

**THE MANAGER'S POCKET GUIDE TO**

# **Using Consultants**

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# Introduction

**A** physician, a civil engineer, and a consultant were arguing about what was the oldest profession in the world.

The physician remarked, “Well, in the Bible, it says that God created Eve from a rib taken out of Adam. This clearly required surgery, and so I can rightly claim that mine is the oldest profession in the world.”

The civil engineer interrupted, saying, “But even earlier in the book of Genesis, it states that God created the order of the heavens and the earth from out of the chaos. This was the first and certainly the most spectacular application of civil engineering. Therefore, good doctor, you are wrong: mine is the oldest profession in the world.”

The consultant leaned back in her chair, smiled, and then said confidently, “Ah, but who do you think created the chaos?”

*Problem 1:* Most consultants take themselves too seriously, cost too much, stay too long, and don’t play well with others.

*Problem 2:* Most managers dealing with consultants tend to be reactive and risk-averse, and are overwhelmed by all the mixed signals in this world of discontinuous change.

I bring a unique “3-D” perspective to what I call “the art of clienting”: I’ve worked inside organizations *as the client*, I’ve worked externally as a *consultant*, and I’ve helped dozens of *other consultants* raise their game, get more clients, and deliver their highest value. Sitting on all three sides of the table, you learn a thing or two!

## The Manager's Pocket Guide to Using Consultants

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Of the thousands of people with whom I've spoken over the past 14 years, almost all agree on these three things: consulting and consultants have gotten a bad rap; consulting is not rocket science; and the practice of consulting is primarily about helping people solve specific problems or acquire and apply specific skills. Consulting is all about giving clients expert advice in an immediately understandable and useable package.

It's not about hiring a shadow workforce of hundreds of people doing the same work your employees are doing at quadruple the cost. And it's not about five-pound reports sitting on the CEO's shelf after she spent several hundred thousand dollars of hard-earned shareholders' money.

The approach outlined in this book is designed to help anyone who is responsible for delivering results for a company with, through—or sometimes in spite of—consultants:

- CEOs
- Vice presidents
- Managing directors
- Division managers
- Department managers
- Team leaders
- Key team players
- Entrepreneurs
- HR/Training and organizational development professionals
- Consultants

# Chapter I

## A Field Guide to Consultants

**W**ouldn't it be great if consultants came with an instruction manual?

There are many, many books written for consultants on how to work effectively with executives and managers inside client companies. However, most managers don't have the tools, strategies, and tips to maximize their end of the relationship and to take full advantage of the huge potential value that the *right* consultant—brought in for the *right* reason to do the *right* work the *right* way—can provide to their organizations. Until now.

What if the next consultant you hired came with an instruction manual—an instructional manual that is filled with strategies to maximize *your* end of the relationship and to take full advantage of what the *right* consultant can provide? You're holding that manual in your hand right now.

Managers who have to deal with consultants in addition to carrying out their own day-to-day work responsibilities feel understandably overwhelmed. This book will make the task less daunting.

Its purpose is to present practical how-to information about selecting the right consultant; maximizing the outcomes of their work; and making each consultant you work with “the best employee you never had to hire.”

## Consultants: Who They Are

A “consultant” is simply someone who gives expert or professional advice. In that respect, every employee in every organization qualifies as a consultant, though few think of themselves that way. I’ll return to this notion in Chapter 8 to show you how, as a manager, your own consulting skills might be the most important of all.

For the purposes of getting started, though, let’s focus on external consultants: experts in various fields who are brought into an organization to solve problems, address people issues, improve performance, provide process expertise, or contribute functional and technical knowledge and skills that the organization and its leadership deem necessary.

## What Consultants Do

Before we outline the kinds of services an outside consultant can provide to a company or an organization, let’s look at what a consultant considers to be his or her overall responsibility:

1. Define the problem.
2. Break it down.
3. Understand the business context.
4. Gather and analyze data.
5. Work with the client team.
6. Make recommendations.
7. Implement solutions.

Now let’s go back to the general responsibilities any of these kinds of consultants tackle and get into more detail.

- 1. Define the problem.** Work with the CEO or senior management team to identify the problem or issue they are facing and the desired goal.

