

GETTING MAXIMUM VALUE FROM A CONSULTANT

On buying consultancy: tips, tricks and professional advice

Talent has never been more accessible. With the rise of the freelance market and the growth of the project economy, there is now more diversity and choice in the world of work, putting talent within your reach like never before.

Many businesses may be fighting a war for talent, but canny companies are side-stepping the conflict and cherry-picking elite talent on a project-by-project basis. Freelancers and contractors are fulfilling roles at every level – from C-suite executives to management, strategists and technicians – and helping their clients to remain agile and responsive to opportunities.

“THE FACT NOW THAT YOU CAN REACH OUT AND GET THE RIGHT EXPERTISE RELATIVELY QUICKLY HAS AN ENORMOUS BENEFIT WITH RESPECT TO SPEED OF INNOVATION, SPEED OF DEVELOPMENT...”

– MICHAEL VAN SWAAIJ, CHAIRMAN OF SKYPE (PCG, 2010)

However, engaging independent consultants is not the same as recruiting staff, and organisations have to think and act differently when engaging a freelancer. Choosing a freelancer or consultant is no less important though – and a successful engagement can be mean the difference between the success and failure of the entire piece of work.

So how can you ensure your consultant is not only right for you, but that they are primed to deliver maximum value for your organisation? Let's look at how you can maximise the benefits of using freelancers while minimising the risks.

“NUMEROUS STUDIES SHOW THAT THE SHIFT TOWARD USING THE EXTENDED WORKFORCE AS A STRATEGIC ASSET CAN HELP PUSH A COMPANY AHEAD OF THE COMPETITION.”

(ACCENTURE INSTITUTE FOR HIGH PERFORMANCE, 2013)

Understand and identify your own needs

In the past, consultants may have been drafted in to address a general malaise or to look for problems in need of a solution. Today, clients are much more likely to have specific challenges or tasks that their consultant must address. And this should be your first step: deciding precisely why a consultant is required and what they should achieve. With a clear goal in mind, you are more likely to find the right person for the task and far less likely to waste resources on a poorly-defined project.

Provide a clear brief

Your consultant will rely on your direction. To get a great result from a consultant, it's vital that they understand your objectives as well as you do. Consolidating all objectives, tasks and milestones into a single brief can reduce the chances of misunderstandings while providing a permanent record of the project requirements.

If the brief changes, make sure the record is updated to reflect those changes. As the project evolves, take the time to ensure that every stakeholder is aware of changes.

Choose the right consultant

There are millions of freelancers, contractors and interim managers out there, so how do you choose the right one? You might need someone with specific industry or sector experience, or you may need someone who lives in Hong Kong, or you may prefer to choose someone who is an expert at a particular skill. You may choose a consultant on the basis of their previous clients, their qualifications, the longevity of their career or because their rates are compatible with your budget.

The truth is that you are likely to choose a consultant after considering most, or all, of these factors. You will probably seek an individual who offers a blend of numerous factors, from the professional to the personal and the economical.

“TALENTED PEOPLE ARE GOING INDEPENDENT BECAUSE THEY CAN CHOOSE WHAT TO WORK ON AND WITH WHOM TO WORK.”

(HARVARD BUSINESS REVIEW, 2012)

It's important to remember that choosing a consultant is fundamentally different from recruiting an employee. When you engage a consultant you are, in the eyes of the law, paying for a business to provide a service. And that's how you should consider the process.

When you recruit an employee, you will likely want to be certain that your new colleague will fit in and assimilate with your company culture. And while it's important that consultants can work alongside your company (often *within* your company), it's more important that they can focus on their assigned tasks – without being expected to become ingrained in the social and political life of your company.

Negotiate to get maximum value

During any negotiations, the key consideration for you, the client, is value. What value is the contractor bringing? How can they deliver greater value? Will they be more valuable if they work in-house, or will they get more done by working remotely? Can the freelancer eliminate unnecessary steps in your usual procedures, or deploy their own unique skills in such a way that speeds up your project or cuts your overheads? Can your contractor draw on their own network or knowledge base to contribute to your project outcomes? These considerations, considerations of value, are a positive way to approach consultant negotiations.

