What Sets Excellent Consulting Apart?

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You probably know the joke. A shepherd is sitting on a hillside, minding his sheep, as he has done for years, when a shiny, big new car drives up and a man in a suit steps out. “I can help your business,” says the man. Ignoring the shepherd’s look of bemusement, he continues, “I can tell you exactly how many sheep you have, and all I ask is one of your sheep in return.” Without waiting for an answer from the shepherd, the man in the suit whips out his state-of-the-art laptop, complete with GPS-linked, sheep behavior modelling software; he points widgets at the sky and sticks probes in the ground. “150,” he announces a few minutes later. “That’s amazing,” says the shepherd, as the man in the suit takes his prize back to the car. “You’re a management consultant aren’t you?” “Yes,” says the man, surprised. “How did you know?” “Easy,” says the shepherd, “you arrived in a fancy car, used overengineered technology to tell me something I knew already, and that’s my dog you’re carrying.”

It’s easy to identify bad consulting. It seems that hardly a day goes by without another slighting reference to the role consultants play. Indeed, research by MORI in the UK shows the reputation of the consulting industry declining almost continuously over the last 20 years. Even accountants have fared better (ironically, much better since Sarbanes-Oxley).

The factors that distinguish good consulting probably haven’t changed since the early 1980s, when the era of the independent advisor gave way to that of large-scale, complex projects that dominate today’s skyline. That these factors haven’t changed is certainly a testimony to their fundamental importance to the consulting process and may also indicate that—even 20 years on—clients continue to be frustrated by the number of projects that fall short of this standard.

Clients want consultants to play by the rules. Once a project has been agreed upon, clients want consultants to do what they said they would, when they said they’d do it. They also want to be charged an agreed amount of money, not write a blank check. When consultants step outside the parameters of a project, they can erode the benefits of a project perhaps to a point where the costs exceed the return, and embarrass a client internally (who has to defend the choice and management of the consulting team). Above all else, consultants who ride roughshod over a client’s expectations are guilty of failing to respect their client’s constraints.

No client wants to waste time familiarizing a consultant with the issues faced by a particular sector. Thus, when it comes to hiring consultants, clients consistently rate consultants’ understanding of a sector or other specialist know-how far higher than factors such as an existing relationship, the geographical coverage of a firm, the size of a firm, and even price. The best consultants, they believe, bring a wealth of experience of issues they, as clients, may encounter only occasionally.

Find out what separates the wheat from the chaff in management consulting.
Specialist knowledge and practical experience provide the platform on which consultants build their credibility. But good consultants don’t stop there: they use that credibility as a justification for having unambiguous, authoritative opinions. This is good news for clients, who’ve often found it difficult to pin down consultants to making definitive statements. Concerned to protect their liability, consultants can be too wary about making commitments, leaving clients themselves unsure what to do. Good consulting involves having the courage of your convictions; it means standing up to be counted.

Bad consultants leave a client no better equipped to resolve problems than when they arrived. Unless consultants can improve management capability, they run the risk of creating a dependency culture, in which a client returns repeatedly to the same firm for the same work. Small wonder, then, that skills transfer is one of the most important success criteria from a client perspective.

But good is no longer enough. Being good at our jobs—as I’m sure most of us are—isn’t enough to offset the negative reputation the consulting industry has accumulated in recent years. It’s working out what sets excellent consulting apart from the merely good, that’s particularly tough.

Every year, as part of its Best Management Practice Awards process, the Management Consultancies Association in the UK carries out a survey of the projects submitted for consideration. Clients and consultants are separately asked to discuss the factors that led to the consulting firm winning the work; the challenges faced; the client-consultant relationship; and the aims of the project and the extent to which these were achieved. Their responses (summarized below) provide some important insights, particularly when it comes to separating out those factors that apply specifically to projects that exceeded clients’ expectations, as opposed to projects that merely met those expectations.

When clients’ expectations are exceeded, there’s one word they use again and again to describe their experience: together. “It’s amazing,” said one client, “what can be accomplished by a small number of people, when focused on a challenging goal and working effectively together.” According to another client, the consultants’ “mix of rigorous analysis combined with creative thinking helped us to define and launch a major new offering in record time. This was more than consulting, it was groundbreaking team-working.”

But it would be easy for collaboration to become another of those terms that becomes devalued by overuse and underpractice. What does it actually involve?

Putting the right people in the right place, irrespective of who employs them, is an important part. When clients and consultants collaborate, they each recognize that the other side has crucial skills and try to make best use of them. Open communication and honesty are also vital. While establishing clear roles and responsibilities at the outset may be important in good consulting, the best consulting involves both sides pushing the boundaries when necessary. “As true partners with a common goal, trust grew as we both sought the best solutions for mutual success. Issues were raised and resolved in this spirit, and [the consultants’] commitment was evidenced by the energy and single-mindedness with which they undertook all challenges.”

Originality is vital. “We often asked ‘how would it be if?’ or ‘how could we get more into this?’,” recalled one executive. “This gave both parties an opportunity to go beyond what had been initially planned.” But so, too, is pragmatism. One of the things clients criticize consultants for most is a tendency to bring predefined solutions to unique problems, to be rigid in a rapidly moving environment. Thus, while planning and project control are high on the agenda when it comes to good consulting, they are superseded by pragmatism in truly excellent consulting. As one client put it, “planning is essential to reducing risks and increasing the chances of success,
but planning can take you only so far. After that, success is dependent on a flexible and cooperative approach that enables changes in scope and timescales to be accommodated and overcome.”

If these lessons could be summed up in one word, it would be partnership. Neither clients nor consultants benefit from a confrontational environment in which each side is seeking to promote its own interest at the expense of the other. Of course, partnership is a dangerous word to use in this context, abused as it has been by a generation of marketing literature from consulting firms that paid lip service to an idea that was rarely realized in practice. Recent years have seen the term jilted in favor of a heavy reliance on rigid contractual arrangements.

A genuine partnership, however, involves a combination of the two. At a corporate level, it is clear that the aims of each side need to be closely matched. Each party needs an incentive to behave and contribute in a way that supports the collective effort, not self-interest. In most of the projects surveyed, the consulting firms are not being remunerated according to time spent, but to objectives met. Most clients are sharing, not just the risks of a project going badly, but also the rewards of it going well. At an individual level, people simply have to get along. A close working relationship, mutual respect, and openness among the people involved will carry a project through the bad times as well as the good far more effectively than a contract will.

Put these two things together and you can—as these cases show—achieve extraordinary things. “What’s the key lesson?” asked one client. “The power of working together.”

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“Just exactly how bad is your cash flow problem?”

This article is an edited extract from Fiona Czerniawska’s new book, Management Consulting in Practice, coauthored with Paul May, to be published by Kogan Page in association with the Management Consultancies Association (MCA) in November 2004 (£35; ISBN 0749442816).

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