- 2. Break it down.** Work with the team to break the problem down into distinct parts, assign responsibilities, and develop hypotheses to provide a framework for the problem-solving process.
- 3. Understand the business context.** Interview members of the client organization to understand how it operates, what the specific problems are and where they are, and identify data sources.
- 4. Gather and analyze data.** Develop and refine models, analyze results, and refine hypotheses.
- 5. Work with the client team.** Share early findings and engage in brainstorming and problem solving with client team members to lay the groundwork for effective implementation of recommendations. Communicate regularly with team members to build relationships and develop the trust necessary to act as counselors.
- 6. Make recommendations.** Develop findings; evaluate possible solutions and determine recommendations; present results and recommendations to senior management.
- 7. Implement solutions.** Roll up your sleeves. Do the work. Deliver the goods and measure results.

## The Roles Consultants Play

A consultant is called upon to provide technical training, coaching, facilitating, or subject-matter expertise. Let's look at eight broad consultant roles:

**Technical expert.** A technical expert does not necessarily work with technology (although an IT consultant certainly does). I call a technical consultant an experienced “pair of hands” because his or her value is in the “been-there, done-that” expertise. Technical experts might include manufacturing experts, scientists,

programmers, and engineers. Technical experts bring a proven step-by-step framework for exactly what to do, how to do it, when to do it, and when to make exceptions to the rules.

**Mentor.** *The Merriam-Webster's Collegiate Dictionary* defines a mentor as “a trusted counselor or guide.” Sometimes a consultant is brought in to act as an older, wiser, more experienced individual who helps and guides another individual's development. Mentors usually work with clients individually, but can also mentor work groups, entire departments, or senior leadership teams.

**Coach.** A coach is someone who provides structure, accountability, and perspective and who will hold you to your commitments to move steadily forward toward your specific goals. Coaches provide insights that help clients find solutions more quickly and effectively than they could on their own. If you have a coach, you'll have someone to complain to or celebrate out loud with, and when you hit a roadblock, your coach will support you and guide you back into action.

**Lecturer.** Sometimes a consultant is brought in to be “messenger” of good or bad news, but the real purpose of having a so-called lecturer-consultant is to convey or explain information, news, concepts, and practices. In the best cases, lecturers provide highly concentrated and actionable information; in the worst cases, they deliver a dry, boring message or bad news that clients don't want to deliver themselves.

**Trainer.** Consultants can also be brought in to teach. In fact, the best consultants teach all the time, whether they're officially doing “training” or not. Training can take many forms, from frontline supervisory training to sales training, customer service training, leadership skills, negotiating, communication, executive education programs, technology training, regulatory training, product knowledge training, or motivational training.

**Advisor.** An advisor can act as a little bit of everything. For example, an advisor might act as part coach, part trainer, and part technical expert. An advisor's greatest asset is his/her experience; he or she provides a sounding board and seasoned advice when it comes to complex issues or difficult decisions.

**Facilitator.** Consultant-facilitators create arenas for managers, teams, and organizations to solve their own problems using a structured facilitation process. The skilled facilitator's main task is to help the group increase its effectiveness by improving processes and communication. Facilitators act in a neutral manner and make sure that everyone is heard; they resolve conflicts, they systematically work through issues, and they make sure that good decisions get made on the basis of complete information and inclusive opinion-sharing.

**Subject Matter Expert (SME).** Subject matter experts are humorously referred to as "brains for hire." That description is fairly accurate: These consultants have deep expertise in their subject matter. An SME might be a former professional in the same industry as their clients, or work in a totally unrelated field. Attorneys, medical doctors, labor negotiators, authors, university faculty, and Internet criminals-turned-security consultants are all in this category.

## Alternatives to Using Consultants

You don't have to hire an outside consultant to do everything—particularly if you don't have an unlimited budget. One option is to contract out only portions of the project or study to consultants and have some tasks performed in-house. (This also helps an organization develop its internal capacity.) Management and staff do not necessarily need to be involved in the same project activities, however.

Here are some sample tasks that can be assigned in-house:

- Managers, staff members, key stakeholders, and/or partner organizations can conduct literature reviews or secondary research.
- Management and staff members (or even graduate students) can systematically examine available data or launch a survey to generate data.
- Staff members can integrate additional data collection into current service delivery mechanisms or products (send client questionnaires in each invoice, send employee surveys by e-mail, etc.).

### **When to Bring in a Consultant (and When *Not* To)**

If you are thinking about hiring a consultant, be sure you really need an external resource. Here are the two basic questions that need to be answered if you are considering external consultants for any project:

1. Are there staff members with the required background, knowledge, and skills available within the organization to undertake the project?
2. Do you need to hire outside help in order to show the importance of the work, satisfy stakeholders, maintain objectivity (or the appearance of such), or for some other reason?