A less positive and less successful strategy is to focus on price. And for most freelancers, price is tightly connected to day rates. Some clients want to negotiate on price, effectively hoping to get the same work for a lower price by forcing the consultant to accept a lower day rate. Even when these gambits are apparently successful, they can lead to a situation in which the consultant tries to cut corners to make up for the perceived loss of pay – or indeed they may simply feel undervalued and consequently unmotivated to perform at their highest level.

“PETER DRUCKER CALLED CONTRACT WORK AT THE UPPER LEVEL ‘INTELLECTUAL CAPITAL ON DEMAND.’”
(HARVARD BUSINESS REVIEW, 2012)

Ideally you should begin negotiating with a consultant whose rate is reasonable given their expertise, qualifications and portfolio. From that point you can discuss everything else, confident that both you and the freelancer are agreed on the fundamental price.

Establish the deliverables

You may have included deliverables in your brief, but it's worth double-checking that, as your discussions evolve, you and your consultant remain agreed on the deliverables. Also, it pays to be specific. Instead of simply agreeing that the consultant will provide a report, or a presentation, or a survey or a process, define precisely what form this should take. What tools should the consultant use to prepare materials? In which formats should content be provided? How many opportunities to request changes or

adaptations will you have? Will you expect the consultant spend a number of days working at your locations?

By defining these aspects of the deliverables you can ensure that you get the result you expect.

“WRITTEN DELIVERABLES SHOULD BE AGREED ON AT THE OUTSET”
(HARVARD BUSINESS REVIEW, 2012)

Agree a contract

Your consultant is a business, supplying a service to your business. And while a contract can take many forms, it is good practice to have a formal contract which explicitly states the roles and responsibilities of both parties. You are unlikely to need to refer to the contract, but it provides security in case either party fails to meet their obligations. A contract can also help to eliminate uncertainty about responsibilities – a common scenario which can be exacerbated when contractual matters are agreed via a tangle of emails and conversations.

Get involved

Freelancers and contractors are typically very effective self-starters. They are used to being self-sufficient and resolutely working toward their goal. And it can be tempting to just let your consultant loose on the task while you return to your own concerns. But, however qualified and well-equipped your consultant might be, it pays to support them and remain on standby to provide support and guidance.

Your consultant might be an expert in their field, but they don't know your organisation the way you do. Your consultant might be more qualified than you, but they might not understand the culture of your organisation as well as you. Whatever their credentials, remember that your consultant may have a very different history to you and your organisation, so it's worth making sure they are on the right track, especially in the initial stages of the project. Once you know they're working effectively and not hitting too many roadblocks you can step back and let them work.

“EXTENDED WORKERS SHOULD BE ABLE TO QUICKLY JOIN TEAMS, ORIENT THEMSELVES AND COLLABORATE ON TASKS.”
(ACCENTURE INSTITUTE FOR HIGH PERFORMANCE, 2013)

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Communication and reporting

Once the project is underway, how will you monitor progress and ensure your consultant stays on track? A quick check-in, either daily or weekly, may be sufficient communication to ensure any hurdles are eliminated and progress remains steady. For longer or more complex projects a formal process of reporting may be appropriate, so that obstacles can be identified, categorised and assigned to stakeholders. By establishing a reporting procedure at the start of your project you can improve the likelihood of your consultant working effectively at every stage of the project and delivering greater value.

“TEMPORARY PROJECTS ALMOST ALWAYS MORPH IN UNEXPECTED DIRECTIONS; THAT'S FINE AND NATURAL. BUT YOU SHOULD HAVE A FORUM IN WHICH TO SAY, ‘WE THOUGHT WE WANTED X, BUT NOW WE NEED Y.’
(HARVARD BUSINESS REVIEW, 2012)

Will your consultant be responsible for managing the entire project – or are they working with the support of your own project manager? Whichever approach you take, be sure that all responsibilities are defined so that key tasks don't 'fall between the gaps'.

