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**Against the backdrop of globalisation, outsourcing and
changing work practices what is the future for the independent
management consultant?**

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**Dissertation submitted in partial fulfillment for the degree of
BA (Hons) Human Resource Management**

July 2006

**DESK
RESERVE 1**

DECLARATION

I hereby certify that this dissertation which I now submit in partial fulfillment of the degree of BA (Hon.) in Human Resources Management is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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ABSTRACT

The world of work has changed quite dramatically in recent years and this is having an impact on the world of consultancy. This primary aim of this research is to identify whether in the midst of all the changes there is a future for the independent management consultant.

The research attempts to explore why companies engage consultants, what they look for in a consultant, how they select the consultant and the advantages and disadvantages of hiring independent consultants. It then discusses opportunities and threats and forms a view regarding the future for the independent management consultant.

The literature relevant to the research question and published at this time is reviewed and discussed. The methods used in conducting research are critically appraised and those chosen for this research outlined. The research is then analysed with the literature. The results found are discussed and recommendations made.

The research reveals that clients place great value on the attributes of high calibre independent management consultants and the relationships they build with them. While they do see the big consultancy firms as a threat in some regards, they consider the inherent attributes of the independent consultant to be a key strength and the niche market to be a major source of opportunity in the future.

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1.0 Introduction

Work has changed dramatically over the last two decades. Technological advances, movements of people and movements of markets have had an enormous impact. Large corporations are shedding staff or outsourcing functions previously held in-house while at the same time some big consultancy firms have merged to create a global presence.

Globalisation is having a huge impact in the market for consultants. Projects are becoming larger, more complex, and are more frequently crossing borders and continents. In an effort to respond to this some large consulting firms are adding new specialisms, such as outsourcing, to their services as well as offering lower cost consultancy services from the other side of the world.

The businesses of the large corporations using consultancy services is also becoming more complex, more demanding and more time and price sensitive. Clients, therefore expect consultants to drive change and improve efficiencies. In order to do this they are seeking leading edge thinking and world class standards at a competitive price. Procurement in a global economy is an emerging trend, and a part of this is the advent of the preferred supplier list.

In the past many of these large corporations have used a variety of external sources to support their business objectives. Some of these external sources were independent management consultants. More recently a number of companies both here and in the UK have made the decision to outsource some of their HR needs. In the cases that this author has become aware of, the recipients of the outsourcing business were the larger consultancy firms. In some cases this is having a negative impact on the fortunes of the independent consultant. In addition, the introduction of formal preferred supplier lists may make it harder for the independent consultant to get a foot in the door of potential new clients.

1.1. The Research Question

The aim of this research is

- to identify what the future for the independent consultant is

The main objectives are:

- To define what a management consultant is and does
- To explore how companies select their consultants
- To identify what sets excellent consulting apart
- To compare and contrast the advantages of the large consultancy firms and the independent management consultant
- To identify opportunities and threats for the independent management consultants

1.2. Definitions

The terms 'client' and 'consultant' are used throughout this research. 'Client' refers to the users of consultancy services, usually companies. 'Client' also refers to the representatives of those companies whom the author interviewed as part of the primary research. That is not to say they are clients of the author, rather clients of the consultancy service. 'Consultant' refers to an individual providing this service.

1.3. Outline of Dissertation

Chapter Two examines the available literature on the subject of management consultancy and explores what consultants actually do and how companies choose their consultants. It considers the benefits of independent consultants, what sets excellent consulting apart and the hallmarks of effective client/consultant relationships. It finishes with some published views on what the future may hold for the independent management consultant.

Chapter Three sets the context for this research, explores some of the changes affecting business and consultants and explains the focus of the research

Chapter Four discusses the theories of methodology and outlines the rationale for choosing the methods used in this research.

Chapter Five provides the research findings together with an analysis and commentary.

Chapter Six draws final conclusions and recommendations and is followed by some personal reflections.

2.0 Introduction

The aim of this chapter is to examine and review the literature relevant to the research question. The author had to consider the possible research limitations and therefore used a variety of sources such as books, articles, journals and websites. The structure of the chapter is as follows:

- 2.1 What is a management consultant?
- 2.2 Why do companies hire them?
- 2.3 How do companies identify and select consultants?
- 2.4 What sets excellent consulting apart?
- 2.5 What are the advantages and disadvantages of independent consultants?
- 2.6 What is the future for the independent management consultant?

2.1 What is a Management Consultant?

In striving to find an answer to the research question the author set out firstly to define the term 'management consultant'. The literature revealed a number of views:.

The International Labour Office (1986) put forward the view that consultants are specially qualified and trained people who provide objective and independent advice to solve management problems and who may or may not be involved in implementation.

Kubr (1993) states that the term 'consultant' is generic, and can be applied to a person or firm that provides advice to decision makers. He goes on to make the point that due to lack of regulation anybody can call himself or herself a consultant.

Mooney (1999) agrees with this view stating that there is no one definition of a management consultant that is accepted by everyone.

Weiss (1992 p.4) agrees with Mooney's view that there is no one definition, also states that anyone can set up as a consultant and defines a consultant as someone who

'provides a specialized expertise, content, behaviour, skill or other resource to assist a client in improving the status quo. This intervention focuses on a specific client need.'

In addition Weiss says that the most important thing a consultant does is bring added value to the equation.

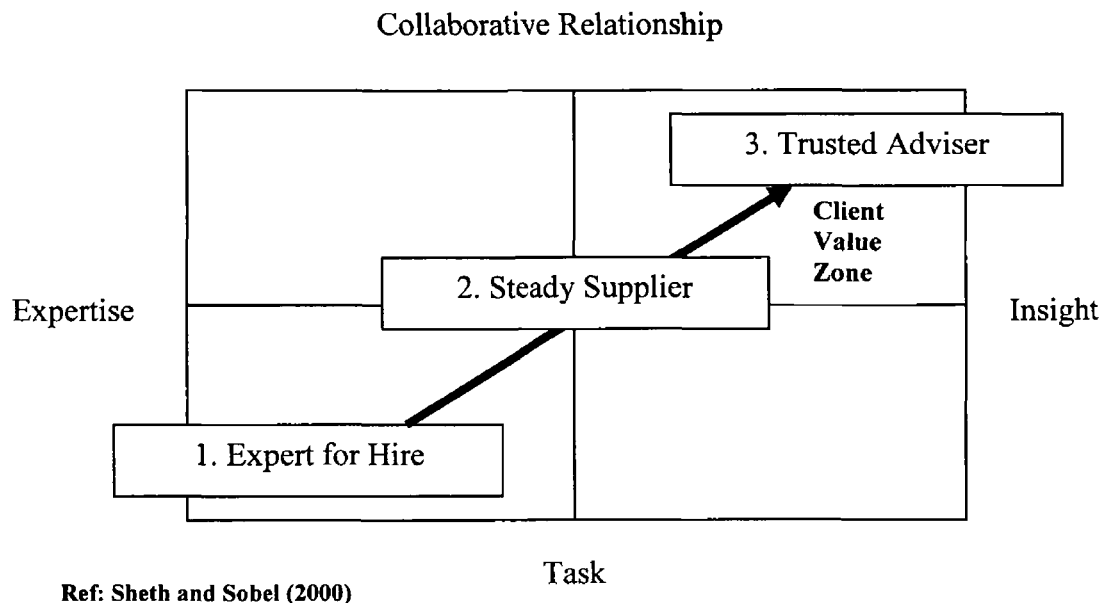
Shenson (1990 p.1) defines a professional consultant as

'an individual, or a firm with special knowledge, skills, and talent who makes needed expertise available to a client for a fee, rendering advice and often helping to successfully implement that advice with and for the client'.

Czerniawska and May (2004) put forward the view that management consultancy is about creating value for clients to improve performance and that this is done by giving objective advice and may or may not include implementation of the proposed solutions.

Sheth and Sobel (2000 pp.14, 36) identify three types of consultant. The first type they refer to as *'experts for hire who offer information and expertise to clients on a transaction basis'*. They regard this stage as the first stage of consultancy that every consultant experiences at the beginning. The second stage occurs when consultants are asked back and become *'steady suppliers'*. However, they identify the final and most rewarding stage as the point when consultants have *'breakthrough relationships'* with clients, and become *'trusted advisers who consistently develop collaborative relationships with clients and provide insight rather than just information'*. They also acknowledge that many consultants never, in fact, reach this stage.

The following is Sheth and Sobel's model (2000 p.15):



Sheth and Sobel have used four very different words when describing management consultancy: trust, collaboration, insight and relationships.

So, it would appear that there are many definitions of what a consultant is but overall consultants are seen to be people outside a company who have knowledge or skill that the company does not have and wishes to purchase.

The author wanted to consider further the difference between an 'expert for hire' and a 'trusted adviser'. In order to do this it was necessary to explore why companies hire consultants and what they look for in a consultant.

2.2 Why do companies hire consultants?

Shenson (1990) gives ten reasons for using consultants:

- When the skills needed are available more quickly with a consultant
- When it's cheaper to hire a consultant than have a full time resource in-house

- When the skills are only required for a short period of time
- When the consultant can actually do the job more quickly (i.e. increased efficiencies)
- When an independent, unbiased input is required
- When there is a need for temporary technical assistance
- When there is a crisis
- To handle political / organisational problems
- When regulation demands it
- When there are training needs

These reasons appear to be a reflection of the time in which the book was written and they seem to suggest more operational consultancy projects rather than strategic ones.

Weiss (1992) at the time of writing was looking to the future when he put forward the view that over the decade from 1992 to 2002 there would be good reasons and spurious reasons for using consultants. Amongst the good reasons would be:

- Reduced manpower levels in companies would result in a need for outside help
- Increasing complexity and change in work and work practices which managers may not be able to keep up with
- Growing diversity in the workforce would call for new approaches or solutions
- Customers and shareholders would increasingly demand higher performance from companies
- Demographic shifts and radically changing markets would change the world of work

Amongst the spurious reasons for using consultants would be:

- Fads continuing to intrigue companies
- Management preferring to use outsiders rather than face unpleasant jobs

- Desperate organisations seeking help too late
- The nature of the consulting role continuing to be confused with implementers

Weiss therefore draws a clear distinction between consulting and implementing.

2.2.1. Advice or Implementation?

A decade on, Czerniawska (2002) puts forward the view that some of the reasons companies hire consultants are to access specialist skills which the company does not have, to access innovative thinking, and in some cases to use consultants as brokers to collaborate with other companies. She says that consultants bring about change in two ways, either by helping others to implement change or by doing it themselves.

Historically the approach was the former, but according to Czerniawska an increasing number of consultants have switched to the latter approach. Her view is that the underlying difference lies in whatever it is the consultants are trying to change. If the consultant is acting in an advisory role, then he/she is trying to change the client or the individual he/she is working with. If the consultant has been brought in to ‘do’ something then it is more about changing the organisation as a whole – e.g. implementing a new process to cut costs.

Czerniawska’s view is that more and more clients have been moving away from ‘knowledge’ consulting and towards ‘doing’ consulting. She says it is particularly relevant when companies are so accountable to their shareholders for the performance of the company that they need to be able to show tangible results. In an interview with Management Consulting News (2006) she says that a survey she conducted this year on the European consulting industry indicated that *‘clients are very concerned about the consultant leaving them with projects the organisation can’t integrate or assimilate’*. This may be one reason why consultants are being asked not just to advise, but also to implement.

2.2.2. The New Business Model

Czerniawska and May (2004 p.p. 4) put forward another reason why consultants are hired, driven in the main by a different business model than that which existed in the decade when some of the earlier literature was written. They hold the view that

“there is a shift away from thinking about organisations as fixed structures with all the required facilities, skills and resources existing in-house, to a more fluid, even virtual model , thinking of organisations as portfolios of opportunities to be exploited, threats to be minimised, problems to be solved, resources to be deployed”.

In their view, as more and more work becomes project based it makes good practical sense to turn to people who are used to working this way, with the required specialist knowledge.

2.2.3. The Institute’s View

What about the organisations representing consultants? What do they see as the reasons for using their members? The Institute of Management Consultants in Ireland’s (IMCI) website puts forward the view that the speed of change in business (economic, legislation, technology etc.) requires up to date knowledge and expertise that isn’t always available within an organisation. For this reason management consultants are often called in. Other reasons cited by the IMCI for using management consultants include:

- Lack of resources (time, experience or staff) to deal with problems
- Need for an unbiased approach to determine the cause of a problem
- Need for particular expertise to introduce new technology, new techniques and /or fundamental change in the organization’s structure, nature or business direction
- When there is a conflict of views within the organization and an independent and skilled assessment is needed

- When specialist experience or expertise is required which does not exist within the organization and secondment of a management consultant for a period can help determine the type of permanent staff to be required
- Need for an appraisal of proposed changes to confirm and/or amend the organization's plans and help implement them. In the smaller organization, there is a need to import a particular type of knowledge or expertise for a period to deal with such matters as market research, product development or diversification, industrial design or engineering, etc.

These reasons are interesting as they cover a spectrum from lack of resources and need for objectivity to conflict resolution and specialist expertise – which most reference books refer to - to an interim management solution which would also help identify the skill sets required in a permanent solution – which most reference books do not refer to. This last point caused the author to incorporate in the research methodology an interview with an interim management consultant to counter check this view .

Based on the first two questions – what is a management consultant and what are they used for? – one can see a general similarity of views with some disparity around the issue of whether they simply advise or whether they also (and should) implement or 'do'. This may well be a reflection of how the view of the management consultant is changing and could also be a reason for the increase in the provision of outsourcing services by large consultancy firms.

2.3 Outsourcing

In relation to the change in role from 'advising' to 'doing' one of the biggest changes in the use of external consultants in recent years has been the development of outsourcing. Some of the larger consultancy firms have reaped the benefits of the outsourcing revolution by positioning themselves as providers of this service.

According to Accenture's website, for example, outsourcing services are provided by them to 600 clients in 45 countries across practically every industry sector. Their outsourcing revenues were \$1.75 billion for the third quarter of fiscal 2006 – an increase of 14 per cent (local currency) over the same period last year. Consulting revenues were \$2.66 billion – an increase of 10 per cent (local currency) over the same period last year. Outsourcing new bookings for the third quarter accounted for \$2.82 billion and represented the company's highest outsourcing bookings in nine quarters. It would appear therefore that outsourcing is not only big business but is a major contributor to the bottom line performance of the larger consultancy firms.

So, why has outsourcing become so popular?

2.3.1 Reasons for Outsourcing

The website of the International Consultants News (European Issue 2002) included an article by Bruce Jackson, EMEA vice President for AT&T's Outsourcing and Professional Services Division in which he indicated that there were a range of factors driving the market for outsourcing, primarily

- Business (e.g. mergers and acquisitions, intra-industry consolidation, globalisation and the emergence of new business models),
- Social (e.g. the 24-hour consumer, increased self service access, flexible working, increased usage of intranets and internets) and
- Technology advancements.

Frank Casale, Executive Director of The New York-based Outsourcing Institute referred to in Johnson (1997 p.9) stated that the main reasons companies choose outsourcing are tactical (e.g. reduce costs, free up funds from non-core business, resources not available internally) and strategic (e.g. improve business focus, access to world class capabilities, accelerate re-engineering benefits).

Johnson maintained that the ‘smart money’ in outsourcing is on moving from tactical reasons for doing it to strategic reasons for doing it.

Both reasons were evident in the CIPD press release (CIPD website July 2006) announcing that Centrica (owners of British Gas) have agreed a seven year contract with Hewitt Associates who, according to their website are the world's largest provider of multi-service HR business process outsourcing (BPO), and the only firm fully integrating HR outsourcing and consulting. Hewitt will provide a full range of HR BPO services, including workforce administration, payroll, customer service, reward management, performance management and succession planning to 30,000 Centrica employees in the UK.

Centrica's group HR director outlined some of the benefits and seemed to focused on the tactical reasons when she said "This will provide them [line managers] with clearer accountability in managing their people whilst reducing our costs". On the other hand the European Head of HR outsourcing at Hewitt Associates was more focused on the strategic reason and said that it would allow Centrica to "concentrate on its core business."

It would appear that companies consider both tactical and strategic reasons to be valid.

2.3.2 What Gets Outsourced?

The Outsourcing Institute’s website (USA) details ten different areas of outsourcing including administration, distribution, sales and marketing, finance, transportation and human resources, with one hundred and fifteen different subsections. Human Resources had eight subsections:

- HR Information systems
- Benefits
- Consulting and training
- Placement and outplacement
- Recruiting and staffing
- Relocation
- Workers compensation
- Forms processing

Centrica have outsourced administration, payroll, reward management, performance management, succession planning and customer services. Closer to home, Bank of Ireland have outsourced the learning and development arm of HR to Accenture in a recently agreed seven year contract.

2.3.3. Outsourcing and the Small Consultancy Firm

What relevance does this have to the small consultancy firm? According to Johnson (1997) a large proportion of outsourcing services are provided by small companies. He quotes information services provider Dun and Bradstreet as having identified that 52 per cent of outsourcing providers in the USA were reporting revenues of less than half a million dollars. A key issue, he says, is that times are going to get tough for these small companies bearing in mind that organisations are going to get tougher to sell into. One statistic is telling – Dun and Bradstreet identified that 60 per cent of large organisations have increased the amount of outsourcing done, while reducing the number of vendors brought in.

However, Centrica and Bank of Ireland's choices seem to indicate that it is the large consultancy firms who also have an outsourcing arm that are the chosen suppliers.

Bearing in mind that his book was written in 1997, some of Johnson's findings appear to be still relevant. The 'preferred supplier' route is one being taken by many large companies. However there is also evidence in the various consultancy journals and websites that the tough consulting years of the early nineties have given way to market growth and expanding opportunities (consider Accenture's financial performance in 2006 – mentioned above - compared to 2002 when second quarter net income was down 87% on 2001 second quarter. (source: International Consultants News 2002 Number 1)

Czerniawska and May (2004) state that outsourcing is big business for the consulting industry. They point to the fact that since 2001 there has been a significant shift away from more traditional consulting service towards outsourcing and outsourcing related

work. In addition they have found that successful outsourcing projects are not based solely on the idea of cutting costs. Organizations are turning to outsourcing as a way of getting access to new technology and of replacing complicated processes with more streamlined, efficient ones.

The real question is whether independent consultants will benefit from these opportunities or find themselves caught in no man's land – excluded from outsourcing due to size and resources and not on the preferred lists of suppliers for the same reasons.

2.4. Large Consultancy Firm versus Independent Consultant

Wickham (1999) maintains that the consultancy industry has grown significantly and is now a major employer. In his view this growth is driven by a number of factors, one of which is globalisation. As a result of globalisation business has become more complex, and managers have recognised the importance of having up to date knowledge. Bearing in mind the resources that the large consultancy firms have, which can result in a provisions of, amongst other things, specialist outsourcing services, why do companies use smaller, independent consultants?

2.4.1. The Benefits of Independent Consultants

Within the Irish Management Consultants Institute (IMCI) there exists The Independent Consultants Group (ICG) which is a network of professional management consultants. It is made up of nearly fifty practices with expertise across a range of management and business functions.

The benefits that the IMCI feel that these independent consultants bring to clients include the following:

- A very personalised service
- Special expertise as a result of previous assignments or work experience.

- Flexibility in the timing and duration of assignments as a result of on-going contacts between the consultant and client.
- A first-hand appreciation of the practical problems encountered by clients as a consequence of running their own businesses
- Access to other consultants with complementary skills and special expertise

Czerniawska (2002) maintains that clients want assurance that what they see during the proposal process is what they are going to get. Obviously this is a bigger challenge for the larger consultancy firms when they have to manage the deployment of staff across a range of projects and clients needs, and may find themselves having to move some people from one project to address a problem in another.

On the other hand Czerniawska also maintains that 'brand' has become a substitute for accreditation within the consultancy industry. Due to the lack of a widely accepted qualification in consulting (bear in mind the range of disciplines) clients may use the fact that someone works for a well known firm as a substitute.

The advantages and disadvantages of the independent consultant was a key issue that the author needed to explore during the primary research. However, regardless of whether a large firm or an independent consultant is chosen for the job – to ensure that the assignment or project is successful it would seem logical that there must be a robust selection process in place.

2.5 How Do Companies Choose Consultants?

There are two issues that the author wanted to consider – firstly, the process used for identifying consultants and secondly the decision making process and selection criteria.

2.5.1 Identification of Consultants

Kubr (1993) identifies directories, associations, information from other clients' business contacts and publications from consulting firms as the main ways to identify relevant consultants.

Shenson (1990) looks at it from the perspective of the consultant i.e. how to gain exposure, and he places a heavy emphasis on networking and personal marketing as a way to get known. Johnson (2005) also looks at it from the perspective of the consultant and puts emphasis on having an excellent website, saying that brochures are generally not read by prospective clients.

Weiss (1992) identifies the following as the major ways organizations go about securing the services of outside consultants:

- Word of Mouth
- Reputation
- Professional Affiliations
- Internal Data
- Advertising
- Personal Contact through a third party introduction or event

So it would appear from the literature reviewed that a wide range of methods are available to clients to help them identify suitable consultants.