First, look at the expertise you already have. If your organization lacks specific experience or expertise, you can contract for that aspect of the work. In situations like this, it is wise to set up the contract so that there is some specific and measurable knowledge transfer to the internal staff by the end of the project.

Next, consider the desired outcomes and the target audience, as well as the risks associated with using an internal versus an external resource. Staff involvement in some project tasks might bias the results (e.g., tasks such as conducting focus groups, administering a survey on client satisfaction, establishing baseline numbers for a change initiative). For these specific tasks, external resources might be more appropriate.

For controversial programs where there has to be public accountability, you might have to employ an external consultant simply to eliminate any appearance of impropriety.

These are the questions you should ask yourself if you are still not sure you should hire an external consultant:

1. Are there sufficient funds designated for an external consulting project?
2. Has similar work been undertaken in-house? (e.g., previous iterations of similar programs)
3. Is there sufficient time and commitment to conduct the work?
4. Is the information or expertise available from other sources?
5. Are there existing measures or indicators of performance?
6. Will existing methods of information collection be useful for the purposes of this project?
7. Is there sufficient objectivity to conduct the work internally?
8. Is there anyone on staff who has training and experience in these specific project-related tasks?

## **Reasons to Use a Consultant**

According to an *Entrepreneur* magazine survey, here are the top ten reasons organizations hire consultants:

1. Because of his or her expertise
2. To identify problems
3. To supplement staff expertise
4. To act as a catalyst to “get the ball rolling”
5. To provide much-needed objectivity
6. To teach
7. To do the “dirty work”
8. To bring new life to an organization
9. To create a new business
10. To influence other people

## **Key Questions to Ask a Prospective Consultant**

I'm often asked by my clients, “What's the best way to make sure we hire the right people for key positions?” (They also sometimes ask me how to make sure they hire the best consultants, but I assure them that they've already done that!)

It's really pretty simple. Here are the two key questions you should ask a consultant before you hire them in order to tell the good consultants (and the not-so-good ones) from the great ones:

1. What would you do to solve this specific problem or challenge?
2. How would you implement your solution? What would it look like?

The best way for a consultant to present her skills to a prospective client is to pretend she has already been hired and start offering

specific solutions. It's also a great way for companies to go about hiring customer service people, sales managers, top-level executives, and everyone in between.

There's been a lot of talk in the industry about "behavioral interviewing." This is a funny term, since so-called behavioral interviewing is not about behavior at all—it's just *talking* about behavior.

If you want a better way to gauge a prospective consultant's suitability to your organization and the task at hand, put them to work! That's right: After asking them the two questions about the position, have them spend a morning with you as if they had just been hired. Invite them to meetings, ask them to work with their prospective in-house teammates, have them call a customer or two, and ask them to do a short presentation for you. You'll learn a lot more than by asking silly rote questions.

**Tip:** For hiring both consultants and employees, replace the word *interview* with *audition*.



## Chapter 2

# Establishing the Relationship

Just as you cannot build a solid house without a foundation, you cannot build a solid consulting relationship without laying the foundation for it. Your preparation steps should include establishing roles and responsibilities (clearly and early on), and documenting the big-picture aims and the specific details of how the consulting relationship and the project itself is to unfold.

### Preparing for the Consulting Project

The first task you should undertake to make sure that a successful consulting engagement takes place (and that you do the most effective *clienting* you possibly can) is to get your internal house in order. This means getting all the stakeholders, committees, and organizational leaders to buy in to and support the project for the right reasons, and with integrity and commitment.

Follow these two important steps to prepare for an outside consultant:

1. Establish roles and responsibilities.
2. Prepare the consulting services agreement (CSA).

### Establishing Roles and Responsibilities

**Project Coordinator.** You will need to decide who the project coordinator will be before proceeding with the consulting work. He/she should be familiar with the project, understand the basics of the work at hand, and have good project-management skills.

**Advisory Committee.** You may also need to set up an advisory committee that comprises organizational and other stakeholder representatives (line managers, frontline employees, perhaps even customers, suppliers, and partners) who have an interest in the project or the organization.

It should be noted, however, that setting up an advisory committee tends to be very time- and resource-intensive for a small organization. Be sure you truly need an advisory committee. Small organizations should at least consider using existing work teams instead.

### **Tips for Setting up an Advisory Committee**

- The roles and responsibilities of the advisory committee members should be clearly laid out.
- There should be one designated primary contact person on the committee.
- Outline methods and frequency of communication, and allow for ad-hoc meetings.
- Decide how formal committee documents will be prepared, distributed, and approved.
- Provide for review and amendment of the consulting agreement.