Keep your independent consultant independent

As we discussed previously, consultants are not employees. You have probably engaged a consultant because you want them to complete a task, not because you want a new winger for the company football team.

One of the great strengths of independent consultants, freelancers and interim managers is that they are free from the usual company politics and administrative obligations that employees have to negotiate. Consultants can walk into a company, complete a task and leave; they don't need to be trained in your timesheet software, or your health and safety procedures and they don't need to attend those weekly team meetings, or write a message in the card for Eric from Finance. Let them remain unfettered and free to succeed.

Evaluate performance and deliverables

The results of your project may speak for themselves. But for many projects evaluation is a useful component which serves several purposes. An evaluation can provide lessons for future consultancy projects while helping internal stakeholders to consider their own procedures and their effectiveness. Evaluations also enable comparison between projects, which can highlight opportunities to optimise future consultant engagements.

Consultancy Buyers Forum

Engaging a consultant can deliver a significant return on investment. But the process of engaging a consultant is far from simple or straightforward, and a flawed engagement can result in wasted time, missed opportunities and abandoned projects.

“YESTERDAY, WORK WAS ORGANIZED IN HIERARCHIES ACCORDING TO JOBS AND ROLES. TOMORROW, IT WILL BE CHARACTERIZED BY DYNAMICALLY CONFIGURED TEAMS OF WORKERS WHO MAY NOT BE AN ORGANIZATION'S PERMANENT EMPLOYEES.”

(ACCENTURE INSTITUTE FOR HIGH PERFORMANCE, 2013)

Given the potentially high stakes, it's not surprising that the consultancy industry and their clients have launched a new initiative to support consultancy buyers. The Consultancy Buyers Forum is a project of the Management Consultancies Association, the professional group which represents many of the industry's largest players.

In *Unlocking the Value of Consulting*, the Consultancy Buyers Forum shares insights gathered from their own research into the issues affecting consultancy buyers. After surveying 61 organisations with a combined consultancy spend of £1.6bn per year, the results were clear: organisations know it's vital to buy consultancy with care, yet significant numbers admit to weaknesses in their own performance.

The Consultancy Buyers Forum seeks to remedy this situation by providing a blueprint for consultancy buyers. The new web portal offers a wealth of resources and information about the buying process, as well as a forum in which buyers can seek independent advice and assistance from other professionals.

The future of independent consultants?

With so many organisations discovering the value of independent consultants, and so many top professionals choosing to further their career under their own direction, it's clear that more key roles and tough tasks will be delivered by freelancers in future.

“IF THE ARCHETYPE OF A GREAT MANAGER IN THE 20TH CENTURY WAS GE'S JACK WELCH, WHO GREW TALENT INTERNALLY, THE GREAT 21ST-CENTURY MANAGER WILL BE SOMEONE WHO ALSO UNDERSTANDS HOW TO TAP THE EXTERNAL TALENT POOL.”

(HARVARD BUSINESS REVIEW, 2012)

And as both consultants and their clients become more proficient at working on a project-by-project basis, relationships between both parties will become more organised, more efficient and more routine. Initiatives such as the Consultancy Buyers Forum are a reminder that engaging consultants is a complex process that deserves careful consideration in order to extract maximum value from the endeavour.

MBA & Company: delivering effective expertise on demand

At MBA & Company we understand the challenges of sourcing, engaging and managing top talent. Because that's all we do. We combine our network of top-tier consultants, researchers and analysts with a hands-on account-managed service.

This semi-automated approach to finding freelancers means that you get the affordability of independent consultants, the agility of a global network and the professional support of a dedicated account manager.

In addition to locating the precise calibre of talent you need and managing the engagement process, we help to establish project milestones and liaise with both the client and the consultant to ensure that any roadblocks are quickly overcome.

By combining the best elements of online freelance markets with the best qualities of consultancy agencies, we are able to make premium talent accessible to a wide variety of businesses – from startups and SMEs to global corporations and well-loved brands.

To find out more about how MBA & Co can help you access consultants around the world, visit www.mbaco.com

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