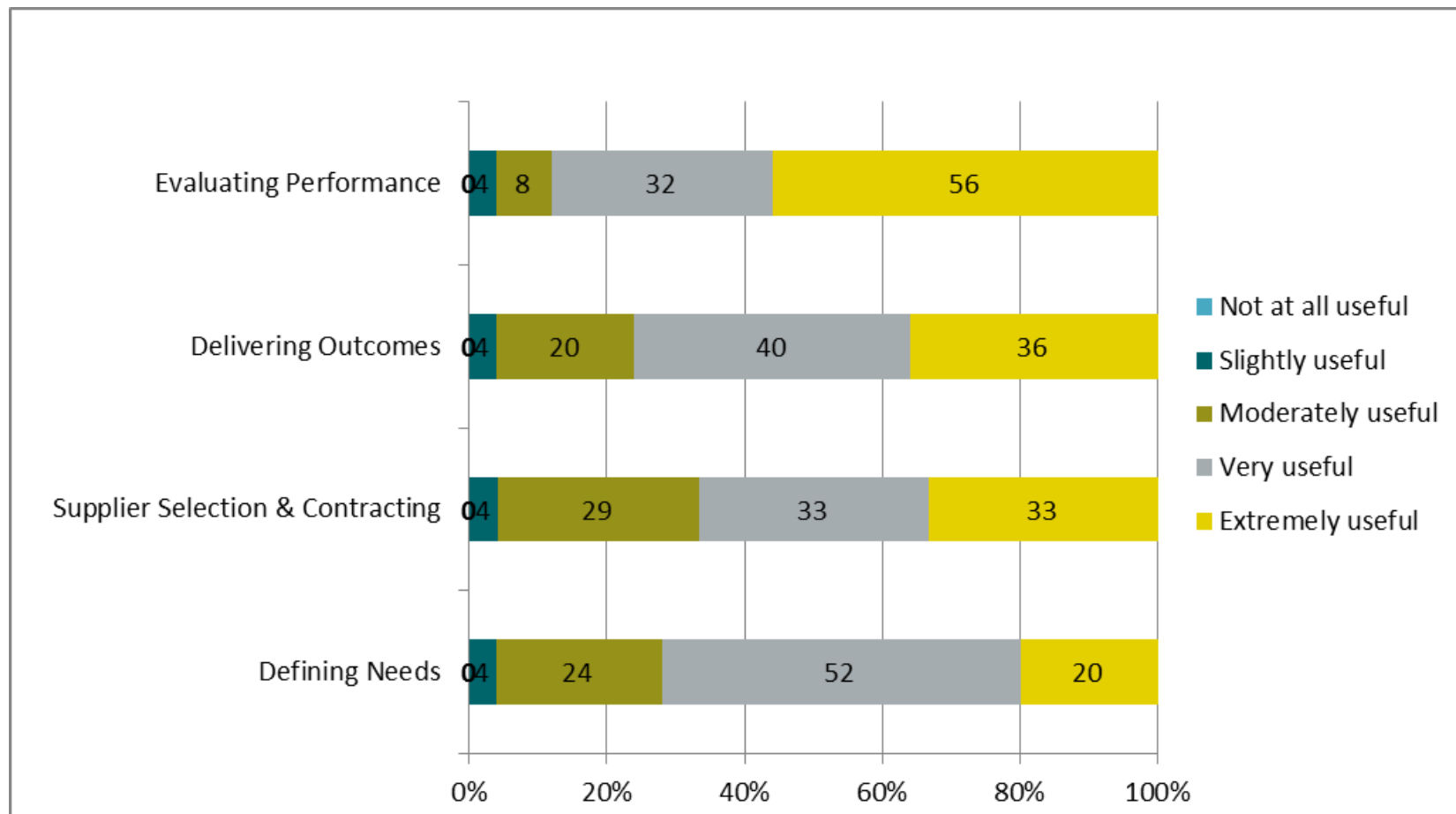
# Post Launch Event Survey [26 Responses]

*In which of these areas are the changes designed to impact?*



# Post Launch Event Survey [26 Responses]

*How useful would you and your organisation find guidelines in the following?*



The aim of the event today is to start bringing the enablers to life!

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# Today's 'process'

1. Understand where each Group has got to in their thinking
2. Visit their 'Shop Fronts' and help answer some of the key questions.....

# Need Definition

## Focal Points

- There is a huge variety of “consultancy projects”.
- Desired outcomes can range from very clear to very uncertain.
- Nature of consultancy input can vary.
- Recognise distinction between the project itself (owned by the client organisation) and the consulting input to that project;
  - *Each has its own objectives and potential value*
  - *Each needs an approval process*
- Use Value Framework to help think about required consultancy contribution.
- Spending quality time up front on defining the needs pays big dividends. Buyers can add value in this.

## Key Questions

- What good practice have you seen elsewhere?
- Is it helpful to distinguish between the project itself and the consultancy input?
- Does the Value Framework work for you? How can it be improved?
- Which aspects of good practice guidelines could be of benefit to your own organisation?
- Given a good needs definition process, how can procurement add most value?
- What are the challenges of embedding good practice in your own organisations?