2.5.2. Selection of Consultants

In Weiss' (1992) view there is no logic in the selection process for consulting help (i.e. first time business as opposed to repeat business) unless it is Government using a tendering system.

Kubr (1999) suggests that a typical process consists of nine steps including terms of reference, authorisation, short-listing, invitation for proposals, evaluation, contract negotiation, selection and formal contract. However he does not mention anything about the decision making criteria or what is important to consider when choosing the consultant.

In relation to selection criteria Czerniawska and May (2004 p.7) found that the Management Association Survey indicated that the most important reason for choosing a consultant, or consulting firm is the ability to deliver which was ranked first out of thirteen criteria followed by specialist knowledge and an experienced consulting team (i.e. they have done it before). They found a lower level of importance attached to the 'traditional tools of competition' e.g. geographical coverage, reputation, word of mouth referrals, existing relationships, even price. Interestingly while these were important, the over-riding consideration was ability to deliver.

However, Czerniawska and May (2004) also found that consulting firms' perceptions of the evaluation criteria used by clients when hiring strategy consulting firms was not in line with the clients actual evaluation criteria. The strategy consulting firms assumed that emphasis was put on reputation, recommendations, experience of sector or market, originality of approach and ability to deliver, with little emphasis on price. In fact the clients did put emphasis on price, with less emphasis on reputation or recommendations and a similar level on ability to deliver.

One interesting thing that Czerniawska and May (2004) also mention is that in HR consulting, clients and consultants views of selection criteria are closer, although they found that the consultants tended to underestimate the importance to the clients of an understanding of the particular market or sector.

Based on the above the author felt it appropriate to identify, if possible, what it is that clients look for in an excellent consultant.

2.6. What sets excellent consulting apart?

Sheth and Sobel (2000 p.21) quote the following

'The great professional helps you eliminate issues that are not a problem, and then he focuses you in on the really critical dimensions of the situation. You are permitted to be a bit confused and general. And at the right moment, the good ones ask the right questions. It's an iterative process; you don't want someone peddling a solution, who comes with an agenda – which many do. The good adviser excels at the integration process, but he doesn't necessarily arrive at the solution for you. He knows my industry, but is broader than that. Finally, he can bring you comfort as well. Empathy, not sympathy.'

Ray Smith, former chairman and CEO, Bell Atlantic.

Cockman Evans and Reynolds (1992) identify great consultants as having the ability to capture people's imagination so that others take ideas on board and make them their own.

They say that they are:

'people centred with a mission to empower others rather than control them; they are sensitive to the needs of the people; they are not afraid on occasion to confront those in authority. In short they are client centred'.

Weiss (1992 p.p. 19) states that excellent consultants will explore with clients:

'those results that actually constitute improvements in performance, service, and quality, and how well business goals are being met'. In other words they will help establish the objectives to be attained, not just the alternatives to measure progress'.

The author found this interesting as establishing objectives with a client would appear to be the first basic step, as opposed to something that sets an 'excellent' consultant apart.

Margerison (1988 p.9) states that when teaching a consulting skills course he asked participants what they rated as important. The following is a representative list which he says was repeated with consistency:

Effective Consultant

- Listens to understand
- Accepts data without contradicting what client says
- Initially non judgmental
- Concentrates on the assignment as a priority
- Takes time to assess problems
- Gets to know the problem or opportunity
- Summarises accurately what clients say
- Gives confidence through gesture and behaviour
- Fulfills promises
- Adopts positive approach
- Works to facilitate action improvement

Ineffective Consultant

- Appears superior in attitude
- Decries what client says as being unimportant
- Criticizes or blames client
- Has many 'irons' in the fire' at your expense
- Shows impatience
- Proposed instant pre-packed solutions
- Interested in own views, not clients'
- Lacking confidence
- Fails to deliver
- Only points out what is wrong
- Works but no positive change emerges

He puts forward the view that the effective consultant, as well as being knowledgeable in their field, always puts the client first. He identifies the two essential elements of consulting as technical knowledge and interpersonal skills.

The International Labour Office (ILO) identified a number of personal characteristics necessary to be a good consultant (1986 p 6). These attributes are very similar to what other writers are saying decades later:

- Intellectual Ability – dilemma analysis, insight, perception and intuition, sense of organisational climate
- Personal Attributes – integrity, sense of timing and interpersonal skills, professional, genuinely interested in the client's problem, strong tolerance for ambiguity, maturity, sense of reality, understanding of power and political realities, tact, trust and communication skills,

2.6.1. Barriers to Excellent Consulting

Sheth and Sobel (2000 pp. 29, 30) have identified one of the barriers to excellent consulting as consultants adhering to stereotypes of what they think their clients want them to be. This can be at variance with what their clients want. The types of beliefs they have come across have been, for example:

- The consultant's job is to provide the answers
- The consultant's job is to develop an expertise in one specific area and make their name in that
- What the client is buying is expertise
- Consultants working in a new (to them) area or industry will add little value
- The personal side to the relationship is separate from the business side
- Clients will take advantage of the consultant and therefore they (the consultants) have to stick up for themselves

In contrast the clients' views reflected a rather different perspective, for example:

- The really good professionals ask great questions, enabling solutions rather than supplying them
- Some of the best insights that consultants bring are from other industries or another field
- Good consultants are great listeners, hearing what you mean not just what you say
- Consultants need to help the client see the bigger picture
- It's tough to find consultants who are true honest brokers, without an agenda

2.6.2. Expert or Advisor?

Sheth and Sobel (2000 p.31) draw a distinction between an expert and an adviser. They base this distinction on feedback from their clients. They say that in their research a typical comment was 'With an adviser, trust is critical. If you just need an expert you don't have to trust him'. In essence they say that consultants who are advisers behave differently from experts and as a result develop better client relationships. Part of the

difference is attributed to the fact that their skills and knowledge are different and their attitude is different; advisers are exploratory learners and big picture thinkers, and they focus on collaboration rather than control.. Sheth and Sobel (2000 p 31) put forward the following model:

Experts	versus	Advisers
<ul style="list-style-type: none"> • Have depth • Tell • Provide Answers • Develop professional trust • Control • Supply expertise • Analyse 		<ul style="list-style-type: none"> • Have depth and breadth • Listen • Ask great questions • Develop professional and personal trust • Collaborate • Supply insight • Synthesize

Clients often speak of excellent consultants ‘adding value’. So, what is value? How do ‘trusted advisers’ add value?

2.6.3 Adding Value

Sheth and Sobel (2000) say that value is a complex concept that can mean different things to different clients, depending on their needs at a given point in time. In summary however they say value is created through insight and a collaborative relationship. Consultants who are insightful do some or all of the following:

- Add valuable new insights
- Focus on the critical issues
- Provide specific ideas and solutions
- Have the communication skills to enable clients to come up with their own solutions

Clients, they say, define their relationship with trusted advisers using words like ‘trust’, ‘shared values’, ‘integrity’, ‘chemistry’ etc. Sheth and Sobel (2000 p 37)) also quote

Chernow as saying *'One of the facets of the art is that if you do not get on with the people you are trying to advise, then you find yourselves out the door'*.

Czerniawska and May (2004) outline four main attributes which they have identified as the 'bedrock' of good consulting, namely

- Project, time and cost management;
- Specialist experience;
- Leadership;
- Skills transfer.

They then considered the question of what distinguishes the 'best' consulting. To arrive at their findings they used the Management Consultancies Association (MCA) survey of the projects submitted for its annual awards (2004) and identified the following attributes across the projects that exceeded clients expectations, and thus in their view sets excellent consulting apart:

- Collaboration, communication and culture
- Originality
- Pragmatism

Thus 'collaboration' features strongly up again. In the MCA survey open communication, honesty and trust were stated as being vital components to a collaborative relationship. In addition both sides 'pushing the boundaries' in relation to objectives and asking 'what would it be like if...' type questions to try to go beyond what was originally planned.

2.6.4. How do consultants develop collaborative relationships?

Sheth and Sobel (2002) put forward the view that the following seven key attributes which, when blended together in the right way support the development of insight and trusting relationships with clients:

- Selfless Independence and Empathy
Being responsive to clients needs but maintaining objectivity and honesty
- A Passion for Learning
Thereby developing both a core expertise and a general knowledge
- The Ability to see the Big Picture
Spotting themes and patterns. Being able to draw things together, not just analyse
- Good Judgment
Demonstrating the ability to draw on all the learning and synthesizing
- Conviction and Integrity
The ability to motivate and energize based on conviction. The ability to build trust based on the integrity of the consultant i.e. discretion, consistency, reliability, etc.

These are the main qualities which in their view result in excellent consultant/client relationships which allow a consultant move from being a supplier to being a trusted advisor. However they caution that these attributes need to be in balance as too little or too much of them can have negative results

Sheth and Sobel make one other thoughtful observation - not all clients want a deep advisory relationship. Some simply want a consultant to deliver a service for a price and then leave. Their view is that if the client does not want a long term advisory relationship the best you can hope for is a life long recommendation.

This final point would perhaps not be shared by Duncan Boyle, UK Chief Executive, Royal & Sun Alliance who presented at The Management Consultancies Association Annual Consultants Forum in April 2003. His presentation was entitled 'Client Relationships – is there a new way forward?' and looked at the client's views on the use of and relationship with consultants and the consultancy industry going forward. His final slide said

‘All we really want is a meaningful relationship’.

This view is echoed by Weiss (1992 p 62) when he says

'If you learn nothing else from this book, heed only this. Consulting is a relationship business. A special product might make you competitive. Differentiated services may make you distinct. But only carefully crafted relationships will create a break-through firm'.

Weiss goes on to say that 'average' consultants attempt to market a repeatable product. These are commodities and a direct result of that is that the client will view it from a cost perspective. 'Better than average' consultants differentiate their services so that they have some distinctive competency. However he feels that the 'best' consultants strive to establish special relationships with clients, irrespective of their products, services techniques, and other offerings. He says that relationships provide a worth that clients don't even try to put a price on.

Sheth and Sobels belief that good consultants demonstrate 'selfless independence, empathy and integrity' is also mirrored by Weiss (1992 p.66). He believes that the ideal client relationship is one where the client approaches the consultant believing that the consultant will 'act responsibly to improve the client's condition' He mentions the word 'collaboration' between client and consultant - in order to meet the clients need. He too says that 'trust' is key to the relationship – for example, when the client trusts the consultant to judge whether the assignment is within the consultant's capabilities, assuming that the consultant will only act in the clients best interests

2.7 What does the future hold?

An article in the The Times (London July 2006) stated that there is a 'staggering' demand for management consultants in the UK. This has been driven by a number of factors including increased regulation (e.g. Sarbanes-Oxley), mergers and acquisitions in the City of London and increased global security. Some of these reasons equally apply to Ireland, particularly in the area of increased regulation.

The article goes on to say that consultants don't just advise on change any more, they implement it and some go a step further and manage the changes themselves e.g. as a business partner in an outsourcing project. It maintains that 'consultants throughout the world are being transformed by their booming outsourcing units, from Accenture in the UK to Tata Consultancy Services in Bombay'.

This seems to contrast with a new report published by the Management Consultancies Association (MCA) and summarized on their website (July 2006) in which they say that following two years of negative growth, traditional management consulting has experienced its highest level of growth for a decade (40% in 2005) and that in contrast outsourcing-related consulting, which has driven market growth over recent years, only grew at 15% in 2005 compared to 46% in 2003 and 18% in 2004.

The most significant growth was in the Financial Services sector with Manufacturing showing the first sign in almost a decade of consulting increasing in this sector.

However what about the independent consultant? What does the future hold for them?

2.7.1 The Future for the Independent Consultant

Johnson (2005 p 166) predicts an 'ever more crowded market as more and more people take up the challenges of working for themselves'. However he views this as a good thing as he predicts an increase in business as more companies prefer to hire skills as and when they need it, in a lot of cases hiring back in on a consultancy basis people who used to work with the company. As a result he predicts an increase in the 'interim' workforce. He also points out that the 'virtual office is the playground of the independent consultant' and is a win-win for both consultant and client.

Technology, in Johnson's view, will govern a lot of what independents do and where they do it. Video conferencing may take over from face to face meetings first selection Independents will need to keep themselves up to date with technology.

On the down side he feels that the age of the long-term client-consultant relationship is over and predicts that future relationships will be short and intense, due to pressures of work on the clients, and clients moving jobs. This means having to renew clients at an even faster rate than before.

He also predicts a rise in the existence of the 'portfolio consultant' – the professionals who took time out for various reasons and now come back into the workforce but on their terms in relation to working hours and assignments. He says that while they may not be in the same category as the top-end consultants professionals like this are 'joining the ranks daily'.

The MCA Annual Consultants Forum in 2003 indicated that the market structure had changed to a polarized model with the complex solution provider at one end and the niche specialist at the other. If this is the case then it would appear that the coming years are expected to be good to consultants – whether an independent or large firm .

2.8 Summary

In summary, the literature reviewed would indicate that companies hire consultants for a myriad of reasons, that there is no one way of identifying or selecting consultants but that key to successful consultancy appears to be the ability to collaborate with clients and build effective, meaningful relationships.

While outsourcing has been on the increase in recent years there are conflicting views as to whether this is a trend which will continue. Nevertheless pressures on businesses to be lean and high performing are likely to result in the continuing need to hire in expertise as and when needed – this may provide opportunities for the independent consultant.

The increase in the number of companies adopting a preferred supplier arrangement may provide both opportunities and challenges.

3.0 Introduction

This chapter sets out to put the research question into context. In doing so it will:

- Highlight the main components of the consultancy industry in Ireland
- Outline some significant business issues that may have consequences for the consultancy industry, and
- Explain the focus of this research

3.1 The Consultancy Industry in Ireland

Management consultancy grew with the rise of management as a unique field of study. From the late 1890s when the first management consulting firm (Arthur D. Little) was founded in the USA to today, the consulting industry has grown considerably. As the industry grew and changed so too did its structure. Originally consisting of management and strategy consultancy firms (e.g. Boston Consulting, McKinsey, Booz Allen), a significant development was the launch of consulting arms by both accounting firms, such as Arthur Andersen, and global IT services companies, such as IBM.

In Ireland, amongst the biggest consultancies are KPMG, PriceWaterhouseCoopers, Deloitte and Accenture (formerly Andersen Consulting).

The large consultancy firms are now focusing on strategic initiatives which are more complex and much larger than in the past. A key change in the market has been the emergence of the 'end to end' solution provider. As a result some of the major consultancy firms can now provide the full depth and breadth of knowledge required by a business – from marketing and tax advice to HR and outsourcing.

There are also a number of mid-range consultancies (5 to 25 employees) in Ireland – for example CHL Consulting Group and Farrell Grant Sparks. CHL also have a network of associates across Europe.

At the smaller end of the scale is the Independent Management Group. This group comprises of almost fifty practices with expertise across the complete range of management and business functions. All are members of the Institute of Management Consultants in Ireland.

And finally, there are an unknown number of self employed management consultants who are not members of any association but who practice their discipline successfully.

3.2 Significant Business Issues

On the other side of the coin the business arena has also changed over the last number of years. The growth in the global market is creating new opportunities and challenges. Demands from shareholders and customers for increasingly higher business and financial performance has resulted in many organizations re-thinking their strategies and structures. An increasing number of organisations are exploring the option of shared service centres, outsourcing, global procurement and preferred lists of suppliers.

Increased focus on compliance (e.g. Sarbanes-Oxley), is resulting in the need to dedicate teams of people to compliance projects or else buy that knowledge and skill in either on a temporary or permanent basis.

Finally some companies are outsourcing non-core business functions (e.g. HR, training and development) and refocusing on what they do best.

All of the above have implications for management consultants. In addition the application of EU Public Procurement law to public contracts requires even the smallest

consultant to bid by tender for public sector contracts – this could change the way consultants go about generating business in the future.

Some views in the industry at the moment contend that globalization will exert pressure on the medium-sized consultancies and polarize the industry into big global players and very small specialists, however this remains to be seen. What is sure is that the context and framework within which consultancy services were bought and sold has changed. Regardless of size this will have an impact on all consultants.

3.3 Focus of this research

The author is a self-employed consultant with clients across a range of industries mainly in the private sector. Some of these clients have been affected by the types of major business changes referred to above. As the Financial Services sector is the sector the author knows best it has been chosen as the main, but not only sector to be included in this research.

This was not the only reason the financial services sector was chosen. Statistics from the US (Wickam 1999 p298) and the UK (MCA News 2006) indicated that the Financial Services Sector is one of the biggest users of consulting services. Wickam (1999) maintained that in 1999 the Financial Services Sector accounted for 25% of the business of the largest consultancy firms, while MCA News (June 2006) reported that in the year 2005 the most significant area of growth was Financial Services which grew by 50% yielding £1.4billion in consultancy fees. While figures are not available for the Irish Industry one can only assume that as Irish Banks are amongst the most profitable in Europe, spend on consultants would be substantial. A recent seven year contract between Bank of Ireland and Accenture to manage their learning and development needs would substantiate this.

Against this background the author seeks to understand what the likely impact of the changing nature of business will be on the consultancy industry in general and on the independent consultant in particular.

For the author this is more than an academic piece of work. It will form the foundation for strategic decisions that need to be taken to stay in business. At the very least it will yield insights into the client / consultant relationship and this cannot but be of benefit to any independent management consultant.

4.0 Introduction

This chapter aims to outline the methodology chosen and the subsequent steps involved in the process.

In deciding the methodology the author needed to consider

- What approach to take – inductive or deductive
- What tools to use – research strategy
- The target audience and sampling technique
- How to ensure credibility and validity
- Ethical issues, transparency and cross validation

This chapter details the issues considered and the approaches taken under each of these headings.

4.1 Approach - Inductive or deductive?

As a starting point the author had two choices – to take either a deductive or inductive approach to finding an answer or answers to the research question.

A deductive approach is based, according to Robson (1993:19) quoted by Saunders, Lewis and Thornhill (2005 p 86), on five sequential stages – deducing a hypothesis, expressing it, testing it, examining the outcome and then, if appropriate adjusting the hypothesis.

However, the author did not have a hypothesis or testable proposition to start with. The author simply wondered. A deductive approach seeks to explain causal relationship between variables. If a deductive approach was taken the author might have been tempted to choose two very narrow variables, for example - the impact of globalisation on the independent consultant, or the impact of outsourcing on the independent consultant, or the impact of cost cutting on the independent consultant.

The more the author thought about the research objectives the more dimensions were seen and therefore the more questions emerged. It became apparent that this was going to a qualitative rather than a quantitative study. As a result, an inductive approach based on gathering data, analysing it and reaching a conclusion or theory seemed more appropriate.

4.2. Research Strategy

Saunders, Lewis and Thornhill (2005 p91) list eight strategies to consider when doing research:

- Experiment
- Survey
- Case study
- Grounded theory
- Ethnography
- Action research
- Cross-sectional and longitudinal studies
- Exploratory, descriptive and explanatory studies

Kane (1983) states that the major research techniques are participant observation, interviews, questionnaires, and written and documentary sources. She goes on to say that the choice depends on what the researcher wants to achieve as each technique is designed to get certain information and not other information. For example, observation will identify what someone actually does while an interview and questionnaire elicit what the interviewee says they do. To get the most accurate and complete research information Kane maintains that a researcher would use all the tools. This is 'triangulation' i.e. using as many techniques as possible. However, this obviously depends on the resources one has at one's disposal.

Saunders, Lewis and Thornhill (2003 p 252) state that

'Essentially where it is necessary for you to understand the reasons for the decisions that your research participants have taken, or to understand the reason for their attitudes and opinions, it will be necessary for you to conduct a qualitative interview'.

In deciding the most appropriate tool or tools to use the author had to take a number of things into consideration.

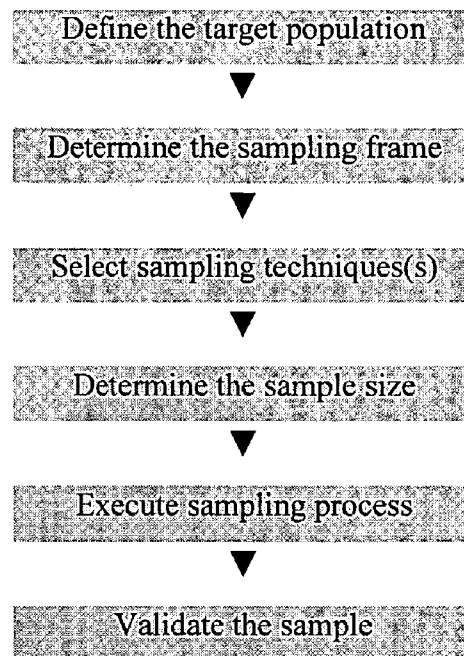
Firstly, this study was going to be a point in time or a 'cross sectional' one. So any approach that was taken would have to accommodate this 'snap shot' view of the research question.