# Supplier Selection & Contracting

Focal Points	Key Questions
<p><b>The Frequently Asked Questions</b> Accessing a more detailed layer of information about MCA member firms to avoid prospective buyers asking the same questions multiple times in multiple ways.</p>	<ul style="list-style-type: none"><li>• What information would be of most use?</li><li>• Who would use it and when?</li><li>• How would/could it be stored?</li><li>• How could it be (self) maintained?</li><li>• Should 'feedback' of some type be included?</li></ul>
<p><b>Qualification &amp; Commercial Models</b> Providing practical guidance and assistance on how to qualify different types of consulting firm for different types of engagement and what commercial models are typically most applicable.</p>	<ul style="list-style-type: none"><li>• What different 'scenario's' would we try and address?</li><li>• What level of detail would be required?</li><li>• Who would use it and when?</li><li>• How could the guidance be most usefully produced/disseminated?</li></ul>
<p><b>Contract Terms</b> Producing guidance on which type of contract structure(s) will be most applicable to different types of consulting engagement, which contract terms can/should be generically applied and which terms will need more focussed negotiation.</p>	<ul style="list-style-type: none"><li>• How many different 'variants' might be required?</li><li>• How much commonality would we recommend?</li><li>• What terms and conditions are always organisational/project specific?</li><li>• What terms and conditions are particularly 'peculiar' to consultancy engagements?</li><li>• How much contractual/commercial flexibility should be allowed/planned for?</li></ul>



# Delivering Outcomes

Focal Points	Key Questions
Establishing clear expectations with key stakeholders and agreeing a well-communicated plan [with review points and contingencies] to ensure promised deliverables are on track.	<ul style="list-style-type: none"><li>• What related good practice have you seen elsewhere?</li><li>• When/how should Procurement teams be involved?</li></ul>
Adopting a clear and flexible methodology to manage contract and/or commercial change(s) during an engagement.	<ul style="list-style-type: none"><li>• What may constrain buying organisations from adopting a flexible methodology?</li><li>• How do you ensure that you can differentiate between client driven [scope] change and anything that may be necessary to address under-performance?</li></ul>
Actively tracking and recording all benefits, including those which may be relatively intangible or hard-to-measure. Benefits should always have a line of sight back to the business case.	<ul style="list-style-type: none"><li>• Who should own and who should take the practical lead for the benefits realisation process (client or consulting firm)?</li><li>• Are different approaches necessary for different types of consultancy engagement?</li></ul>
Ensuring that outcomes remain aligned with the associated objectives of key sponsors/stakeholders.	<ul style="list-style-type: none"><li>• What are the practical implications of this?</li></ul>

# Evaluating Performance

Focal Points	Key Questions
All parties would benefit through being better at evaluating performance.	<ul style="list-style-type: none"><li>• How is performance currently measured?</li><li>• Who does this?</li></ul>
Performance should be evaluated at all stages of the consulting engagement.	<ul style="list-style-type: none"><li>• When would you currently evaluate performance?</li><li>• What benefits are there in evaluating performance throughout the consulting engagement?</li><li>• What learning did you take from this? What was useful and beneficial?</li></ul>
The performance of the contracting organisation as well as the consulting partner should be evaluated.	<ul style="list-style-type: none"><li>• How practicable is this?</li><li>• What organisational barriers exist to doing this?</li></ul>
There should be a standard list of questions to evaluate performance.	<ul style="list-style-type: none"><li>• How useful is the suggested list of questions?</li><li>• Which questions are used most often?</li></ul>

# Breakout Session

Visit the 'Shop Fronts'

# Next Steps & Closing Remarks

## **PAUL VINCENT, FORUM CHAIR**

# What happens next?

- We are targeting early-mid June to launch the enabling materials – we will need to leverage our collective expertise to achieve this timescale
- Please offer your support to the Group you feel you can add the most value to – these are the team leads

Need Definition	Charles Scott [Berkeley Partnership] Sarah Jayne Aldridge [Anglo American]
Supplier Selection & Contracting	Paul Vincent Pete Belsey [Huthwaite International]
Delivering Outcomes	Christoph Marr [Care UK] Joe O'Mahoney [Cardiff Business School]
Performance Evaluation	Phil McCavish [Boxwood] Erkan Volkan [BP] Janet Curran [Huthwaite International]

# What else do we have planned?

Activity	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Create Good Practice Materials				Launch		Comms						
Create & Launch Buyer Training Programme					Pilot	Run Training Workshops [Frequency TBC]						
Run Series of Sector Specific Focus Groups												
Supplement Materials with Sector Specific Detail										Launch		
Hold F2F Networking Events												
Refresh Primary Member Survey												

## Engagement Targets

By 31<sup>st</sup> Dec 13

> 100 Individual Buying Organisations Represented

> 200 Procurement Professionals

> 25 Budget Holders/Clients

# The Forum Steering Group

Role	Name
Chair	Paul Vincent
MCA Executive	Alan Leaman/Sian Edwards
MCA Firm Representatives	Peter Belsey & Janet Curran (Huthwaite), Kamaljit Dhanda (Deloitte), Phil McCavish (Boxwood) & Charles Scott (Berkeley Partnership)
Private Sector Procurement	Vicky Panayiotou [Diageo], Tom Bissenden [Schroders] Sarah Jane Aldridge [Anglo American], Erkan Volkan [BP] & Christoph Marr [Care UK]
Public Sector Procurement	Matthew Griffin [NHS Supply Chain]
External Communications	Mick James [Top Consultant]
Academia	Joe O'Mahoney [Cardiff Business School]
Consultancy Clients	Actively seeking 3-4 volunteers

# Why the Forum matters.....





# Thank You