Secondly, based on the research objectives it was important to ensure that both the author and those who agreed to partake in this study had the necessary flexibility to uncover relevant information which at first may not have been apparent. In relation to this point Saunders, Lewis and Thornhill (2003) state that semi-structured and in-depth interviews provide an opportunity for the interviewer to probe answers, which will add much more significance and depth to the data uncovered.

Finally, taking the author's resources into account – little access to large groups of people, dependent on the goodwill of clients and connections, and working to a time frame the author felt that a multiple choice questionnaire would not suit the sort of questions that were going to be explored with the target population and decided to use the semi-structured interview as the main primary research tool.

4.3. Target Population

Malhotra and Birks (2003 p 358) outline the following as the six steps involved in sampling design:



According to Malhotra and Birks (2003 p. 179), a ‘depth interview’ is an ‘unstructured , direct, personal interview in which a single respondent is probed by an experienced interviewer to uncover underlying motivation, beliefs, attitudes and feelings on a topic’. They say that one of the critical success factors of the interview is the interviewer’s skill in probing - to get behind answers, uncover hidden meanings and overall get meaningful responses. Key to this, in their view, is the ability of the interviewer to understand the nature of the subject they are researching and therefore have credibility with the interviewee in terms of understanding the business and the language i.e. the jargon.

The author decided that the main target population would be senior people working in a role that would either directly employ or work closely with management consultants. The Financial Services Sector was initially chosen as it is a sector with which the author is

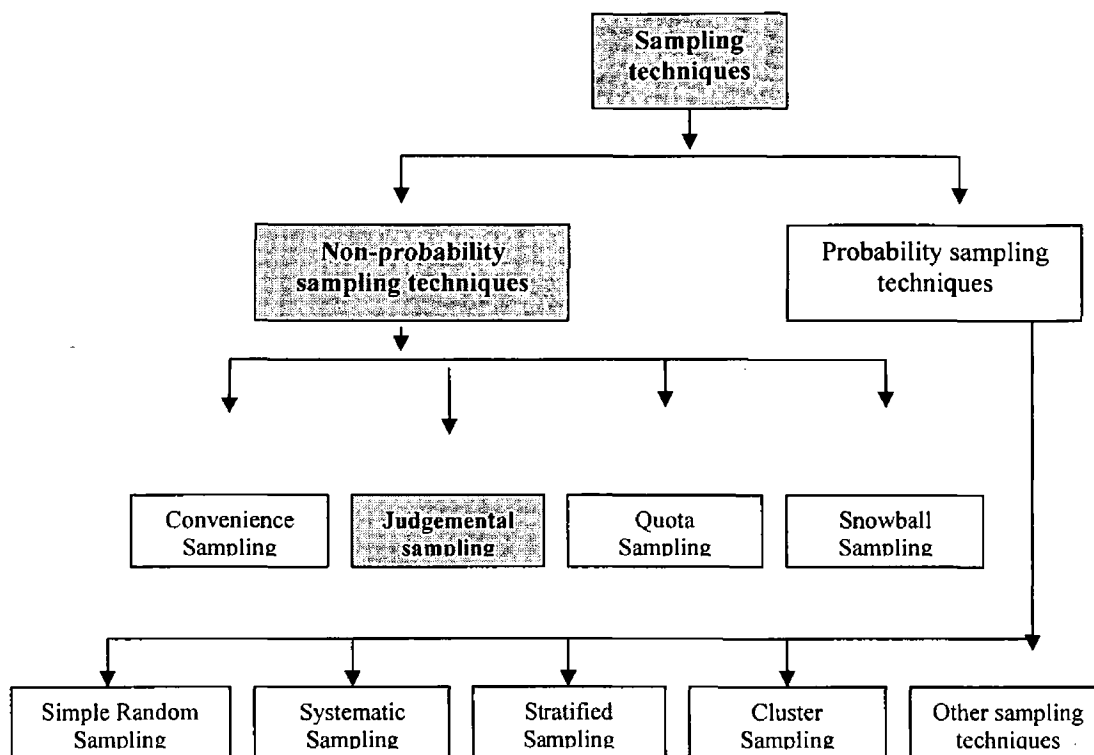
familiar. The author's familiarity with the industry, its' business and its' jargon would, it was hoped, meet the need for credibility as identified by Malhotra and Birks.

While conducting the literature review one of the issues that the author identified was a belief that clients and consultants often had different views on certain aspects of their relationship. That caused the author to rethink the chosen strategy in relation to the target population and to expand the original population to include a small number of consultants, using a self administered questionnaire reflecting the themes of the semi-structured interviews. This was simply to provide a method of crosschecking views. It did not matter if there was or was not a correlation between 'clients' and 'consultants' views – the findings themselves would have value.

In summary based on the research questions and objectives, time frame and circumstances regarding target population and accessibility the author decided to use interviews with representatives of major corporations, while simultaneously issuing self administered questionnaires to some independent consultants.

4.3.1 Sampling Technique

Based on Malhotra and Birk's classification of sampling techniques (2002 p 363) is reproduced overleaf. The approach that the author decided to take was a judgemental sampling – which is a non-probability sampling technique relying on the researcher's judgement or expertise to select representative samples of the population of interest.



Malhotra and Birk (2003): A classification of sampling techniques

4.3.2 Disadvantages of using Judgemental Sampling

The author was conscious of the major disadvantage of using Judgemental Sampling as stated by Bryman (2001 p 97) when referring to convenience sampling (of which judgemental sampling is a type) :

It is impossible to generalise the findings, because we do not know of what population this sample is representative'

This truly is a disadvantage of the method used by the author, however the resources required to do any other type of sampling precluded the use of anything other than this method. The careful choice of sector (The Financial Services Sector is a frequent user of management consultants, and is the one this author has most knowledge of) and

individuals (the individuals chosen have all had experience of using management consultants) may counter disadvantage.

4.3.3 Target Population and Credibility

One of the issues facing the author was the credibility of the research findings – on two levels. Firstly, the appropriateness of the research subjects and sample size, and secondly the transparency in the interpretation of data.

4.3.4 Research Subjects and Sample size

In relation to the research subjects, this required the identification of appropriate people at a senior level in organisations who had experience of working with consultants and who could talk knowledgeably on the subject. The organisations themselves needed to be credible, established, successful companies. The author also wanted to include a mix of companies in so far as possible, but not such a wide range (e.g. a bank, a fish processing plant and a gym) that the choice did not make sense, or that it would make it difficult for significant themes to emerge.

In relation to the numbers of interviewees the author decided to choose a small representative sample. Malhotra and Birks (2003 p 361) state that

'The nature of the research also has an impact on the sample size. For exploratory research designs, such as those using qualitative research, the sample size is typically small.'

For this reason the author chose initially to focus on the Financial Services Sector choosing a small number of research subjects, but crossing a spectrum of services and organisational structures i.e. domestic banking, domestic banking with a European parent, domestic banking with a UK parent, pension fund management and proprietary trading.

Following this initial identification of the research sample, another issue emerged from the literature review – that of outsourcing and the IT industry. This prompted the author

to seek out and include in the primary research an interview with a major IT software company. This interviewee was specifically chosen because he had previously worked in the Financial Services sector and would be able to give views based on experiences in both industries.

The final addition to the target population came about when the literature review identified a move from 'advising' to 'doing' consultants. It prompted the author to explore the connection between independent consultants and interim solution managers by including an interview with a senior executive with an interim solution management company.

According to Johnson and Harris in Partington (2002 p110)

'undertaking qualitative research carries a health warning that should be taken seriously before commencing a project of any kind: data overload'. 'For instance, for every hour of taped interview, one can expect to spend approximately another 10 hours working on it'.

The author needed to be conscious of the work involved in pulling all the findings together bearing in mind the totally qualitative nature of the research. This was a further reason why the target audience was a small number of relevant people rather than a larger population.

In summary the author focused the research on seven interviews with senior representatives of seven different companies – five financial service organisations (domestic and international), one multinational IT software company, and one national Interim Solutions Management Company. The author contacted six of these directly and one indirectly through a contact and requested interviews.

4.4 Ethical Issues

Saunders, Lewis and Thornhill (2003) state that the principal ethical issues that need to be considered include:

- Participants rights to anonymity
- Honesty regarding the reasons for the research
- Maintaining objectivity
- Ensuring confidentiality regarding information disclosed

All of these issues were taken into consideration in the approaches taken to gathering the primary data. In order to adhere to the required ethical standards the purpose of the research interview was explained and anonymity guaranteed.

4.5 Transparency of Findings

In relation to the transparency of the findings, a transcript of all interviews is included in the Appendices and the original recordings are available if requested. A copy of the consultants' responses is also included.

4.6 Collecting the Primary Data

Having decided on using the semi-structured interview the primary research tool, the next consideration was how to ensure that the data was reliable. Would it be appropriate to make notes, record, or both? Some of the advantages and disadvantages of recording interviews as identified by Saunders, Lewis and Thornhill (2005 p.264) are detailed overleaf.



Advantages and disadvantages of tape-recording the interview

Advantages

- Allows interviewer to concentrate on questioning and listening
- Allows questions formulated at a interview to be accurately recorded for use in later interviews where appropriate
- Can re-listen to the interview
- Accurate and unbiased record provided
- Allows direct quotes to be used
- Permanent record for others to use

Disadvantages

- May adversely affect the relationship between interview and interviewer (possibility of focusing on the recorder)
- May inhibit some interviewee responses and reduce reliability
- Possibility of a technical problem
- Disruption to discussion when changing tapes
- Time required to transcribe the tape

Sources: Authors' experience; Easterby-Smith *et al.* (2002); Guari and Gronhaug (2002), Healy and Rawlinson (1994)

To the author the advantages far outweighed the disadvantages. However, to minimise the possibility of the disadvantages occurring the author also did the following:

- Sought permission from each interviewee in advance of the interview to record it
- Assured each interviewee that if specific references were made to specific people or companies that these names would not appear in the transcription
- Purchased a small unobtrusive digital recorder with capacity for 32 hours recording thus eliminating the need to change tapes and disrupt the flow of the interview.
- Tested, re-tested and ensured a supply of batteries.

While transcribing every interview is extremely time consuming, the author felt that it was critical to ensure there was no bias, that there was an accurate record of each interview and that there was be a transparent audit trail to the findings.

In each case the client travelled to the interviewee's place of work. All of the companies were based in Dublin. As these interviews were conducted over a number of weeks in some – although not all – cases it gave the author time to transcribe and take any relevant issues into account in the subsequent interviews.

While the main themes of each interview are contained in the Appendix the author also re-iterated before the interview started

- The purpose of the research and the background to the research question
- That confidentiality would be respected and maintained
- If requested recording would be stopped at any stage
- The author's background in the industry sector (where appropriate)

The author made contact with each interviewee by telephone in order to set up the interview so some of the above points would have also been discussed on the telephone prior to interview.

4.7 Cross Validation

As the literature review expanded and as the first interviews were completed a key issue became apparent. Only one part of the equation – those who hired consultants - was included in this study. No independent consultants whose future the author was exploring were involved. Although the main emphasis in this research is on the views of the clients (because these will be the source of future business to the consultants) the author began to wonder if the issues highlighted as important to the clients would also be identified by the consultants as having the same level of importance.

For this reason six high calibre self employed consultants who between them provided consultancy services across a range of industries and had expertise in a range of disciplines – from strategy and organisational development, to coaching and training - were identified for possible inclusion. These consultants also reflected a range of experience – from two years to seventeen years. The author approached these consultants who were very willing to take part in this research. They were also willing to ask some others to partake which resulted in a total of ten independent consultants taking part.

The author hoped that through these independent consultants working across the full spectrum of industry sectors and across a range of disciplines that some degree of external validity or ‘generalisability’ would exist.

The author did consider seeking interviews with these consultants but it was not feasible to do so for a number of reasons e.g. their availability due to work commitments, holidays, location, and the time it would take to interview and transcribe.

Telephone interviews were also considered as a substitute for the face to face interview. But there were a number of drawbacks. Firstly the need to record would necessitate putting the call on speaker phone which could have an adverse impact on both interviewee and interviewer and secondly attempting to arrange suitable times with the interviewees proved difficult for a variety of reasons.

On balance the author felt that it would be feasible to conduct this part of the research by questionnaire. As all of consultants were approached directly, either by the author or a colleague, the author felt that those who chose to complete it would do so in a thoughtful way. For ease of use it was decided to send the questionnaire by e-mail rather than hard copy. In addition the author offered to share the research findings with any of those who completed the questionnaire. All who responded said that they would be very interested in the findings.

A questionnaire would also allow flexibility in relation to where and when it would be completed. In one particular instance one of the consultants completed it while on holidays. This would not have been possible with an interview or indeed a telephone interview.

The questionnaire was designed to reflect the interview themes, and so all the questions were open ended. No expected time was given for completion, but it was tested on one respondent who indicated that it took approximately 25 minutes to complete. Based on the content of this respondent's replies I estimate that this was a good average. A copy of the questionnaire is included in Appendix XXXX

The author would have liked to have conducted far more interviews and to have, for example, sent out a survey to all members of the Irish Management Consultancy Institute, but as Buchanan *et al.* (1988:53-4) quoted in Saunders, Lewis and Thornhill (2005 p 115) said '*In the conflict between the desirable and the possible, the possible always wins*'

4.8 Summary

In summary the primary research methodology consisted of:

- Identifying seven seasoned HR professionals in seven relevant organisations who were experienced in the use of consultants - five of these were in the financial services sector while two were chosen to provide a different insight – IT and Interim Management Solutions.
- Using a semi-structured interview which lasted approximately forty five minutes to an hour and a half with the HR Professionals which was digitally recorded
- Sending a questionnaire by e-mail, reflecting the themes of the interviews to six carefully chosen independent management consultants, working in a range of industries and disciplines. These six identified four more. In total ten questionnaires were completed.

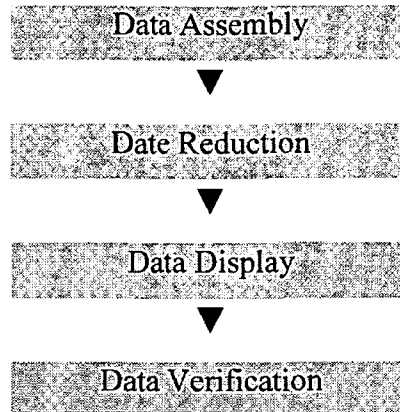
4.9 Overall Picture of Target Population

The overall picture of the target population and the sample was as follows:

Industries Represented	Client Companies (7 Interviewed)	Interim Solutions (1 Interviewed)	Consultants (10 Surveyed)	Consultancy Services represented
Financial Services	X	X	X	Business 'health' analysis Business Continuity Coaching Facilitation Leadership Development Process Management Project planning Selection Process and Profiling Service Management Strategy Development Training
I.T.	X	X	X	
Manufacturing		X	X	
Government		X	X	
Semi-State		X	X	
Pharmaceutical		X	X	
Education			X	
Multi-National		X	X	
Medical			X	
Telecommunications		X	X	
Voluntary		X	X	

4.10 Data Analysis

Malhotra and Birks (2003 p 207) outline the main stages of qualitative data analysis as follows:



Data assembly involves gathering all the notes, including recording and field notes. Data reduction involves organising and structuring the data – this may involve coding it. Data display is concerned with summarising and presenting the data making relevant connections whether it be by graphical representation (e.g. a spreadsheet), verbatim quotes or pictures. Finally, data verification relates to testing the meanings found with other research findings, secondary data etc.

However, according to Saunders, Lewis and Thornhill (2003) the nature of the qualitative data has implications for its analysis. This may mean, for example, that there is a need to organise the data into meaningful categories and thereby create a ‘conceptual framework’ in which to analyse it.

Tesch (1990) quoted in Saunders, Lewis and Thornhill (2003 p 379) groups the strategies for qualitative analysis into four main categories:

- Understanding the characteristics of language
- Discovering regularities
- Comprehending the meaning of text or action
- Reflection

They say that the first two categories are more formalised and structured than the second two.

The approach that this author took is based on that outlined by Saunders, Lewis and Thornhill (2003) and involved

- Listening to, reading and understanding the data
- Identifying relevant categories
- Integrating related data
- Identifying common patterns or themes
- Developing a hypothesis based on these
- Testing against data and secondary research
- Drawing conclusions

This approach resulted in the author listening to and reading every transcript and completed questionnaire a number of times, looking at what was said, how it was said and interpreting what was meant, reflecting on that and attempting to collate it in a meaningful way.

This included colour coding the themes, (e.g. why hire consultants, advantages of small versus large, selection criteria,) and transferring the relevant data from each interview on to index cards and finally inserting line numbers into the interview transcripts for easy reference and access. The same approach (minus the line numbers) was used for the consultants' responses.

The final stage involved integrating the data and identifying common, different or opposite responses.

5.0 Introduction

In analysing the data collected both from both primary and secondary sources, there were some similarities but some key differences. The following chapter will set these out in detail using the main themes of the research subject, namely

- What is a management consultant and why do companies use one?
- How do companies go about identifying and selecting them?
- What sets excellent consulting apart?
- What are the advantages and disadvantages of the independent management consultant versus the larger consultancy firms?
- What is the future for the independent management consultant?

In order to ensure the transparency of the findings, and make it easier for the reader to locate a particular statement all interview transcripts (which are included in Appendix X) have been allocated line numbers at five line intervals (i.e. lines 5, 10, 15 etc). When referencing any client responses I have adopted the simple approach of referencing the closest line number e.g.

IV1250 (Interview Transcript – line 1250)

The responses of the consultants to the written questionnaire (referred to as a Survey in this section) are contained in Appendix XXX. As they are quite short they are simply numbered Number 1 to Number 10. Reference to consultants' responses contained in these will be by Survey Number followed by Questions Number and will appear as follows:

S3 Q10 (Survey Number 3, Question 10)

5.1 What is a management consultant ?

The literature review identified many definitions of a management consultant and terms such as 'advice', 'information', 'expertise' and 'solutions' were common. The interviewees who were spoken to in the course of this research concurred with this view, the most common word used was 'expertise'. In addition terms like 'specialist' 'certain expertise or certain knowledge', 'different or fresh angle' and 'very professional person' were used.

The picture of a management consultant that emerged from the interviews was of a professional, external to the company and equipped with a range of skills, knowledge or expertise that would add a fresh angle to the issues or problems facing a company.

One of the comments which the literature review unearthed was that anyone can call himself or herself a consultant. There is little regulation. This view was also substantiated by the fact that most of the clients interviewed did not put huge weight on qualifications or accreditation - except for specific areas like tax and accountancy which fell outside the realm of 'management' consultants. The following were some comments:

'One thing that struck me is the question 'is it important that all the independents have Masters Degrees or qualifications?' I don't know. I look at it in terms of what experience they have'. I don't care if they are a member of the CIPD or not. Have they done it before is what I want. Some people might want them to have qualifications but that is not what I look for' (IV745)

'Have I ever consciously looked for that [qualification] in the past? No. That's being honest'..... 'if I felt it was a specialist niche area, for example using psychometric tools, I would look for accreditation. In a more broad area, for

example, general management training, personally I wouldn't be too concerned'. (IV 840)

'It's funny. I wouldn't ask somebody what their qualifications are. I would be interested in their experience and what they have done before'. (IV 1205)

'I would be lying if I said they aren't' [important]. Having said that some of the best people I have met didn't have qualifications. Experience is more important than qualifications' (IV 1575)

None of those clients interviewed said that it was part of their selection criteria. Equally, none of the consultants who responded to the questionnaire felt that qualifications were a primary consideration – however one said it was important when he was speaking at a conference., another said that it might be important in some training roles and a third said that it was reasonably important for establishing credibility but was never asked to produce evidence. Most consultants said that their experience was what their clients were primarily interested in.

One of the consultants made the point that there is no clear standard in relation to coach accreditation which, in his view, would become an important issue in coaching.

5.2 Why do companies use management consultants?

The literature review identified quite a number of reasons why companies use management consultants and overall these reasons were echoed by the clients interviewed. The main reasons why the clients said that they used consultants was to hire in expertise that they did not have, or when they did not have the resources (time, people) to do the job themselves. They identified a variety of assignments:

- Coaching
- Communicating strategy
- Performance Management
- Re-building functions – e.g. HR, Marketing

- Reward and Remuneration
- Specialist Training

The consultants surveyed indicated that their assignments covered

- Management and Leadership Development
- Risk Assessment and Mitigation
- Training
- Organisational Change
- Coaching
- Process Performance Improvement
- Project Management Support
- Selection
- HR Advisory
- Strategy development and implementation
- Facilitation

5.2.1 Outsourcing

Only one client referred to outsourcing and preferred suppliers as part of operational consultancy services used in his company. He maintained that it appeared to work well but also commented

'The consultants that do it have a very strong foot in the camp. I'm not sure how healthy that is to be honest with you'. (IV 800).

A second client said that it is something they would probably look at in the future but not now. He mentioned that his previous employer (also Financial Services) were actively looking at outsourcing (but primarily in relation to IT and call centres), with a view to benefiting from key efficiencies. (IV 1885)

The literature review would indicate mixed views on whether outsourcing has peaked or whether more companies will go down this route. However the two recent deals by

Centrica (with Hewitt and Associates) and Bank of Ireland (with Accenture) which focused on a wide spectrum of HR activities would support Czerniawska's view (2000) that there is a shift in consultancy from advice to 'doing'. This view was further substantiated by one consultant stating that one of her clients had already outsourced training, one other identified outsourcing as a potential threat while a third thought it could be both a threat and an opportunity.

5.2.2 Hidden Reasons

In addition to the above, when probing clients further other hidden reasons that occur from time to time emerged:

'they can also be used as a crutch and as a smokescreen in terms of an inability to discharge one's own responsibilities and to point to the fact that XYZ was proposed by the best in the marketplace in terms of consultancy, they have agreed with us the strategy and we have fallen down on implementation which is not in my arena and as a consequence the fault doesn't lie with me' (IV 280)

I do think sometimes consultants are brought in because someone in the company thinks it's the right thing to do. They think they have to have this 'brand' to convince others. Maybe that is internal politics. I do think there is an element of some people (staff) passing on work to others they network with or are friendly with. Someone is brought in for some kind of personal gain in the future. (IV 665)

If I relate one experience where I worked briefly, on secondment, for X (large consultancy firm) on a large project - the approach as far as I could determine was to validate the management view for a need for strategic change. There was no attempt to validate the change proposed. In my naiveté I was very surprised, now I can see why this type of tactic could be used to employ the old 'third party validation' trick. (S3 Q13)

'A HR Director who wanted to run an assessment centre – with a predetermined outcome – I decided to “wash my hair that day” and was unable to oblige!!'

(S5 Q12)

These are probably examples of what Weiss (1992) refers to as spurious reasons why some companies hire consultants .

5.2.3 Summary

In summary, companies use consultants for a myriad of reasons – most of them good reasons. However both clients and consultants have also recognised that there are times external consultants are called in for spurious reasons. There is no formal qualification required to be a management consultant and whether it is because of this, or for other reasons, qualifications are rarely sought openly. The main emphasis is on experience.

5.3 Identification and Selection Criteria

A key question was how do clients identify the consultants they wish to use, and what selection criteria do they put in place?

5.3.1 Identification

Kubr (1993) referred to directories, associations, and information from other clients and publications from the consulting firms themselves as the main sources of identification. Weiss (1992) maintained that there is no logic to the selection process, and first on his list was 'word of mouth', while Shenson (1990) placed emphasis on networking and personal marketing.

Both the clients and the consultants were at one on this issue. Without fail all those clients interviewed said that word of mouth, referrals / recommendations and past experience of using a particular consultant as the main identification tools.

'This might sound very unprofessional, but I personally would always go by word of mouth. I would be reluctant to pick someone from an ad in CIPD magazine. It

might be interesting to meet these people but I would always prefer to know somebody who has worked with somebody'. (IV 820)

'Word of mouth - definitely. It really is. In all cases it was recommendations'. (IV 1070)

'I have to say a lot of the time I would look for consultants that have been referred. I like to use consultants who I know something about'. (IV 1140)

Kubr's view regarding directories and consultant's publications and was not supported by either the clients interviewed or consultant's surveyed

'I also think sometimes the big houses have their fancy brochure and their fancy this that and the other and can produce ten people to come to a meeting. A lot of it can be very superficial but some people can be taken in by that, and get a comfort from that'. (IV 605)

'How do I pick? It has to be on a recommendation. And if you get a recommendation on somebody whose opinion you value that is worth more than a consultant coming in with a fancy proposal and a snazzy website. If you haven't either seen them in action and evaluated them or heard someone else who has seen them in action give you their feedback then really I think you are guessing'. (IV 940)

'It's funny, I would never even consider using the bigger companies because the use of a consultant is far more about who the individual is and what their expertise is rather than ringing a large consultancy, needing a service provided and anyone could land in the door. So whilst, the firm has a brand and comes with the recommendation that doesn't necessarily guarantee to me that the person I get is going to be good.' (IV 1185)

So certainly in the Irish market it would appear to be reputation and personal recommendations that capture the attention of the clients. This view was echoed by the consultants when asked how they get their work. In fact 60% of the independent consultants surveyed identified 'referrals' alone as their method of attracting work. The other 40% had referrals as their prime method followed by introductions and tendering.

There appears to be a link between sector and method – those consultants working in the public sector included tendering (driven by EU regulations) as a method of engaging their services, while those working in the private sector did not. In one case a consultant mentioned being awarded an assignment on the basis on tender only –with no face to face interaction. (S5 Q5)

However the 'tender' is a process of selection rather than identification. Prior to the tender one can only assume that if the consultant had never met the client then it was either a referral or a directory that prompted the issuing of the tender document.

This leads us to the question – having identified the possible consultants to be used, how do companies go about deciding who to award the assignment to? What is the selection process and what are the criteria used to decide?

5.3.2 Selection Process

Kubr (1999) suggested that a typical process consisted of nine steps from terms of reference to formal contract. However, the author did not find that such a structured formal approach was applied by all the clients.

Most spoke about the importance of identifying objectives and being clear on what was required at the outset of the assignment as key issues to consider. Two of those interviewed spoke of involving key stakeholders in the decision making process. Most of the clients interviewed used a meeting followed by a written proposal followed by a presentation as their process. One said he would also talk to people the consultants had

worked with as part of his process and apply weighting to the various criteria. Nearly all of the clients interviewed spoke about evaluating a consultant's presentation or proposal against specific criteria. Only one client said *'I don't have a pre defined list. A lot of it would be when you meet the individual person.'* (IV 1090)

5.3.3 Selection Criteria

Czerniawska and May (2004) in studying the MCA Survey found that clients identified the most important reason for choosing a consultant was the ability to deliver, followed by specialist knowledge and experience. (i.e. they have done it before). They also found that a lower level of importance was attached to criteria like reputation, word of mouth referrals, existing relationship and price.

The clients I interviewed also included Czerniawska and May's top three and they identified the following as some of the more important criteria for choosing a particular consultant:

- Track record of delivery
- Experience – to know they have done it before
- Whether they are an expert in the area; if they have the skill set
- The ability to understand the business and the situation and not just take the book off the shelf
- How competently and professionally they talk about their subject matter
- The ability to meet the needs; their professionalism; what exactly have they delivered before and how that ties in with requirements
- Whether they fit in with the beliefs of the organisation?
- The impact they make on you – the empathy
- The degree to which they will ask the awkward question and push things – add value, tweak your requirements
- At a minimum – to know what they are talking about, to deliver with confidence and to have credibility

The lack of importance attached to referrals and existing relationships identified by Czerniawska and May was not substantiated in my interviews with clients. As indicated earlier word of mouth referrals and existing relationships were mentioned as key considerations of the client companies. There may be two reasons for this disparity:

1. My interviewees were not asked to rank their criteria in order of importance
2. My interviewees were not based in the UK. All were working in the Dublin market which might have a different culture. As one of the interviewees said

'The reality is that no matter how this country has changed, we are still a closely knit personal society. If you want to know anything about anybody in this town, if you really want to put your mind to it you are going to find out. You get into your network.' (IV 2430)

5.4 Alignment of clients' and consultants' views

Czerniawaska and May identified a much closer alignment in HR consulting than Strategy consulting between what the clients' actual criteria were and what the consulting firms thought they were.

The consultants who participated in this research were asked what they thought clients looked for when engaging a consultant and what in their view makes a good client / consultant relationship. The following is a reflection of their overall views of what clients look for (no ranking was given):

- Good communication skills - good listener
- Good interpersonal skills – can relate, emotional engagement., can constructively challenge
- Trust – openness, honesty,
- Track record - knowledge and expertise
- Credibility
- Creativity, pragmatism and flexibility
- Quality / value for money

The clients themselves said that while cost may be a factor it was not the most important one. One client said that cost is not a major issue (within reason) in the Financial Services sector, but in his experience in other sectors e.g. manufacturing, it was.

The following is a summary of the consultants' overall views of what makes a good client/consultant relationship:

- Understanding of the clients industry, business and culture
- Clarity of objectives – realistic commitments, regular feedback, no surprises
- Delivering what was promised to a high standard
- Good communication – regular contact
- Good interpersonal relationships – ability to listen, question and challenge
- Openness – honestly, mutual respect, mutual support
- Flexibility and capacity to add value

The responses to the consultant questionnaire, when compared to the interview transcripts indicate a close alignment between clients and consultants view.

As an example, one consultant said that *'helping them frame their thoughts, make sense of seeming confusion'* was something that clients look for (S6 Q9). This was echoed by one of the clients who said:

'Sometimes you think you know your own requirements but in actual fact, sometimes you don't. So somebody who can understand the business and what it is you are trying to do and can actually challenge you on that. And they at least ask the right questions to help you figure out what it is you want. What really impresses me is when I meet a consultant and they are asking very practical and valid questions to help figure it out. They are not just taking at face value what you are saying and promising that they can deliver exactly what it is you want. I have a lot of respect for consultants who are honest and direct and upfront. (IV1120)

Sheth and Sobel (2002) also identified this ability to see the big picture; spotting themes and pattern and being able to draw things together, not just analyse as some of the qualities that result in excellent consultant/client relationship, and thereby allow the consultant to move from a supplier to being trusted advisor.

5.5 What clients do not like

A key point was mentioned by a number of the clients interviewed – they looked for a consultant who listens and asks good questions, challenges and makes suggestions. A number of clients spoke about consultants who don't listen or who come with a predetermined solution. This was a major negative in terms of selection.

'... one of the things that we pin pointed was that the consultant didn't listen. He would have come in with an assumption and there was a bit of 'off the shelf' about it. This consultant took a particular tack on the assignment that suited him. It caused problems for us. He didn't listen and take on board what we were trying to do with the business'. (IV 925)

'One of the things that I find strange is that some consultants, when they are selling a 'product' they try to squeeze it into what you want and that's not what your objective is. That would switch me off - if I thought they kept coming back to tell me that I 'had to do something' that I didn't need, but which they wanted. (IV 505)

'.....if a consultant is not listening to you at the beginning I would always have a problem. They are so busy telling you what they can deliver for you as opposed to trying to understand your need.' (IV 1500)

So, listening appears to be a critical skill that needs to be demonstrated by consultants when pitching for business. However judging by the clients comments it would appear to be a skill that some consultants lack.

5.6 What sets Excellent Consulting apart?

The previous pages have indicate what clients look for and what contributes to good client /consultant relationships, but what differentiate the average consultant from the good or really great consultant? The literature review would indicate that the following are some key ingredients:

- The ability to ask great questions
- The ability to focus in on the critical dimensions
- No agenda
- Ability to empower others
- Always puts the client first
- Good listeners
- Focus on collaboration rather than control
- Good Judgment
- Conviction and Integrity
- Adds value

The Management Consultancies Association (MCA) survey (2004) found that collaboration, communication, culture; originality and pragmatism were what set excellent consulting apart.

Sheth and Sobel identified ‘Selfless Independence and Empathy’ (being responsive to clients needs but maintaining objectivity and honesty) as the foundation of ‘breakthrough relationships with clients. This was echoed by one of the clients interviewed who said

‘The exceptional person will listen to what your needs are and will match them. But they won’t be so intent on pleasing you that the whole point of having them there is gone. In other words they are just trying to keep you happy. They are strong enough with good reasoning to be able to stand up and say I don’t agree with this, this is why I don’t agree with it, here’s what I propose and why I think

this is a better approach (for example). But in doing so, they also have the ability to include the people in the decisions. For me that is an exceptional consultant. It's a relationship based on 'you said you needed this, this is how I think it would work, this is what I suggest, we should agree it and we will do it together'. So it's that piece.' (IV 1590)

This seems to support the literature in terms of collaboration leading to 'break through relationships' which are the hallmark of the trusted advisor. Other clients put forward similar views in terms of the excellent consultant distinguishing him or herself by being able to challenge, ask questions, listen, go beyond the brief in terms of information or ideas or commitment.

Weiss (1992) states that the 'best' consultants strive to establish special relationships, and that relationships provide a worth that clients don't even try to put a price on.

Most of the consultants surveyed have similar views, believing that empathy, good communication, being a good listener, exceeding expectations, providing value added, honesty, integrity, making the client look good, no surprises, a high level of personal self awareness, flexibility and pragmatism are key ingredients.

Overall I found a close alignment between clients and consultants views on this question. The clients said the following:

'I think the good consultant is someone who plays a role at the outset in shaping the end product. They play a role from the outset in terms of helping the thinking and helping shape it in the context of... from their experience... to ensure that it is user friendly, and can be taken from a product into implementation, into measurement of success'. (IV 115)

'It's probably their listening skills...' 'Then it's the understanding they build up of the organisation – the brief I suppose. So maybe that's listening and questioning

skills. Then it's the added value piece, where they'll give you information and make suggestions over and above the brief. And I don't mean with a view to getting more business. It's with a view to doing some thing extra that adds value. I think as well it's someone you can get on with and trust.' (IV 515)

'The differentiating factor for me is whether this is someone I can work well with, have the honest conversation with - and that goes both ways. So part is the relationships and the added value in terms of the honest conversation'. (IV 900)

'What really impresses me is when I meet a consultant and they are asking very practical and valid questions to help figure it out. They are not just taking at face value what you are saying and promising that they can deliver exactly what it is you want. I have a lot of respect for consultants who are honest and direct and upfront. And somebody who says 'actually I have never done this before, but I think I can, here's what I propose to do'. I value that far more than somebody who says 'I can do anything you want – just tell me what it is'. (IV 1120)

'Somebody who goes beyond the call of duty. Doesn't just do what is one the tin, but does a lot more. In addition to that, is a person who has the stickiness or resonance with the organisation, who says 'what I'm doing here, I'll do the best I possibly can for the benefit of the organisation'. And that may mean going way above the call of duty, but however 'I'll do something extra, in addition to that' (IV2045)

One client summed it up by saying:

The people who have delivered this ['wow' factor'] for me have been people who have really related to the people they have worked with and when they were gone their work lived on after them in a very real way. Rather than just a project that was done it became 'business as usual'. So that to me is the 'wow' factor. You have got it all right , the relationship with the individuals, your knowledge, the

buy-in and commitment, the overall sponsorship, the delivery and then you have linked in to 'this is the way we now do things', this is business as usual. (IV 1670)

5.7 Evaluation of Assignments

An interesting finding for me was that despite what the 'textbooks' say (e.g. Kubr's nine stages including evaluation) none of the clients interviewed formally evaluated the assignments given to consultants. In part this was explained by the fact that in some cases there would be other evaluation (e.g. training course evaluation sheets) or that it would be obvious – either it was or was not delivered. However all admitted that if something went well it was never evaluated formally whereas if it went badly there was a reactive type of evaluation to try to identify where it went wrong.

5.8 Large consultancy firm or small independent – advantages and disadvantages

There was very little in the literature comparing independent management consultants to the larger firms. However Czerniawska (2002) identified that clients want an assurance that what they see during the proposal stage is what they will get. She also maintained that 'brand' has become a substitute for accreditation in the consultancy industry.

All the clients interviewed recognised that the advantages of the larger consultancy firms were capacity, resources, reach, access to world class standards and perhaps speed of response in terms of information and available consultants. Some of the disadvantages associated with employing large consultancy firms identified were the tendency for people to move or change during a project, organisational bureaucracy, consultant not taking personal responsibility, and no guarantee of the ability of the assigned consultant.

The disadvantages of the independent consultants were seen to be:

- The good ones not always being available
- Lack of capacity for larger assignments
- Lack of access to the same library or depth of information
- In some cases lack of ability to benchmark against world class standards

However, a key finding for me was that 50% of the clients interviewed (excluding the interim solutions consultant for whom the question was not relevant) said that they would have a preference for independent consultants over the major consultancy firms. Some reasons given were:

- Greater flexibility and more pragmatism
- The client is more important to the independent consultant and the relationship is generally stronger
- The client knows who they are getting and the clock is not ticking all the time
- The relationship, the rapport, the personal focus and the trust,
- The personal pride the independent consultant takes in their work
- A view that 'It's the person's own business and it's their life and their livelihood so you know it's important for them to please you and do a good job'

So overall, no consultant indicated a preference for the large consultancy firm – except where it was driven by scope or size of assignment, but half of those interviewed articulated a clear preference for using an independent consultant as a first choice.

One other point of note was that two clients said that you have to know how to manage consultants to get the best out of them – and that takes experience.

5.9 What is the future for the independent management consultant?

5.9.1 Introduction

Consultancy has changed dramatically over the last two decades and what has happened in the past may not be a predictor of the future. In some cases patterns may turn full cycle – e.g. in-sourcing to out-sourcing back to in-sourcing, or there may be such amazing technological developments that the world of consultancy in a decade from now may be unrecognisable to that which exists today.

Attempting to gaze into a crystal ball is a dangerous occupation – nevertheless both the clients and the consultants were asked to do this and to form a view on what the future would hold for the independent consultant, against the backdrop of increased globalisation, changing work practices and outsourcing.

5.9.2 The Consultants' Views

The consultants surveyed had the following views:

Perceived Opportunities:

- Organisations will continue to buy in help e.g. recruitment embargoes, increased pressure on compliance and corporate governance
- Lack of faith in and cost of large consultancy houses
- Laziness of larger consultancies who adopt a one approach fits all strategy
- Need for bespoke solution to small projects
- Ability to focus on niche and become a recognised expert
- Flexibility and agility of being an independent
- Opportunities for small groups of independent consultants to develop co-op style entities to compete with larger outsource operations
- Growth in the use of Executive Coaching, lonely CEO's, chaotic management, fast growing entrepreneurs
- Outsourcing – if it doesn't work
- Public sector formalised tendering seems to level the playing field

Perceived Threats:

- External forces in the economy
- An increasing tendency to buy big companies because of a perceived lower risk
- Larger consulting practices (resources)
- Larger consultancy firms developing niche units to focus on particular market opportunities
- Lack of international experience may result in an insular view of an increasingly global economy
- Outsourcing
- Independents staying as sole operators – has to be economies of scale with co-op style entities described above
- Not investing in developing skills and not being able to stay up to date with latest thinking
- Not being in a position to take on larger assignment without losing the personal element
- Fear of consultants, bad experiences
- Growing tendencies to go to tender – high cost in terms of time

5.9.3 The Clients' views

The clients interviewed put forward the following views:

Perceived Opportunities:

There was a clear view amongst all the clients that the niche market would provide a future for the independent consultant. This niche could be in the form of sector (e.g. Financial Services), size (e.g. small or medium sized companies) or specialism (e.g. compliance and labour law). In addition the lower cost of the independent which would be attractive to small companies was seen as a positive factor. The downsizing of HR departments was identified as a phenomenon that could result in a need for consultancy services. Finally, interim management was identified as a way that individuals who have

decided to become self employed could develop their network with a view to establishing themselves.

Perceived Threats:

The main threats identified by the clients were

- Scale – larger consultancies with bigger resources
- Too many independents in the market
- Economic downturn – ‘nice to have’ consultancy services will suffer
- Keeping up to date with the latest thinking, technology etc.
- Over stretch – not having the resources to deliver
- Availability or accessibility – independents cannot be everywhere

5.10 Summary

The findings of the research would indicate that independents consultants have key attributes which clients seek and although there are threats both in the market and inherent the business of being an independent consultant, there would appear to be many opportunities which if grasped would ensure that the independent consultant will survive despite the turbulence of the current business world.

CHAPTER SIX CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

The objectives of this research were as follows:

- To define what a management consultant is and does
- To explore how companies identify and select their consultants
- To identify what sets excellent consulting apart
- To compare and contrast the advantages of the large consultancy firms and the independent management consultant
- To identify opportunities and threats for the independent management consultants

And as a result of achieving these objectives to be in a position to answer the question

‘What the future for the independent consultant?’

This section will deal with each of the themes explored, presenting the results and finishing with a summary and recommendations.

6.1. What is a management consultant and what does one do?

The literature and the views of the clients would indicate a common view of what a management consultant is – someone external to the company with particular expertise which the company needs to solve a business problem. The main reasons companies hire these consultants is if they have not got the resources themselves but also to provide a fresh angle, objectivity, new ideas. At times there can be hidden (political) reasons for hiring consultants. The services offered are wide ranging from strategy formulation to executive coaching.

6.2 How do companies identify and select consultants?

While the text books spoke of directories and websites the clients the author interviewed said, without exception, that word of mouth and past experience of particular consultants was the primary way they identified their consultants.

The typical selection method used by the clients included a meeting, a proposal and a presentation. The key attributes which clients look for are ability to deliver, ability to listen, question, challenge appropriately and add value to the clients thinking. While the consultants felt that cost is an issue the clients said that as long as it is within reason it is not. This may be a reflection of the sector overwhelmingly represented in this research – financial services.

6.3 What sets excellent consulting apart?

The literature indicates a number of indicators of excellent consulting, for example - good questions, good listening, integrity, puts the clients first, adds value. The clients had a similar view – the ability to listen and understand the client's requirements, the willingness to be flexible, honesty in the relationship, going beyond the call of duty, and leaving a legacy behind.

6.4 Advantages and disadvantages of the independent consultant

There was a dearth of literature on this topic. However the one issue that was identified in the literature (Czerniawska 2000) was that clients like to know what or who they are buying. This obviously is a big advantage of the independent consultant. In addition the clients mentioned flexibility, the rapport or relationship and the pride they take in their work as other key advantages. The disadvantages were seen to be around scale – lack of resources, harder for them to keep up to date with world class benchmarking, and sometimes hard to get.

6.5 Opportunities and Threats for the independent consultant

The main threats identified by the consultants themselves and also by the clients were the larger consultancy firms, an economic downturn and keeping up to date. However the niche market was seen as a huge opportunity whether in terms of specialism (e.g. change management) or sector (e.g. Financial Services) or size (e.g. small and medium sized companies).

6.6 Conclusion

I believe that one consultant said it best:

'I believe people buy people. I have been self employed for seven years and consulting for five. Since then I have been involved in three companies and I still have a client from my first company. The majority of my clients today are from the second company. People follow people and if you can work on maintaining a relationship it will stay with you'. (S1 Q17)

Based on the research undertaken it appears to this author that as long as people continue to buy people and as long as independent consultants continue to demonstrate their flexibility, relationship management skills, willingness to keep up to date and go beyond the call of duty in their assignments there is a strong future ahead for them.

6.7 Recommendations

Based on this research and standing outside my own company and looking in, I would recommend to it the following actions:

- Build life long development and learning into the company's strategic goals
- Keep up to date with what is going on in the consulting world through
 - memberships of relevant organizations
 - networking with clients and other consultants
- Proactively ensure that all consultancy projects are formally evaluated and written feedback is received
- Explore the possibility of alliances with complementary but like minded independents
- Conduct a SWOT analysis, segment the client base and identify possible niche markets
- Review this in one year

Based on this research my recommendations to clients would be:

- Introduce a formal evaluation process for every consultancy project undertaken, not matter how big or small.
- Learn how to manage and use consultants to get the best out of them.

REFLECTIONS

The writing of this thesis was a huge learning experience for me both on a professional and personal level.

Would I have done anything different if I was to start again? Yes I would. I would have started broader – I would have contacted the relevant management institutes for their input and I would have approached some large consultancy firms for theirs.

Why? Because as an independent one tends to work on one's own - that is not to say 'alone'. This breeds a certain degree of self sufficiency which although healthy in one respect can mean that you see the world through your own eyes a lot of the time. My eyes did not see the same degree of optimism for the future that the clients and consultants who participated in this research saw. Now, looking back, I would have liked to have checked that out at another level by including bigger consultancies and institutes. I would be interested in how the bigger consultancies, or indeed the medium sized consultancies view their future. However maybe someone else who is struggling to come up with a suitable topic for a thesis could do this!

What did I learn? I learned that people are extremely generous with their time and are genuinely interested in helping – particularly those who have been down the thesis road. The scars must remain! I learned that the academic learning came from the research but the personal learning for me came from the discipline of writing.

And I learned, one day sitting in the library, reading two previous year's students' theses and noticing their dedications to one another that there is more to life than writing a thesis!

I hope they live happily ever after.

APPENDIX I

CLIENT INTERVIEW TRANSCRIPTS

5 **Thank you for giving your time for this interview. Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?**

Yes.

10 **Well, then could I start by asking you if you consider that you have had a large, medium or low use of consultancy services?**

15 I would say that if I look at the time in X and the short time here in this organisation it has been a reasonable level of engagement with the consultants directly, but particularly in X, in the context of the HR transformation project there would have been an awareness of the businesses' engagement with Y (large consultancy house) at the time in terms of they helping assist and plot the future of the HR organisation in X.

20 **And when you think of the term 'consultant' what do you think of?**

25 I think of a number of things. I think of individual consultants who can provide specialist training, specialist counselling, advice etc and at the other end of the scale I think of the likes of Y (large consultancy firm) who are tasked with very significant change programmes and who take quite a considerable role in leading and shaping and influencing on a global basis as opposed to the more discreet pieces that the individuals would be involved in.

30 **So one is more strategic, and the other might be more functional?**

Yes.

35 **In your experience what kind of selection criteria are used to decide who to give the piece or work to?**

40 I can only speak in the context of the individual consultants as opposed to the Y (large consultancy firm) range of things. Typically, up until more recently it has been done on a relatively informal basis based on recommendations from other HR professionals as to the people they have used, the talent, or the services provided. Latterly I would tend to this on a more structured basis where you would start off by doing an evaluation of the actual requirement itself, quite explicitly. Then identifying what role the external consultancy would play and contribute towards the delivery – and it may not be the entire project – and then we would identify the services to be provided, what would be the
45 desired outputs and how would we measure those. So we would develop a request for services type proposal. Depending on the level of time to be invested, the level of spend,

50 we may indeed put that out to tender to potential providers. We are in the process of
doing so at the minute with our Colleague Survey - where we have put down our header
thoughts of we would like out of the survey and the type of relationship that we would
wish for with the service provider.

55 **And in terms of the people that you have put it out to tender to, how have you
identified those?**

60 Combination of our own experience, using market intelligence in terms of contacts in the
market place and also CIPD in terms of who they would recommend in terms of the best
providers in the areas we are looking at.

65 **When you get everything back in what kind of decision making process do you go
through?**

70 We would evaluate the quality of the submission relative to the criteria that would be set
out. That's only one piece. Obviously we would have to combine the market intelligence
piece. Obviously what people tell you or promise, as you know, on occasion is not what
actually gets delivered. So it is a combination of both. And typically we would have
developed the proposal in consultation with the business - it would have been led by the
business - so we would have a small steering group. We would do a desk top evaluation
of the six or seven proposals we would have received in, in consultation with the steering
group to narrow it down to perhaps 2 or 3 and from there we would invite the prospective
75 suppliers to present to our executive team here, for the decision to be made.

80 **And then, let's say then that somebody is appointed, is the delivery evaluated in the
course of the assignment? Or what happens at there?**

85 I would talk on the theoretical rather than the practical. In theory you commit to a
provider. It's very hard to wind back, certainly before one complete round of the
'intervention' is delivered. Clearly you would need to ensure at each point or each stage
of delivery that the mark is being hit and if it's not for whatever remedial action to be
taken. Once you commit to a provider, from credibility and from an administrative
perspective you really are committed through, as I say, one term of the cycle. You do as
much as you can through that to ensure that delivery etc is in accordance with what was
promised. And I would also propose that there would be some kind of clause within an
arrangement that if delivery is not in accordance with what was promised there is some
90 form of peeling back of the reward.

95 **Have you had experience where you have been less than happy with the delivery of consultants' promises?**

100 There have been experiences – yes. To be fair to the consultants involved if I was to pin point where it came off the track it was probably at the early stage in terms of not defining the needs sufficiently - as a consequence leaving a higher than desired level of

105 interpretation. Consequently if you don't define what your end product should look like with a high degree of certainty you are not going to get the end product you should. So, there's learning in that. You need to be very explicit at the outset. You need to set out your stall to be fair to the providers, to give them a fair chance of delivering to be sure there is no misinterpretation of what is required from the intervention.

110 **Can I ask you, in terms of your experiences when you look at the good consultant versus the 'average' consultant, what is it that sets them apart?**

115 I think the good consultant is someone who plays a role at the outset in shaping the end product. They play a role from the outset in terms of helping the thinking and helping shape it in the context of... from their experience... to ensure that it is user friendly, and can be taken from a product into implementation, into measurement of success. So they have a role in 'shaping' - although in going to them we should be quite clear of what our ideas are. I think typically they have market experience; they have a track record of delivery, a willingness to adapt, if appropriate. And critically, that they maintain clear on-going communication as to how the project itself or piece of work is progressing.

120

So implicit in that is that the consultant needs to be willing and prepared to challenge things and that you would be open to that?

125 Absolutely. It is two way. They should be adding value. They should be bringing best practice, because typically the area the consultant is working in is something they will have a greater in-depth knowledge of – hence the call upon them. So, they should be willing to inform and shape – not to the degree of being the 'creator of', but ensuring the shape is correct. That from their experience the output is going to be the best product from the business perspective in terms of its usability.

130

135 **You said that they should be exposed to best practice and they have should have a more 'in-depth knowledge', but how important is it that they understand the culture of the organisation they are coming into?**

140 At the outset, in terms of selecting a provider it is essential that the providers themselves believe that they can deliver. In terms of that belief and that confidence, in terms of understanding the environment in which they are going to be operating in it is important - so that they can tailor and adapt their offering consistent with the environment they are going into. As you know markets can change in terms of the evolution stage of the business and so forth.

145 **I know we have touched on this earlier on, but what do you think are the biggest problems when taking consultants in to do a piece of work?**

150 I suppose from the hiring perspective, the more I engage with consultants the more my expectation become managed in terms of what they can contribute. So it isn't simply a case of finding someone who is 'an expert in the field' and investing significant funds. It requires a whole lot more than that and, on occasion, you can find that the degree of expertise and added value doesn't necessarily warrant the degree of time and spend, and an internal solution or drawing on internal resources (if they were available) on occasion
155 can deliver an equally good solution. The difficulty is that we don't have the time to do a number of things. If I could take my best person out of the team to work on an assignment which we have out with consultants at present she would know the business, she knows the dynamics, the chemistry but the issue here was one of time and we had to call upon external help in that instance.

160

In your experience, is one of the key drivers for going outside lack of resources or lack of time?

165 I would feel it is twofold. Internally it is lack of capacity internally – time and on occasion expertise. But there is also the desire to ensure that if you are changing then you are changing to the best available. The belief is that to reach that level a consultant or consultants can bring market experience and a depth of knowledge of the topic.

170

Following that through then, would you find that the recommendations that come from consultants by and large are adhered to and implemented, or by and large part of it is?

175 Typically it is in the range of partly adhered to, to not being implemented.

So it's at the lower end of the range?

180 Yes.

Why?

185 Perhaps it is to a degree at the outset that stakeholder buy-in to what is required hasn't been established. And that on occasion we tend to go on solo runs, engaging with the consultants who prepare a report in a direction which the business itself hasn't bought into and as a consequence won't apply itself to. I think the ground work has to be laid at the outset in terms of the need for change, how that change is going to be identified and then implemented. And essential in that is the need to get recognition that there is a need for change, to have senior business involvement in shaping what the changes needs to look like ahead of it being then portrayed in a request for services document. So that the request for services document identifies the outputs that we want, but those outputs have already been validated as being necessary from the business perspective. Then when you come to apply the outputs you are effectively delivering what the business wants rather than HR going off on a solo run.

Is there any responsibility on the consultant's shoulders in that regard?

200

My experience is that the consultants will look to the brief and deliver in terms of that brief. And they would, perhaps not unreasonably, work on the basis that if they are being given a brief then it's the brief which the business accepts will be implemented.

205 To a degree, the question perhaps is 'is it for the consultant to ensure that the output will be implemented?', which takes them beyond the brief in terms of the relationships in the business. Or is it purely to deliver what is being asked? And in fairness I think it is more the latter. Certainly, ideally an experienced consultant would ensure that they would get to understand our background, culture etc., and the rationale for the request and would look to ensure that their output is going to be implementable. It's not always the case. It is in their interest to ensure that it is going to be implemented – from a professional perspective and from a reputational perspective. It's not always the case

215 **It's interesting that you have said that in terms of their recommendations being implemented most are at the lower end of the scale of 'implemented'. Based on that, do you think that consultants add value overall?**

220 When you say add value – it is all relative to cost, relative to time invested. And do they add value at a level which is economic and efficient? In absolute terms yes, they will add value. They will bring new thinking. They will bring views opinions etc that we in the

225 normal course of our day won't have full expose to. The critical piece is whether the added value is at a level which is marked 'above' in terms of the return on cost and time invested. I think there are some consultants that will I believe, but there others that you would question at the end of the day if the involvement actually been worthwhile.

230 If I think back to my time with 'X' company in the context of the involvement with 'Y' (a large well known global consultancy firm)the huge monies invested in terms of HR Transformation for what will ultimately come to pass... could what will come to pass have been completed by the business itself with a far lower level of consultant involvement and investment? Unquestionably, yes, I believe it could have. You could argue that the involvement of the consultants itself ensured that it was shaped correctly at the end of the day. But in that instance I doubt it.

240 **And then if you naturally follow on from that. What are the advantages or disadvantages or the large consultancy practice versus the small independent consultant?**

245 I would instinctively be cautious towards the larger practices, in terms of wrestling away a larger degree of control and decision making from the company. My experience has been that they typically bring a fairly stock tried and tested offering which they then attempt to do one of two things – direct the company to the shape of their offering which doesn't necessarily always fit or equally they tend to adapt slightly their approach. But to do so and come up with an end offering which is good for the businesses can be very difficult because businesses can be so different - they can have such different mixes, cultures etc. that those aspects can actually be lost in terms of applying a standard approach or package onto a business.

250 There is far greater flexibility in terms of the smaller consultants in so far as they tend to be more fleet of foot. They may not have the same library or depth of material but typically strive to be more pragmatic and practical in their solutions.

255

And cost wise, would there be a big difference?

260 Yes.... well it depends on the nature of the project, the duration of the project, the challenge ahead. Whether it is providing a particular training intervention to re-shaping the strategy of the organisation. To me, at that level of the scale that's the senior management responsibility -with some advice – but that's what senior managers are paid for.

265

Presumably your experience isn't totally different from a lot of other people's experience in terms of, say, the large consultancy practices? And the impression I am getting is that.... Somewhat lack of flexibility, somewhat 'take it of the shelf and tweak it'. And if that's the case why are they so successful in your view? Because

270

people would say they are very successful....if you look financially at them?

Yes. It's interesting though.....in terms of measuring their success.....if you use financial success from the company's perspective that's one measure. Another measure

275

for the companies who engage with them is 'what difference have they actually made. What added value have they provided? And there can be a 'detatch' between the cost of investment and the return in terms of added value.

280

It leads on the question then of 'why are they employed in the first instance'? And I believe that on occasion, certainly at the larger end of things, they can be used.....certainly they can be used in terms of trying to get access to best practice, but they can also be used as a crutch and as a smokescreen in terms of an inability to discharge one's own responsibilities and to point to the fact that 'XYZ was proposed by the best in the marketplace in terms of consultancy, they have agreed with us the strategy

285

and we have fallen down on implementation which is not in my arena and as a consequence the fault doesn't lie with me. And I have brought the best thing in the market place, I have structured, I have positioned, but I believe the organisation, on implementation, has let me down'. And I think it can be used as a fallback, as a default on occasion when senior management fail to discharge their own responsibilities.

290

If you that take to the next stage of measuring success.....for me measuring success would be repeat business. Would you see more repeat business in the larger or smaller consultancies?

295

I would see certainly for my own experience it would be with the smaller consultancies. I would be far more inclined to re-engage with the knowledge and certainty of service delivery and product. My experience has been that in the practical and tangible sense, that is delivered more effectively by the smaller consultancy companies.

300

So going forward then...bearing in mind that there is far more globalisation, that the larger consultancy firms are merging and getting bigger, what is the future for the independent management consultant?

305

If I come back to why consultancy can and should be used. I would see it being more in a niche fashion, where a business such as ours wants to get into, in some detail and some depth, particular topics, doesn't have either the expertise locally or access to it in the wider organisation, doesn't have the time or the capacity to develop it itself and is

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Interview No.1 cont'd

comfortable with and confident in the provider in the marketplace. If I look and ourselves here we have recourse to our parent, in which there is a depth of expertise in various subject matters. And we can rely upon them and call upon them. Effectively they can act as a consultancy to this business. But outside of our circumstance I certainly think that I would be personally more inclined towards working with smaller consultancies in niche areas.

315

320

And then can I bring that on further. ... In my experience in the larger practices you will be assigned consultants who will come in...some of these may not have worked elsewhere – other than in the consultancy practice. So, if you look at the independent management consultant, what kind of a career route would you expect the good ones to have had?

325

On the premise that they are specialists in particular areas, you would look for a successful career. When I say 'career' that wouldn't necessarily be more than 10 years but in their chosen field of consultancy. And you would look for them to have developed a track record and a reputation in terms of being in the top quartile of their chosen field. Also, having had practical experience, ideally in more than one company. Depending on, for instance, if they were specialising in financial services, you would hope to see it across a number of companies, so that they have proven their ability to apply and be flexible and adapt - which is effectively what you are asking them to do on a consultancy basis for your own company. I would be less inclined towards the academic, I would be less inclined towards visibility from a CIPD perspective and so forth I would base my evaluation on market intelligence, on track record, on delivery. Qualifications, involvement with CIPD etc they can be a means to an end – but it's the end I'm more concerned with.

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335

340

When you say market intelligence...how to you get your market intelligence?

Through a network of HR professionals which you develop over a period of time. Even as you move organisations, or as other people leave and go elsewhere, you maintain a network. You also come to rely on the opinions of CIPD in time.

345

Is there any question that I haven't asked you that you think I should have? Or is there anything we haven't discussed that you think would be relevant?

350

One area that could be improved upon in terms of consultants we would use, and that is in their interest, is for them to include a portfolio of their work completed, of product delivered. Pro-activity around engaging with companies on the basis of extensive portfolios, and from the perspective of the prospective employer ensuring that as consultant you can give me three or four names of people you have worked with previously in companies who would welcome a call in terms of work done. That's very

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powerful. There is nothing more powerful than that. That is also part of the networking as well. They can give you the low-down beyond the glossies in terms of how practical the person was, what they delivered, what you have to keep an eye on etc. That to me is the best basis for consultants to sell their offerings

And you are saying that they DON'T do that?

365 Not as effectively as I believe they could. Whether it is a reticence but from a user perspective, that to me is the most powerful.

Thank you so much for your input. This has been very useful for me

370

Interview No 2.

Firstly thank you for taking the time to let me interview you.

That's no problem at all.

375

Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?

380

Yes. That's no problem.

May I start by asking you - How would you actually define a 'consultant' or 'consultancy'? What comes to mind?

385

What comes to mind is somebody that is confident in some specific kind of area. I do feel that there are a lot of people out there calling themselves consultants and they are not. So for me it is about somebody with a certain expertise, or certain knowledge or a certain skills set that they then wish to sell into companies, or sell on in some shape or form. So, for me it is about somebody having some sort of skill set.

390

And is it about giving advice? Or is it about actually coming in to do something?

395

Generally for me it is about knowledge transfer. In the mode in which we have used consultants, but yes, I could see where it is could also be coming in to do something as well.

400

Like?

I suppose if you had, for example, a big revenue audit. I wanted someone to go through HR and do a dry run from the revenue point of view, pointing out what could be wrong. So first of all I needed someone who had the knowledge and the confidence to do that piece of work. So that was kind of both – advice and doing something.

405

What I find, in general, is that we need a lot of advice on, and this is where we would use consultants, would be issues about compensation and benefits, but also on... for instance... we had a big change in the law recently on the remittance basis of taxation. In past we had difficulty attracting people to come and work in Dublin. One of the ways we could do it was to use the law which said that if you were a non national you only paid tax on monies you remitted into Ireland. So we had a large number of people employed off shore. In the last budget this was done away with. So we needed specialist tax advice linked to the law. That was a very complicated piece of work.

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415

Interview No 2. cont'd

420 Another example would probably be training and development. We don't have the skill set in-house; don't want to have a head count there. Actually it would be impossible to have a headcount that would cover the span of skills that we would need training on, so we would find people who have the knowledge and skill to do this. We would buy that in. So it's is a mixture.

425 The only other way we have used consultants, but I don't really feel they are consultants, would be for 'interims' or fixed term assignments. I really feel they are contractors rather than consultants. So I am not putting them in that category. So it is rooted in some sort of skill set where someone is going to come in and either advise me on how to solve a problem or do this piece of work for me.

430

From where or how do you source your consultants?

435 Good question. Some of it is 'the devil you know'. For example we use X (large consultancy firm), and we have always used them. So, whether it's because we feel that they know us so well and we don't have to start from scratch with somebody or not I don't know. Certainly if I thought they were not advising us properly I would change them. I would have to say though, it is probably on recommendation.

440 For instance, we wanted to change our employment lawyer.....so where do you start? So you ask around. Once I got a recommendation that didn't work out but in general they have worked out.

445 In one case we were looking for a piece of HR software that wasn't locally available, that needed to work on our web, and be accessed worldwide. In that case we knew no one so we literally worked on a beauty parade. We had our spec and we narrowed it down, and we were very happy with the end result. We did a lot of work and to answer your questions, when we don't have a recommendation we do a bit of research and set out our criteria for what we want. I think that is absolutely essential. That takes time but you do need to do that to come to an informed decision.

450

So you would have your objectives?

Absolutely.

460 **If I take out the legal, tax or specialist consultancy and focus on management consultants – how important would the accreditation the individual has be versus who they work for e.g. large consultancy houses?**

465 I would still feel that you can get people from the big houses and they are a waste of space. If I didn't feel that they were credible I wouldn't give them the job. So it wouldn't necessarily be that I would automatically go to the big houses at all. The only reason we go to X is that they have a history here and we have to have a different set of auditors.

Why would I go to an individual? - If I got a recommendation. In certain pockets of the organisations the accreditation would be very important.

470 Meeting our need is also important. If I had a need and I met two of the big houses and two independents, it's whoever I feel that meets that need. Yes, the big houses might be attractive because that have backup but I actually find there can be more bureaucracy there than if you are dealing with one person.

475

In what way?

480 In the sense that they may have to refer things for another opinion and sometimes they can add caveats to their opinions, so they are not totally prepared to stand over their opinions. There can be a bit of bureaucracy around protecting themselves. With an independent person in general they will give their view, their opinion and they just get on with it. More flexibility.

485 For example, in the legal side, part of the reason we wanted to look for an external counsel was we found that we were never getting a straight answer. The new person puts their opinion on the line. Sometimes with the bigger houses you don't get that – they are part of a system or they might have to work through internal politics.

490 **What would you be looking for in a consultant – regardless of where they come from?**

495 Probably experience. To know they have done it before is a comfort. To be able to say to me 'I tried that before and it can go this way or it can go this way'. So for me it is about experience. That why when I see these younger people going out and setting themselves up as consultants I think 'You haven't lived'. I know that may be narrow-minded – that you think of someone with grey hair. Maybe that's wrong. But for me it's that they have

500 been in this situation before and that they know what they are talking about based on experience.

One of the things that I find strange is that some consultants, when they are selling a 'product' they try to squeeze it into what you want and that's not what your objective is.
505 That would switch me off if I thought they kept coming back to tell me that I 'had to do something' that I didn't need, but which they wanted.

So for me its experience...if someone can tell me they have done it before they are way ahead.

510

If you take that to the next step.....what differentiates the average consultant from the good consultant, aside from experience?

515 It's probably their listening skills, because it's something that I feel if they have really listened to you and understood what you want. Then it's the understanding they build up of the organisation – the brief I suppose. So maybe that's listening and questioning skills.

Then it's the added value piece, where they'll give you information and make suggestions over and above the brief. And I don't mean with a view to getting more business. It's with a view to doing some thing extra that adds value.
520

I think as well its some one you can get on with and trust.

525

If I go back to the 'added value' piece, do you find that consultants do or don't add value?

530 In general I would have to say probably 'yes' from the people that we have used. And that is why you go back to them. In general there is something else brought to the table, or an angle you hadn't thought about.

At the end of an assignment, how do you evaluate it? Or do you evaluate it?

535

If we meet our end objective we probably don't evaluate it. In one instance we felt during the assignment that we were the ones coming up with a lot of the answers, but when we got the solution we didn't actually look back over it. Sometimes we might look back over our own role and assess that, rather than look back over the consultants' role. I sometimes think that that is where the questions would be. Unless something went radically wrong you would rarely question the consultants' role. You would just move on. You wouldn't use them again if you weren't happy.
540

545 What I find is, if it is a piece of work with a report, they will often do a draft report and talk it through. Which I find is good. They can assess your view of it; adjust the language if appropriate, for example for a wider audience. So you get a chance to look at it, which I find good.

550 In general I would rarely have chosen someone that I wouldn't have complete confidence so I have rarely commissioned something and been completely unhappy.

What are the biggest types of problems that you have found?

555 Where you hire them for their competence and they don't deliver. You are badly advised. But I think you have a part to play too.....if you haven't given them all the angles, or if they are coming up with something that is way off I think you have a responsibility to say something.

560

By and large you are saying that you have not been disappointed?

Overall I have been pretty happy.

565

What would you see as being the disadvantages or the advantages in the small or independent consultants versus the large consultancies?

570 I think probably the advantages of using the large consultancies, be it a misconception or not, is that they would have more access to information. So for instance if I need an international opinion I have to make sure this isn't going to counter-act any law somewhere else. And my assumption would be that they should have quicker and better access to that information. That could be a misconception, but however.

575 The other one would probably be resources. What I mean by that is that you need this to happen next week and they may be able to come up with a person.

580 If I tip that.....the advantage of using an independent person is that you are more important to the independent person. The client relationship is generally much stronger. There is more time as well put into the relationship. Generally if you are choosing that, they are going to do the work for you themselves, whereas in the big house the work may get passed around or there are four of them coming to meet you when you would prefer to deal with one. That's all wrapped around the customer relationship. Certainly I think that with the independent person if you build that relationship, you trust that person. You know they will put in the extra hour for you and you know they are not going to fleece you and you know that the clock is not ticking all the time. That's something that can happen with the big houses.

585

590 The other advantage with the independent is that you know what you are getting. If you ring up the big houses the person might have moved on and you get someone else.

Sometimes there is a desire amongst senior people to have one of the big names on a report. There is no doubt about it. Be it right or wrong it is sometimes required. In saying that, a classic example to me is the compensation and benefits side where I use an international company and an independent. The reason I use both is because they big name can give me access to world data but the independent will work with that data and give me extra pieces.

600 The view up the line some times with the independent person might be 'who is this person'? That might be a disadvantage for them.

I also think sometimes the big houses have their fancy brochure and their fancy this that and the other and can produce ten people to come to a meeting. A lot of it can be very superficial but some people can be taken in by that, and get a comfort from that. Does that go against the independent? It probably does. But I think if you have someone who is more balanced and more experienced they can cut through that and they realise that it's the competency and the quality of what you are going to get that is important.

610 I also think that what works for the independent person is the networking or the recommendations. I have never been asked to recommend one of the big four, but often I have been asked for recommendations for the independents. People are usually very clear on who they would recommend if it is an independent consultant.

615 **Would you agree with a view that the big house are used more for strategic assignments and the independent used more for functional type assignments?**

620 I don't know if I would agree with that. I think it depends on the relationship. Certainly if a consultant gets into a company, if they are good there will be more work coming. That happens for both sides. Maybe there is a comfort factor around the big one. But I think that is short sighted. For me it would depend on who I knew could do it – regardless of whether it is a strategic piece of work. I would prefer to know the person and work through it that way.

625 I can see why someone would form that view, but I still think that – knowing our chairman - if you had someone you could trust you would bring them in. For example we use a small company for executive coaching. There are only two people in the company but the consultant got in because one of the executives had worked with him previously.

630 So this is a very important piece of work but the person doing it is an independent consultant.

635 I also think that if you are not used to using consultants I think you would go with the safe bet i.e. the big houses, but the more you use external resources, the more you understand how to use them and the more you realise that it is not about a brand, it is about the competencies those people bring.

640 **When you say 'how to use them' what do you mean?**

645 I think that is important. If you need advice and you don't have it in-house you need someone you can call on. You have to make the decision 'can we buy that expertise in the market or can we not'? For all the money we spend on the tax side you would wonder whether we should have a tax person in-house. But the beauty of how we use that person is that they have a very rare background and experience. Taking them in-house might lose that.

650 I also think it is a matter of resourcing. Sometimes something has to give. You only have so much resources. It's a question of balancing your resources. If you are experienced you can judge better what to use the external resources for and how to use them. You can waste a lot of money if you don't use consultants right. There has to be some sort of common sense regarding the cost factor and what you can do yourself. To me its about filling some sort of knowledge or skills gap and making sure its not taking an opportunity away from someone internally who could do that.

660 **The examples that you have given so far are around access information, experience or advice that you don't have internally, or because you don't have the resources internally be it people or time. Have you come across other reasons why consultants are brought in?**

665 I do think sometimes consultants are brought in because someone in the company thinks it's the right thing to do. They think they have to have this 'brand' to convince others. Maybe that is internal politics. I do think there is an element of some people (staff) passing on work to others they network with or are friendly with. Someone is brought in for some kind of personal gain in the future. Also it could be because there is a limit on headcount due to efficiency ratios and you have no choice but to get a temporary consultant in to get the job done.

670

Moving forward then, what do you see as the opportunities or threats for the independent consultant?

675 I still think there is plenty of opportunity for the independent consultant. The reason I think that is that there are a lot of smaller organisations out there that don't want a big HR

680 Department but still want access to people who have the knowledge or skills. This is a niche. The smaller business prefer the smaller consultant who can structure something that works for both them and the client, and it's not on a meter all the time. I think there is a big advantage there.

685 I do think as well, that you know it's the person's own business and it's their life and their livelihood so you know it's important for them to please you and do a good job. I don't mean that this is in any way taking away from the big houses but they have bit more protection. What I generally found is that the book stops with the independent person but not also the employee of the big houses. I would rather give the business to the independent person because I feel that their heart and soul would be in it. I think they
690 would be more grateful for the business and then you can build up more trust.

What about threats?

695 I suppose keeping up to date has to be an issue - keeping your skills up to date. If you are good you are going to be in demand. You need to take time out and make sure you are developing and keeping abreast of the developments. The big houses probably send the people to the seminars.

700 Overstretch would be another threat. Underestimating what's involved, not having the resources and then missing a deadline.

Availability or access to the person might be another one. You may not be able to get the independent when you want them – regardless of what you are prepared to pay. If they
705 are good they may not be available.

There may be a threat that a client might try to poach you back in and you have to be very clear about what you want.

710 Overall I think that there is always a cost issue. Most independents do not charge what the big houses charge. And cost is definitely an issue for smaller companies, especially in terms of size of project. If the skill sets are the same and you can get more days consultancy for the same price you will go with the independent. And I do think that flexibility of the independents is an advantage.

715

Do you think that businesses are over dependent on consultants?

720 In certain areas, yes, I do. Sometimes too much knowledge or power can be given over to the consultant. In fact, what I am seeing now is that the executive coach is no longer seen as independent in some quarters.

What value do consultants bring to the business?

725 They fill that gap. They do bring a different perspective. They get you to think. They can
ask the 'stupid' question and get away with it, where others can't. You can use a
consultant to ask the questions that you can't ask, due to politics etc. That adds value.
Obviously so too do the solutions, results etc that they bring. They also bring an
independent set of eyes.

730

**In your experience would the majority of recommendations you have received from
consultants have been implemented or not? Or would you prefer to look at the
question in terms of – all of them, some of them, very few or them or none of them?**

735

I would feel that most of them have been implemented. We have been fairly lucky. But
that could be because we have given very specific briefs to our consultants. We are very
clear about what we want. That helps.

740

Is there any thing I haven't asked that you think I should have?

745 One thing that struck me is the question 'is it important that all the independents have
Masters degrees or qualifications?' I don't know. I look at it in terms of what experience
they have. I don't care if they are a member of the CIPD or not. Have they done it before
is what I want. Some people might want them to have qualifications but that is not what I
look for.

750 Overall, I do think there is a future for independent consultants.

750

Can I say thank you so much for giving me the time today.

755

Firstly, thank you for taking the time out to do this interview

760 That's no problem – you're welcome.

Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?

765 Yes.

Can I start by asking you, what comes to mind when you think of consultants or consultancy?

775 I think of someone external to the business; who is going to come in and has a different angle and a fresh angle. I think of someone who is coming in with a level of expertise that we haven't got, and who has a better level of skill than we currently have; and is going to come in and give you a fresh and distinct view, compared to someone who is already in the organization.

What are the types of assignments that in the past or at the moment you would use consultants for?

785 Why would I use them? For some of the reasons I have just said and then there is the cost argument – are you able to get skills sets in that you don't need long term in the business? The kind of fields would have been around the Performance Management side and training programmes. We also tend to use coaches quite a lot. You could argue whether coaches are consultants but I would put them in a box of consultancy. You are buying in a skills set, you are buying in experience and a different perspective. Interestingly most of our work as a corporate business has internal consultants. For example we have a part of the business called People, Organisation and Capabilities and they would be the internal consultants for HR. So if we are looking at changing business models there is less use of outside consultants.

795 What is interesting is that in relation to what you mentioned about globalization, outsourcing and shared services, part of our business – the operations area – would quite heavily leverage the outsourcing model while other parts of our business retain everything in-house. In relation to the part of the business that uses outsourcing, it is very heavily outsourced and there are three preferred suppliers. You could argue the merits of how much is outsourced – but it has worked well. And those consultants would sometimes come in and be used to identify potential opportunities to take that model a bit further. The consultants that do it have a very strong foot in the camp. I'm not sure how healthy that is to be honest with you.

805 **Is it interesting that you say that. Someone else also expressed that view in relation to the use of coaches – that the coaches have ‘breached the inner circle’ and now the question is being asked whether they are truly independent.**

810 Interestingly enough we have a couple of coaches that we use with our senior management team and the same question is being asked in one case. Are they genuinely acting as a coach or are they too much in the company ‘zone’? The line is getting blurred, to the extent that we are going to pull that person out.

815 **If I can focus on management consultants, may I ask how you identify and get them?**

820 This might sound very unprofessional, but I personally would always go by word of mouth. I would be reluctant to pick someone from an ad in CIPD magazine. It might be interesting to meet these people but I would always prefer to know somebody who has worked with somebody.

825 When I moved into a Training and Development role I got a lot more exposure to training and development consultants. We were doing a piece of work around Emotional Intelligence and we came across three consultants who could do it for us and I found it very useful to go off and talk to some people that they had worked with. It just gives you a better sense of what they are about. Brochures can be very good, presentations can be very good, the feel you get can be very good but until you actually see someone in action you just don’t know. So talking with people who have used them helps.

830 Have I ever used anyone without a personal recommendation? I did once. It was a reasonably straight forward piece of work. We could have gone with someone we knew but we decided to try out someone else. It turned out to be one of the few times where it wasn’t well done. We could have done a better job ourselves.

835 **So, if you are talking about the ‘independent’ consultant, how important is accreditation or some kind of qualification in your decision making process?**

840 Have I ever consciously looked for that in the past? No. That’s being honest. Going forward, if I was looking for a particular expertise, say in management development, I might look for it. So, I suppose if I felt it was a specialist niche area, for example using psychometric tools, I would look for accreditation. In a more broad area, for example, general management training, personally I wouldn’t be too concerned.

845

What kind of a selection process do you use?

850

In one particular example, we would have put together a brief for three consultancy firms, sent it out to them and asked them to give us their proposal – in terms of how they would do it, what they would bring to it and costs. I had mapped out criteria with weightings and we used that as a first cut. That got it down from three to two. Then I went out talked to people who had used these companies. So, it was a mixture of criteria, proposals and word of mouth recommendations.

855

Did you meet the three?

860

Yes and gave them the brief.

When you met the three, was the feeling already established that you liked one? Was that the one you went with?

865

There was one we didn't like straight away. The other two – the style was right. One just did not come across in a way that reflected the precise skills we were looking for. When we then met the company we were less impressed. So we excluded them and went forward with the other two.

870

If you bring it down to the individual, the actual consultant that you might be engaging. What do you look for in a consultant?

875

I can be a bit too logical at times, but I would tend to start with the logical stuff. Are they an expert in the area, have they the skill set? Then I would look at the individual relationship, the ability to understand the business and the situation you are in and not just take book off the shelf. And then the other thing, the degree to which they will ask the awkward questions and push things. That is good. Because if someone is not doing that for you I don't think they are bringing the added value. If they are not asking the tough questions. They should be pushing people, and pointing out things that don't add up. So it's the hard factors and also around relationships and added value.

880

If I go back to the previous example where we chose not to go with a particular consultant. Technically he probably was good but we just didn't get the rub on the other side.

885

Cost certainly comes into it, but having said that, within reason it wouldn't be the key driver.

890

895 **Building on that, what in your view is the difference between the good consultant and the average consultant?**

The base line for me is that you are asking someone to come in and run with a particular project. Most of my experience is around training and some general management projects. At a minimum you expect the consultant to know what they are talking about, to deliver with confidence and to have credibility. The differentiating factor for me is whether this is someone I can work well with, have the honest conversation with - and that goes both ways. So part is the relationships and the added value in terms of the honest conversation. And the third thing is the practical bit. Has the consultant actually done this before and to what degree? That could be a differentiating factor.

905

Aside from the bad experience you mentioned at the proposal stage, what have been the biggest problems you have experienced with consultants?

910 The good ones are never available! But you can get around that by booking people ahead. It then isn't really an issue. Anyway I would question that if a company needs someone like 'now' then it's a company problem. They should have been doing something about it.

915

Is that a disadvantage of the independent consultant?

Well, actually something that I have learned over the years is that a lot is down to the individual consultant. You might assume that the bigger consultancy houses are better, but at the end of the day it is all down to the individual consultant. And you are not always guaranteed who you will get with the larger houses.

920

Do you evaluate the assignments when completed?

925

In the incidence where it didn't go well, we did talk about it but we didn't evaluate it formally. But one of the things that we pin pointed was that the consultant didn't listen. He would have come in with an assumption and there was a bit of 'off the shelf' about it. This consultant took a particular tack on the assignment that suited him. It caused problems for us. He didn't listen and take on board what we were trying to do with the business.

930

935 **You say the consultant didn't listen. Can I ask how important is it for the consultant to understand your business and your culture?**

It's huge. That's where some consultants have a huge advantage. But you also need the consultant to have the breadth of experience, and not just have worked with your company, but have worked in many companies and other industries. You need the balance between someone who knows your business and culture but not being a slave to it. But I do think it's an advantage.

940
945 **And then if you take about advantages, and you think about the independent consultant, what are the advantages and disadvantages of using them?**

When I think independent I think – flexibility. Flexibility around accommodating what we are trying to do. Genuinely working around diary, even cost. You get the sense that you are important to them and not just another client. A personal touch and a personal interest. You do get a sense for the person and you know what you are getting. As I mentioned if you are dealing with the bigger houses you may not know who you are getting.

950
955 The disadvantages might be around scale. Do they have the resources to scale up to large projects? These are the advantages of the big firms – systems, processes. However the disadvantages of the big firms? Probably flexibility, even around price.

960
965 Rightly or wrongly, you probably expect a higher level of expertise with the bigger houses. What I mean is – access to information etc. They have huge resources, they get great training. But on the other hand, the consultants can be a little bit robotic. They can do things the 'XYZ' way.

970
975 In relation to the independent consultant I would expect then to have a lot more 'grounding' - someone who has been at the coal face. So in the larger houses you may find people who haven't been out in the field. So with the independents you expect that they have, and that they will be more grounded and practical.

980 **Then, going forward, what would you consider to be the opportunities and threats for the independent consultant?**

985
990 It's a hard question. If I go back to the original question. Why would you use a consultant? You use them for experience and expertise. So if you are really a top level expert in, say, organizational culture, that's a huge niche to have an expertise in. So I think there are opportunities in terms of having the expertise. This might appeal to the bigger consultancies. What about the medium sized companies? Do the bigger consultancies pay attention to that type of company? Money might put these companies off approaching the large consultancies. So this might be a market for the independents

980

that might have strong potential opportunity. I think the other piece is the niche skill or expertise you might bring to it. They would be the opportunities.

985

The threats are probably easier to see. Large companies might have their own consultants. And if outsourcing, it's probably to larger consultancies. The other threat may be cost – depending on the industry. Some companies really have no interest in people. They pay lip service. But cost could prevent them from using outside resources to help them go forward.

990

The scale issue might be another potential threat. Like the corner shop. Will the larger consultancies gobble up the smaller ones? Maybe.

Finally, are companies over dependent on consultancies?

995

Some are. It's a personal view. But in my experience in one case part of a company that I worked with was. The company was far too dependent on one consultancy/outsource provider. This consultancy had got their claws in everywhere. They were totally enmeshed in the company. They were even physically located in the company.

1000

I know someone who is a consultant. He has been amazed how companies are not seeing the danger of outsourcing so much. How do you get those skills back in.? You may be saving costs but there are dangers. However it is the way some businesses are going.

1005

Going back to the management consultancies – if you are not careful it can happen there too.

The flip side of that – at the end of the day do consultants add value?

1010

Yes. The ones that I have seen in the main do. Yes. Absolutely. And if they aren't you shouldn't be using them.

1015

Is there anything that I have not asked you that I should have or that we have not covered that you feel is relevant?

Not that I can think of.

1020

Well, can I finish by staying thanks again for giving me your time. I really appreciate it.

1025 **Many thanks for taking the time to do this interview. Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?**

Yes, absolutely.

1030

May I start by asking – how would you define the term consultant?

1035 I suppose for me it is where the company doesn't have expertise in a particular area that you would look to a consultant to provide that service or work on a particular project in the area which is their expertise. So in our case we would use consultants, like yourself, for training or so on. At the moment we are also using a marketing consultant. So for me it would be where the company hasn't got the capacity to do it themselves or the expertise. For us more usually it's the expertise – we then to find the capacity. We also
1040 engage what for us are consultants but they really are IT contractors. They obviously are used quite specifically. But with IT consultants you start to get into the area of 'are they really consultants or are they employees. The lines can be very blurred.

1045 **So you are saying the type of things you would use consultants for are training, marketing, IT?**

Yes

1050

And from past experience would you have used them for any thing else?

1055 Yes, there was one stage where I was trying to introduce some sort of performance management piece. It was an ad hoc piece. It was more driven out of the fact that I had a good relationship with the consultant and I valued their opinion and they had the background. So it wasn't a project. I just wanted to bounce ideas.

1060 **So, it could be training, marketing, IT, but it could also be advice?**

Yes. Advice. Obviously we use lawyers for advice too. But I don't think of them as consultants.

1065

Interview No. 4 cont'd

I would like to focus on management consultants. And I would like to ask you – how do you get your consultants?

1070 Word of mouth -definitely. It really is. In all cases it was recommendations. In the back
of my mind I have felt in the past that I should really be putting this out to tender and
have people pitch for the business and so on. But honestly I would just be opening the
Yellow Pages and throwing a dart at it. How do I pick? It has to be on a recommendation.
1075 And if you get a recommendation on somebody whose opinion you value that is worth
more than a consultant coming in with a fancy proposal and a snazzy website. If you
haven't either seen them in action and evaluated them or heard someone else who has
seen them in action give you their feedback then really I think you are guessing.

1080 **Lets say you do get a recommendation and somebody comes in, I presume you
would get them to give you some kind of proposal?**

I would, yes.

1085

**Then what are your evaluation criteria, and would you emphasize some things over
others?**

1090 I don't have a pre defined list. A lot of it would be when you meet the individual person I
suppose how competently and professionally they talk about their subject matter.
Sometimes it comes down to how you interact with them. Some people rub you up the
wrong way. Obviously the range of services and products that they can provide may be
an issue – depending on what it is.

1095 Cost is a factor but I would be more interested in the quality of service that they can
provide, as long as the cost is within reason. And I think that more important than cost is
the sense of 'is this person actually billing you for every minute of the conversation'?
Are they sneaking in hidden costs here and there? It's not always necessarily the bottom
line – although that is important, it's more how are they structuring this and are they
1100 somebody who is potentially going to rip you off?

**That's interesting, you are not the first person to say that to me.....about the clock
ticking.**

1105

I think with management consultants it tends to be more based upon the job or
assignment.

1110 **So apart from how competently and professionally they talk about their subject matter, is there anything else you would look for in a consultant?**

I like when somebody will challenge me or question me – have you thought about this, or what about...? Somebody who has the ability to help you tweak your own requirements.
1115 Sometimes you think you know your own requirements but in actual fact, sometimes you don't. So somebody who can understand the business and what it is you are trying to do and can actually challenge you on that. And they at least ask the right questions to help you figure out what it is you want. What really impresses me is when I meet a consultant and they are asking very practical and valid questions to help figure it out. They are not
1120 just taking at face value what you are saying and promising that they can deliver exactly what it is you want. I have a lot of respect for consultants who are honest and direct and upfront. And somebody who says 'actually I have never done this before, but I think I can, here's what I propose to do'. I value that far more than somebody who says 'I can do anything you want – just tell me what it is'.

1125

In terms of the relationship – what characterizes an effective relationship with a consultant?

1130 I think being direct and upfront and honest with one another is very important. Being able to get the right balance between 'follow-up' and 'hounding' you. There has to be trust there as well. You are putting yourself out there and your own reputation is on the line. You have place trust in this person that you will get value.

1135

That brings me on to the next question. How do you evaluate the assignment after it is completed? Or do you evaluate it?

1140 Again, being honest – probably not formally. Regarding training there will be the evaluation sheets and on top of that I would always speak to the participants on the course. It's informal. But you would also look to see if the agreed changes have taken place. In relation to the marketing piece at the moment – there will be an evaluation. That will be directly related to the tangible results we expect to see.

1145

You will experience the outcome?

Yes. Not formally, but intuitively.

1150

Interview No. 4 cont'd

And then, if you think back to here or previous experiences, what are the biggest problems you have experienced with hiring consultants?

1155 To be honest I have been lucky. But common complaints I might hear from colleagues – definitely this billing issue is one. This kind of...you pay for 15 minutes when you call them for 5. Another is that maybe they are not adding the value. But I wouldn't engage the consultant if I felt that. I'm sometimes puzzled by that argument. I don't know what else.

1160

If you turn it around the other way – what has made your experiences successful? Is it that you happen to hit on the right people? Is it that you are very clear about what you want? Is it that you are very clear that they have done this before?

1165

I think it would be that I would engage a consultant only when I am clear about what I want to achieve. At least at the end. I'm not necessarily clear about every piece at every step along the way – that's their job – but I would be clear about what the objectives should be. Any time I have used a consultant that has been the case.

1170

So that has helped?

1175 Well I think it does. Because you are able to be clear with the consultant about what you expect. Then they can say either yes or no to the assignment, and if yes, they can write a specific proposal around how they can do it. It is then easier to evaluate because you can say, 'well, these were my expectations'.

1180 **Then, if you think about the large consultancy firms versus the independent consultant, what are the advantages or disadvantages of either of them? Or what would attract you to one versus the other?**

1185 It's funny, I would never even consider using the bigger companies because the use of a consultant is far more about who the individual is and what their expertise is rather than ringing a large consultancy, needing a service provided and anyone could land in the door. So whilst, the firm has a brand and comes with the recommendation that doesn't necessarily guarantee to me that the person I get is going to be good. So we use, for instance, X company for tax advice. There are certain people within that company that I would rate and there are others that I wouldn't. If I rang a large management consultancy company for a piece of advice, the same thing could happen.

1190

1195 **There is a view that the brand name is the equivalent of a qualification. In other words, if you are working for a well known management consultancy firm then there could be a view that 'you must be good'. What I think you are saying is that the brand is not necessarily accreditation?**

1200 For me it's not.

And would you look for accreditation in the independent consultants?

1205 It's funny. I wouldn't ask somebody what their qualifications are. I would be interested in their experience and what they have done before.

Is there anything else you would be interested in?

1210 Whether they understand the business. Not necessarily our products and services – but that if I talk to them about the nature of our business that they understand what that means for the culture and the particular project that they are working for. And that they adjust their approach to my request and ask the right questions. I wouldn't be interested in the qualifications. I'm sure there are plenty of good consultants that don't have some
1215 qualifications. Qualifications are not something that I over value at all.

But understanding the business and fitting with your culture is important?

1220 Yes.

What are the disadvantages of the independent consultant?

1225 One potential disadvantage might be (and I haven't experienced it) because they are just 'one person' they would be able to deliver everything. They can't have an expertise in every area. However I haven't found that to be a disadvantage. What I have found is that if you are working with a consultant and it is something that they themselves cannot do they will often have a network of people around them that they can refer you to. So, for
1230 example, I'm working with a marketing consultant and I want to do an ad in the Irish Times, he doesn't know how to do that but he has a contact that can. So it hasn't been an issue with me, although I can see that it could be.

1235

Then, if you look at the opportunities and threat – as you might perceive them to be for the independent consultant – what are they?

1240

The opportunities are that the way business gets done in this country it tends to be by word of mouth. That is an advantage for the independent consultant who is good and particularly within the HR community as people there do network very well. There is therefore a grapevine that operates quite well. People do recommend. That is an opportunity. Companies are becoming more open to the idea of using consultants and recognizing that individuals within their own companies should focus on what is important for the company and outsource when you haven't got the time or expertise to do it. That's less threatening than it was years ago for companies

1245

1250

Speaking about outsourcing, you mean the fear of it?

Yes, it used to be 'lets do everything ourselves'. And we used to do everything ourselves. People are now more focused on the opportunity costs. So if I'm spending my time learning how to be a trainer what is the opportunity cost when I could be hiring 20 new employees who are going to make money for the company. So I think there is much more of that type of thought process going on rather than a reluctance, which there used to be, to pay for consultants.

1255

1260

If you then look at the other side, do you think that companies are over dependent on consultants?

They could be. I certainly have seen situations where consultants have been there for three years! They have their own desk! It was with a large multinational and the consultant was working of a culture piece. It went on for years. You have to wonder. Certainly it would get huge publicity in the public sector that it doesn't get in the private sector.

1265

I don't think that this company is over reliant on consultants.

1270

What value do you think consultants add to the business?

What consultants do is bring another perspective and bring an area of expertise into the company that doesn't already exist. If they don't add value you shouldn't be using them – it's as simple as that. I think that consultants do add value, in my experience, yes.

1275

And to be fair, the consultants that I have worked with would be very focused themselves on wanting to add value. They are only as good as their last job as well, because as soon

1280

Interview No. 4 cont'd

as something goes wrong they're getting a bad recommendation. And their brand is damaged and their business will probably fairly quickly come to an end. So in my experience, yes they do bring value.

1285

Finally, is there anything I haven't asked or haven't touched on that I should have?

I don't think so.

1290

Well then, pulling the whole thing together and going back to where I started which is.... 'what's the future for the independent management consultant?'.... What is your view?

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I think there always will be a future. Frankly, within the HR space I would think there's a big gap in the market because I think there is a dearth of really good people who at the end of the day can give really practical advice or can provide practical solutions for business problems. The consultant is all about making things simpler and not dressing things up to be more complex than they need to be. So often, as a person working in a company, because you are so immersed in it, you might feel that you have this very complex problem but when you speak to somebody outside who has a concept of what the business is and what its requirements are, knows the subject matter that you are talking about, often their advice tends to be very simple. Or their solution tends to be simple. And I think there is a future there because there are a lot of people working in companies who don't have the expertise to do what it is that they want to do. And often the companies don't want to send their people on training or focused on MBAs. They just want them to do their job. And in many ways they value their employees' time more than the price they are paying for the consultant. So I don't think that there is a major threat out there in today's current conditions.

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Would you see any particular opportunities?

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Well, in the HR arena we have moved from an adversarial type of employer/employee relationship – an industrial relations type focus, to a much more of an employee focus. Even the way the legislation is going, e.g. the Information and Consultation Directive, I think there are lots of people working in HR now who may know very little about the law and the threats of or potential danger areas in their jobs. And I think there are opportunities there for consultants, as one example. Simply because the whole area is becoming more complex you may need these services.

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I think it is all about building a network of contacts and getting recommendations from people. It's funny, management consultants have never come knocking on my door. You get the bump from, for example, general training providers. But you don't get that from a management consultant. Individuals don't tend to do that.

Should they cold call more?

1330 I don't know. There is something pretty awful about cold calling. You avoid cold calls. Cold calling doesn't do it for me personally. I still come back to 'what are the recommendations'. And can I work with person? Because if they are good you want to use them again and again and again.

1335 The better relationship you have with the consultant, the more you are inclined to share with them and automatically the more they end up doing. Obviously, underpinning all of that, you have to value their judgment, what they can deliver or do for you and their competency. That's it in a nutshell.

1340 **That's great. Thank you so much for giving me this time.**

1345 **Firstly, thank you for agreeing to talk to me in relation to this thesis. I have explained the background to the thesis when we first spoke about this interview, are you happy with the context I have set and the issues around confidentiality and recording?**

1350 Absolutely.

1355 **What I would find useful for the purpose of this interview is for you to summarise your background in relation to hiring and working with consultants because you would be quite different to some of the other people I am interview bearing in mind your 'international' experience.**

1360 Ok. At the moment the way we are using both the small independent consultants are the larger consultancy firms. In relation to one of the big firms that we are employing at the moment, what we are employing them for is their expertise and the models that they have and the processes that they have. The way we (full time employees) were described recently was 'gifted amateurs' and these big consultancy firm bring in the experience that they had in various places.

1365 **I would like to talk about that they bring in a little while, but first could I ask you to outline the broader picture of your use of consultants, e.g. domestic use, international use.**

1370 Yes, when I worked with X (International Financial Services Company) sometimes we employed companies but a lot of the time we employed individuals. A lot of the individuals were retired from the company, or independent. The big difficulty was in knowing how good they were before we employed them. And that was an issue. Sometimes their CVs got over that, but sometimes they didn't always check out with their references or things like that. The other thing was sometimes they didn't have practical
1375 previous experience. And that was obviously a big issue – a leap of faith to take these people on.

1380 **Sure...and maybe I can come back to that in relation to the selection process. So, you have hired companies and individuals both for domestic and international assignments?**

Absolutely.

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Interview No. 5 cont'd

Against that background, can I ask you, then somebody uses the term 'consultant' or consultancy' to you what springs to mind. What do you think of?

1390 What springs to mind is an expert, somebody who has expertise in a particular area, who can bring that and marry it with the experience and knowledge that are on the ground to produce a really good result. So the important thing, I suppose, is that it is not a duplication of what the people already have. It is that additional knowledge or experience that maybe is lacking on the ground .For example; we are using someone at the moment
1395 who does some process mapping for us. And the reason we use him is that we have people who have gone on courses for process mapping but they actually have never done it or seen it done. And so he brought that .to the table. We used our information but he brought his experience.

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And if you look either at the moment or in the past, what type of assignments have you used consultants for?

1405 Well, the obvious one is training. But a lot of the consultancy in Eastern Europe was more advisory. We had people who we were advising on how to rebuild their HR function or the Marketing function or whatever. So it wasn't consultancy in the way sometimes that you think of consultancy. It was more advising but also helping them to implement.

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When you say 'not in the way you think of consultancy' ...is advising and implementing not what you think consultancy is?

1415 Well, sometimes the consultant comes in.....and I am kind of contradicting myself here because on the one hand you want them to come in with their models and all that sort of thing. That's what you want. But I think that is the 'bare' consultants. Where the value is, is when the consultant advises you what to do with everything towards implementation. I'll give you an example. At the moment we are working with X (large consultancy firm) as you know. There is a big emphasis on what is in scope or out of scope – that is what is
1420 going to be delivered or not by the consultant. For some of the issues we are going to get the information but have to implement it ourselves. For me the added value is when the consultant gets all the data, puts it together and then they work with the staff to implement it. That's the 'old plated' consultant from my point of view.

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Interview No. 5 cont'd

And would like to explore that 'gold plated' view further. But for the moment am I right in saying that the main types of assignments you have used consultants for are training and also range of business strategy, or process redesign, or restructuring - as in Eastern Europe?

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Absolutely. And then we have someone in to do something else. I don't know if you would term it consultancy but it was one to one coaching with a number of the management team. I guess they are still consultants. So over the years I would have had different types of consultants but they all come in under the same things – advisory, advisory plus implementation or training.

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And then, can I ask how do you source or identify your consultants?

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I have to say a lot of the time I would look for consultants that have been referred. I like to use consultants who I know something about. For example, we used a trainer for a change management programme and I got to know him because I was on his course. So there are very few that I would use that I wouldn't have some knowledge of beforehand. It would be very, very rare, in fact I can't think of the last time, that I took somebody blind. Even when we were hiring for Eastern Europe there was nearly always some sort of connection. We did take some people, if you like 'blind' in that we did not know their work record. And some of them worked out well but it was rare. It is definitely a network think or a recommendation or the fact that we have used them before.

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And would that hold true, not just for individual consultants, but for companies?

Yes.

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In taking them in, you get your connection or prior knowledge, and if you know them before you have seen them deliver. If it's a referral from someone else what selection method would you use?

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Well, normally what I would do is interview them. Some people would have a 'chat' with a consultant. When I meet a consultant, if they are coming in for a 'chat' I already have a problem with them, because you expect them to come in and have a formal discussion. I would lay down what I think I want and I would usually have that worked out and equally expect them to give me a fairly good guide on what they could provide. That would be a start. That would be the initial contact.

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I would follow up and ask them for a reference from other companies. I would ring a company and ask them how they have used the consultants, what was the deliverable,

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Interview No. 5 cont'd

anything they could tell me. And in most cases anybody that I rang was quite forthcoming.

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After I meet them I would then ask them to send in a proposal. That proposal would have to contain the specifics of what they were going to deliver, the time, preparation time, and any other details and the cost etc. For me some of that shows a certain amount of professionalism. If someone isn't talking about money I would be concerned – do they know how to deal with me?

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That's normally the process that I would go through. I would rarely recruit anybody if I didn't have something like that. I think that sometimes people are afraid of consultants, maybe more in awe of them.

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What flows from that intimidation or awe?

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Sometimes people don't work out exactly what they want – they take what is being offered. I was probably the same initially, but over the years you learn. What is your price? What are you going to do for me? When are you going to do it? What are the prerequisites? How can you prove that you would be able to do the job? What are the penalties for non-delivery? Unfortunately people don't always think about these things.

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So, based on that, if I was to summarise the criteria would they be – their understanding of your need which would be in the proposal; what they can actually do; the timeframe; whether the price is right; and then references in terms of 'have they done this before and what is the feedback?'

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Yes. And sometimes it's interesting that if a consultant is not listening to you at the beginning I would always have a problem. They are so busy telling you what they can deliver for you as opposed to trying to understand your need. I always think that that particular discussion should be so formal and should be so structured; that is always important.

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And if you were to rank your selection criteria – what would the order of importance be?

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Obviously the ability to meet the needs is up there. Their professionalism is always important. It gives you an indication of how they are going to deal with you and with other people in the organisation, how they approach the interaction with you, their experience. I'm talking about 'real experience'. What exactly have they delivered, how recently, how does it tie in? So price isn't as far up as you might think. But the fact is that

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I would always have a good idea as to what is a reasonable price. And I would always find out what the market rate is.

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Have you turned down things on price?

No. But most of mine would come from referrals so I would have a good idea before I started.

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How do you assess the success of assignments? Do you do it formally, do you do it informally, or do you do it at all?

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Well, the answer would be all of the above! The important thing is to have the objectives clearly stated at the beginning. Then you clearly know whether it has been a success or not. With regard to something like training, you need to be very clear about what you need to have delivered. And it's not just in general terms like 'an interviewing skills course'. I'd always be interested in the components of the course and at the end of the day what people can use it for. So there would always be the evaluation afterwards and the 'happiness sheets' that the trainer gives out are fine but we do our own. That's one way.

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With regard to other consultancy – go back to the objectives. Were they met?. Where they met on time? So I suppose the important thing for me is whether what has been promised at the beginning has actually been delivered. It is very hard to evaluate anything if it hasn't been set out at the beginning.

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With a training course, it's a discrete piece, it is delivered, there are evaluation sheets etc. What about if it is an advisory and implementation piece of consultancy that is going on for a period of months? How do you evaluate that?

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There is normally a plan and deadlines. For instance - a period for scoping, a period for delivery and a report at the end of it. So that is a method of evaluation.

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Have you ever had any assignments -of whatever nature - with a consultant when you were less than happy with the outcome?

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Yes, in some of the international assignments. Some of it was regarding their own skills – e.g. lack of report writing skills. We hadn't checked this out. We ended up writing the reports so that we could get paid. They should have been doing this but hadn't the skill.

1560 **So it wasn't necessarily what they did on ground, but it was the report writing afterwards?**

Yes. The fact is that should have been all part of our selection criteria

1565 **Did it then become part of your selection criteria?**

Yes. We got a lot better at that and we actually trained some people on report writing so that they could do it

1570 **Are qualifications important?**

1575 I would be lying if I said they aren't, because what qualifications give you is a broader perspective, more references and more touchstones. Having said that some of the best people I have met didn't have qualifications. I do think as an independent you have to give yourself as much help as possible -for yourself. Not necessarily for the client. It can give not just confidence but also broader information.

1580 **Is it part of your selection?**

Experience is more important than qualifications.

1585 **If you look back on the consultants whom you have employed, what differentiates the excellent consultant from the average consultant?**

1590 The exceptional person will listen to what your needs are and will match them. But they won't be so intent on pleasing you that the whole point of having them there is gone. In other words they are just trying to keep you happy. They are strong enough with good reasoning to be able to stand up and say I don't agree with this, this is why I don't agree with it, here's what I propose and why I think this is a better approach (for example). But in doing so, they also have the ability to include the people in the decisions. For me that is an exceptional consultant. It's a relationship based on 'you said you needed this, this is how I think it would work, this is what I suggest, we should agree it and we will do it together'. So it's that piece.

1600 The average consultant comes in, does their job and goes. I now remember somebody I was really less than pleased with. It was a training course for communications. I had had lots of discussions with this person and he still delivered the training course as a 'bog standard course' which I really didn't want and had told him that.. Did he deliver a course? Yes, but it wasn't the course I wanted. The other thing about 'bog standard' is

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that they produce the same stuff for everybody. It might hit 6/10 of the criteria but it certainly doesn't hit 10/10, whereas an excellent consultant will.

1610 **Are there many excellent consultants out there?**

I'd say there probably are – but there are very few consultants who, within a good framework, can customize their work in a meaningful way. In other words that they have stuff they can use but they are able to keep the framework but then customize it. We had one consultant on process mapping. He had a folder of 200 slides and we all knew that anything he had to say was in the 200 slides. He delivered a professional course but he wasn't giving that much added value. It was generic.

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How important is it that whatever consultant you choose understands the culture of the organization that he or she is going in to, or the business of the organization?

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This is funny. This is something that I always think about. I was looking at X (large consultancy firm) today. They won't know the culture. But they have a need for a set of information. Once they have that information they are able to do the piece of work that we have asked them to do. So they are not compromised by the culture. In a situation like that the knowledge of culture doesn't make that much difference. So I don't know if it is that important.

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1630 **Would it be important in a training course?**

It's important to know a bit about the business. – going on to your second question, and maybe to know some of the issues for the business on the training course. But I still don't think that you need to know the culture.

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You may have referred in part to this before, but in taking consultants in to work with you, what do you consider to be the biggest difficulty?

1640 I suppose the biggest difficulty is having the rules set out. Sometimes we are charmed by people. Or the reverse is also true. You see people in a certain light and then they fall short of your expectations or sometimes they exceed your expectations. I'm a firm believer that if you have the rules down before you start then the difficulties are minimized.

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1650 **And if you take what you say about exceeding or falling short of your expectations and if you are to look at your experience hiring consultants – in terms of plotting them along a spectrum of ‘falling short, meeting or exceeding expectations’ where would they be?**

The majority of them would be at around the 60% on a straight line - just above the meeting expectations

1655 **Would there be many above that?**

1660 Only very few that would come back with a wow factor. Because I have had so many consultants over the years I just think ‘get on with it’. Some of them are such prima donnas. They are no better or worse than the rest of us. They are here to do a job so just get on with it. And do it. I know that sounds really hard but sometimes but sometimes it seems like some of them feel they are above us. But I think that people have grown up about the use of consultants. Years ago I would have been quite in awe of these ‘experts’
1665 Now most people have a different view.

The ‘wow’ factor that you mentioned....can you give me some examples of what you mean?

1670 The people who have delivered this for me have been people who have really related to the people they have worked with and when they were gone their work lived on after them in a very real way. Rather than just a project that was done it became ‘business as usual’. So that to me is the ‘wow factor. You have got it all right , the relationship with the individuals, your knowledge, the buy-in and commitment, the overall sponsorship,
1675 the delivery and then you have linked in to ‘this is the way we now do things’, this is business as usual.

1680 **Two of the things you mentioned there – commitment and sponsorship – whose responsibility is that?**

Well, a consultant can’t sponsor themselves within the organization. If you take X (large consultancy firm) at the moment, they are being clearly sponsored by ‘Y’ (Head of HR).

1685 **So, what you are saying is that a huge part of that ‘wow’ factor is down to the consultants, but some of might be down to the company?**

1690 Absolutely. You have to have sponsorship and you have to have actual commitment at a local level.

When you compare individual consultants and the big consultancy houses, what are the advantages and disadvantages of each?

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Ok the individual – obviously advantages are the building of the relationship, the individual attention, and the focus. Also the fact that you are not dealing with a whole lot of people. That has its charms.

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The disadvantages can be regarding conflicts in the schedule - because sometimes you can't get them. Or they may not be available to take your calls. That's one of the challenges.

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But definitely the personal focus, maybe sometimes the personal relationship, the trust that you have built up; particularly if they have delivered before and you know they are good on delivery. Also that you are getting what you paid for. The actual person you paid for. Sometimes that can be very important.

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Like 'what you see is what you get'?

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Totally. That's actually a really important at the beginning. 'Who is going to do this work' Sometimes you get who you want to get and that's what you pay for. With the bigger consultancy the huge advantage is the resources that they have. They can bring in people. If there is an issue that comes up they can go to their data base and pull up something that might meet your need. Size provides them with so much background information, resources etc. You don't get the same personalized relationship. You can have a good relationship with someone, but usually at a certain point in the project they move on and you are dealing with a lot of different people - which some clients find very, very difficult.

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And sometimes with the bigger firms you have nearly lost control before you know where you are going in the sense of the ownership of it. Suddenly they are doing the presentations. They are the key players. That shouldn't happen. Sometimes the clients are nearly swallowed up by these experts.

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Coming back to something that you mentioned at the beginning, when you use the word 'value'.... Do you think that overall consultants add value to the business?

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They do, if they are not overused. If it is not a case that for everything you do you have to get a consultant. They do add value if our people know how to use the experience that they are bringing. So yes they add value but in certain circumstances. We have to learn how to manage consultants. If they are managed well and are good they can be absolutely

good for the business. But you have to know where they fit in. And it has to be the right time.

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Do you think companies are too dependent on consultants?

I think some individuals are very dependent on them. I do believe there's an element of 'you can't be profit in your own land. I do think there are lot of big consultancy firms earning a lot of money on things which, with a little guidance which sis where the smaller consultants come in) the people in the company could do just as good a job. If you had a team of consultants that would guide a team to do things...in other words hands on training to achieve their objectives.

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So, you mean 'teaching them to fish, not catching a fish for them'?

Exactly. So few of us can do thatwe can't help ourselves take control and want to 'do' rather than teach. So an outstanding consultant for me would be somebody who would quite happily play in the background and be happy to see the team developing.

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And finally, against the backdrop of globalization, outsourcing and shared services, what's the future for the independent management consultant?

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Well, I think there continues to be a future because, for example, in Ireland we have a lot of small and medium sized companies. Once the entrepreneurial spirit which we have in Ireland is there, there will continue to be a need. We assume that everything is about globalization -but I don't think it is. There all lots of different companies, and different sized companies, who continue to expand, who continue to need help. The challenge is around whether the management consultants will be able to develop and adapt, to continue to make themselves relevant.

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I think that some people go into consultancy with a certain set of tools and they never update them. That's what could make independent management consultants obsolete. In a large consultancy firm they update their people after every project. They update their material, retraining their people, update their software. But when you are independent, that's what makes it difficult for people who have been out in the market for 10 or 15 years, if you are still selling the same product.

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Are there any other opportunities or threats in your mind?

- 1780 Perhaps there are too many of them in the market. Now, quite rightly, it is seen as a career path to leave an organization and become a management consultant. So there are a lot of them out there and one would wonder what will happen if the economy goes down. But the opportunity always lies in being different, distinctive, being the best. I do believe that when you are the best you can be you will get work. It's when your product is stale,
- 1785 when you are stale - that's when problems set in. If the economy goes down there won't be as much work, but the good people will always get work.

Thank you so much to taking the time to do this interview.

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First of all thank you very much for giving your time to do this interview.

1795 You're very welcome

Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?

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Yes.

Could I start by asking you what comes to mind when somebody uses the term management consultant or management consultancy?

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From my own understanding of management consultants within the HR remit what comes to mind is a very professional person or people coming into an organisation to give advice, guidance and sometimes direction or control on a particular area, be it HR or a particular project. Certainly for me they are very, very important because in today's world, certainly in the model that we have taken here in this organisation means that certainly have the generalist knowledge, it's the specialist knowledge you don't have. And obviously I will either take that off the shelf locally, or from our parent in Europe. While they would be the best people in the world to try and help me design and project or design an particular issue for the local market here, It's obviously those with expertise in the local market that can offer me a solution. That's a very, very quick overview of management consultants from our point of view in the HR remit, but I think that four months into the position here I think it's probably the way we want to chart the way forward for ourselves.

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And in terms of the types of assignments that you have in the past used consultants for, or indeed you would envisage in the future using consultants for?

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In the past I would have used consultants certainly for performance management. More on-line performance management where you are getting more technical expertise in addition to the more practical usage of appraisals, 360, 180 degree feedback. In addition to that is just looking at reward and remuneration, where you have a quick project you want to do for a particular element of the business. For example we would have here and in my previous employment quite unique markets – treasury type positions where the bonuses in that area would be different. As a result of that albeit that you could design any bonus system in the world it needs to be benchmarked, it has to be aligned with the market and you are not just designing anything that could come back and haunt you into the future. So the market obviously directs it. I don't have the full market knowledge and in that instance some form of management consultant, some form of information or specialist knowledge welcome.

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1840 **I know you made reference earlier on to your parent company, but how do you go about or how have you gone about sourcing your consultants.**

It's very much who you know because at this stage for me in this organisation I am starting afresh. Consultant's space here into the future will be very specialised. Our parent company's model is that they have a number of concepts that we will fine-tune over a period of time. You take the concept of leadership – within that there is an appraisal system, there is a coaching system, there is a capability system, and there is a succession system. And there are a massive amount of products relating to that particular overall concept. Within that there is going to be obviously some expertise required. The first port of call for me would be my parent company. They would provide the expertise either there or on the ground here, or they may say maybe the best thing would be to go and get a consultant. It's going to be more in the training space that consultants will be used here in the future. I'll either take it off the shelf myself as a training course, by e-learning, or somebody in the business will direct it, but outside of that everything will be done by outside consultants. So it will be very lean training, very technical, very product specific that will be provided in-house and every thing outside of that will be provided outside – either from the parent company or if there are some efficiencies we can engender across Europe or some key partners that that they have had already we will do so.

1860 **Outside of your parent company, if you were to identify consultants here in Ireland how would you go about that?**

1865 Again very much by word of mouth, expertise that people would have and obviously using my own experience of people I have dealt with. There have been some big consultancy houses I have used in the past with a specialisation in HR. I'd have used X and Y as two examples. I also used a specialist consultancy that we had for a system in my previous employment and they were recommended although though we did a public tendering system, they came in and gave a phenomenal presentation, very professional, very cost efficient and we actually led their growth strategy. We took it on piece by piece and they certainly delivered. . So again it was a mix of many things but predominantly on knowledge and getting to know these people over a number of years.

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You mentioned two things there – you mentioned ‘presentation’ and you mentioned ‘cost effective’. And if I was to look at one being part of the process and one being part of the selection criteria, could I take those two aspects and ask you: generally what kind of a process do you use in deciding to whom you are going to give the business?

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Certainly what I have done before is to try to take three or four recognised experts or recognised people, take for example in performance management, and say ‘this is what we want or this is what we need to do...we want to create a new sort of performance management system from cradle to grave for the organisation incorporating A B and C and would like you to do a presentation incorporating how that fits with your company, how you would do that for us, terms of remit would be A, B C and D and the presentation is on X. Within that, from an organisational point of view, obviously we would try to get some key stakeholders, not just HR, but obviously Finance, IT if that is required, and one or two other people from the business on whom this would actually impact. So the presentation would be one element of it. Again it would be very much trying to find out who this company is, if you didn’t know much about them, some testimonials from other people they have worked for, and in addition to that I think there is a ‘stickiness’ bit – if there is a bit of empathy with the person or the individuals who are going to be working with you. Those are the three or four key areas, not in any order of priority that we would be looking for. Presentation, followed up by business case that we can benchmark at our end and then the other elements of it – obviously cost.

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Bringing cost into it – would that be a key criterion?

It would be an important criterion. It wouldn’t be the be all and end all of everything - certainly not in the financial services sector relative to the manufacturing sector, where I worked previously. There would have been a higher emphasis on cost in manufacturing than there would be in financial services. And at the end of the day where you’re getting quality and not just quantity, you’re getting A B and C and I can also get D if I want it. It might be ‘nice to have’ rather than ‘need to have’ but it is an interesting concept that you see the difference between manufacturing and financial services, between different companies in different sectors.

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Certainly for us we would take three or four of the key ones, we know they are going to be expensive at the outset. So be it. There would be a few other elements that would be need to support that – like for example, how the team would work with one company vis a vis somebody else, what access they would want or require, and visibility on the ground as well. I think that’s an important criterion. That they just don’t go away and present you with a report at the end of the day. Be it here, sitting on site, depending on the terms agreed and the duration of the project. These are important criteria certainly from my end anyway. Certainly working with a few of them in the past, a lot of them were sitting on the ground with us and again that gives you a lot more understanding of what they are

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Interview No. 6 cont'd

trying to do and that you are seeing some more value for money, rather than going away with 'here's a big report and off you go and do it'. Some companies do that.

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And that probably leads into the whole evaluation piece. Do you formally evaluate the assignments that you give you consultants?

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I would say not. Not in my own previous experience. It's certainly a consideration at the outset. The question of how much quality control checks - do we do that during the process? We probably don't, only the fact that when people start questioning it you would sort of be reactive and you put something in place that, eh, 'yes this is what I'm doing to justify the position'. I've actually been in the situation at times where I was asked 'the person is costing us a lot of money can you justify it?' And it's more reactive in that sense. But I have to say, putting my hand on my heart, from a quality control point of view the type of checks that we have done in the past would not have been robust.

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However I think when the person is on the ground and they are delivering a lot of stuff, particularly in IT systems, a lot of the stuff can be all about wiring, you don't see much value add in that, so a question is - having somebody there that is visible, it sort of dilutes their importance and the backend of that is that you see the right product on the system, or the right engagement with people in a performance management system, that to me is obviously where people don't look at the cost of it.

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In other words, it's working?

It's working. Yes, it's more tangible.

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And have you had any experiences where you have been less than happy with the consultants you have used?

Yes.

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And was there anything in particular that you could pin point it down to?

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It was ...ah...I have to say that it was very much pin pointed down to 'this is what you get'. It was probably down to my own naivety at the outset...that I always felt that these people would be almost employees. Not so much an employee, but someone who would be visible on the ground, work the sort of the hours that you would expect for the rate that you are giving, and whatever other issues they have outside the work ...well, that's their own particular issue. And in addition to that, I always thought that the nine to five clock wasn't going to be something that these people would hold me to.

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1970 And in one or two cases that has happened - where people don't go above the call of duty. And in particular circumstances where we had big presentations to make based on a lot of work that they were doing anyway and lo and behold, its five o'clock and you are looking for then to work beyond the five o'clock. And I felt myself that that was somewhat disingenuous. And it left a sorry tasted in my mouth I can assure you. Because it didn't happen once. It happened a few times, and it was an unnecessary distraction, you know.

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And when you say it didn't' happen once, do you mean with the same consultant or across a range of consultants?

1980 It was a consultant's house –as opposed to an individual. So it was the culture of the organisation. – 'here's what you are getting...you are getting Joe Bloggs from nine to five with an hour for lunch at X rate and that's it'. Now I felt, ok that's fine but obviously five o'clock doesn't necessarily mean five o'clock and again depending on the individual in the company..... but it was fairly scientific, and when it came to five these fellows left unless you actually had some sore or resonance or rapport with people who would actually go that extra bit for you. But it was the culture of the company.

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If I can take that point just a stage further. What would you identify as the advantages or disadvantages of the large consultancy house versus the independent consultant?

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I suppose it's probably capability, scope, what they bring to it. An independent consultant.....do they have the benchmark, do they have the expertise across the variety of areas to be able to say 'look, this is what happen with X Bank, Y Bank and Z Bank? Unless I suppose the person has been working in these areas or has some amount of reach into these areas you probably don't know what is going on, to be fair. And you would expect and in some cases demand that what we are bringing in is benchmarked across the sector, is benchmarked across Ireland and that's part and parcel of the scope of the document at the outset. And that's something that the consultancy firm can bring to the table that perhaps the individual can't do.

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Would there be any advantages with the independent consultant on any of the assignments that you would have had?

2005 Oh yes...for sure. If you can get a bit of rapport with somebody they can actually be hugely valuable in that regard. It's more intimate. People take a personal pride in doing it. It's not just 'X INC.' that are actually doing it, its Joe Bloggs PERSON that is doing it. There's a lot more pride in their work; and again I think that if you take it back to what I said at the outset, a lot of it is based on who you know, the information that somebody would be giving to somebody else – 'I have a specific thing here....a, b c and e.... well I

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have the person for you', as opposed the company. It's word of mouth recommendation. That's hugely important as a result.

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Overall would it be more consultancy houses that you would use rather than independents?

2020 If you were to ask me now, yes. However I think when we grow into more specialised dynamics of what we are trying to do within the HR remit it will probably be more individuals that I will look for. However, at the outset, how soon that's going to be I'm not sure. We are effectively here building a HR department and obviously all the aspects that you would expect to see in any generalist HR function, and that will require obviously cooperation with our parent but also some people to bring some key elements to it and obviously a consultancy house is the easiest place to hit three or four key areas at the outset. However I think once we develop over time I would see the independent consultants coming in a bit more.

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2030 However, if you take a specialist area, for example, pensions. There is probably only a handful of people out there who could do something for you. An individual who knows the pension set up in Ireland could be a lot more useful for you in that area. Someone who is very specialised, very knowledgeable in that area and holds your hand along the journey.

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So it would be really based on the specialisms?

I think so....yes.

2040

And then if you take that a stage further into the realm of the individual consultant. What differentiates the 'average' from the 'excellent' in your view?

2045 Somebody who goes beyond the call of duty. Doesn't just do what is one the tin, but does a lot more. In addition to that, is a person who has the stickiness or resonance with the organisation, who says 'what I'm doing here, I'll do the best I possibly can for the benefit of the organisation'. And that may mean going way above the call of duty, but however 'I'll do something extra, in addition to that'. Where you are paying whatever... €1000 or

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2055 outset. In addition to that I do believe that somebody who comes in here has to have the right attitudes and behaviours for the organisation. I would obviously go through the selection process at the outset, and this would be a key element of it – do they fit with the

2060 organisation, do they fit with the beliefs of what we want to do here, or is it just something they are ticking off e.g. 20 consultant days, just for the sake of doing it .Again that is something I think is very easy at the outset to test and during the presentation, and the interactions you would have prior to signing a contract.

2065 **And if you take it, based on your past experience where you have worked with consultants, to the 'wow' factor, do people stick out in your mind? Specifically what is it they have done?**

2070 I've had one fabulous experience with a consultancy house – but it was a small consultancy house. It's three people who came from the UK. In my previous employment what we tried to do was to make our strategy at a point in time tangible to our staff. How were we going to do this? It's a very difficult thing. Do you bring them together as a roadshow. Do you bring them together as a group and sit with the CEO and sit with the executive team and say, this is what we are trying to do. What they actually came up with was.....they walked through the building and saw that the second floor was vacant. So
2075 we had planned to sublet that portion – it was going to be a key income for the organisation. We never did so. They came up with an interactive journey – 3 hours – on that 2nd floor – 10,000 square feet. We brought every staff member: agent, tied agent and core employee - about 1200 employees – over three months through an interactive
2080 'Comms Zone'.

Like a museum?

2085 It was like a museum. It was very much done by the Managers. Everyone got the same message. And one of the executives had to be on call for the three months, available after hours to meet staff who couldn't come during work hours. It took three hours to go through. One of the executives stayed behind each evening to answer question anybody had about the strategy

2090 **It was a huge commitment from the staff.**

2095 It was. But to a person if you were to ask them beforehand what the strategy meant, it didn't have any stickiness with them. Afterwards we did a survey and we actually put in a particular question about this. 99% said it was they best thing that had ever happened, they had a true understanding of what we were trying to do at the time. And interestingly, not everyone has 10,000 sq. feet, but the cost of that was so minimal it was just the imagination that was brought into it. We had some games and prizes for staff. And for me it was the wow factor. And a very good place to bring, not just employees but customers. To show them this is where we came from in 1921, this is our heritage; this is where we
2100 are going. This is what it means for our people, this is what means is for our customers. This is what we plan to do in the future. And this is where you are going to play your part in it. So it was very interactive, very simple, but it had a 'wow' factor.

2105 **Was that something they had done before, or was this a whole new idea for them?**

It was something that probably evolved out of their work with one or two of the higher Executives in the company at the time. It's probably something that evolved from getting to know the company. They have a very good ability to get to know the company...come on out for a cup of coffee....so to speak. They hang around. They get to know people. For us on the HR side, and the Executives, we found so much value in what they did. So it came from something they had seen in the past but for me it was great.

2115 **Did they just leave you with the concept or did they work with you on the ground?**

They set it up. They worked with us on the ground to set it up and after that they exited. It was very much up to us to inform ourselves about the strategy.

2120 **So really, innovation and new ideas was what they brought?**

Innovation and new ideas - but not at a significant cost. And I was able to use it when I wanted to introduce a new performance management system, based on the behaviours we had identified in this strategy model. So it was very simple, fun and let people see how their jobs fit with it.

Can I ask you, do you think that companies are over dependent on consultants?

2130 No. Not from my experience. I think where you are getting good calibre people coming into the organisation; for example, say in the HR department, and Marketing department, these people are absolutely top notch individuals. They probably don't have the real speciality for consultants themselves but they have enough to know what they want and what they don't want from consultants. You are getting a higher calibre individual into the organisations and therefore, from my end of it anyway, there would be less reliance on consultants. However it would be very much a specialist area that you do require them [consultants] for and for me if I can get somebody who can bring something to the table in a way that's more empathetic and more focused for the particular organisation, for me that's higher value than somebody who just does it 'carte blanche' across the board.

2140 For example, the reward and recognition survey that is sent out by X (large consultancy firm) every year. Fine but what does it mean to me? I want to take my job or my person in the organisation and I want to benchmark that against somebody in X organisation who has the same job. I don't want upper quartiles, I can get that anywhere. I really want to see it segmented down to see what the deal is for every individual. And that's probably easier to get from a private consultant than a large consultancy house.

2150 **So, if you were to summarise – if you acknowledge the fact that you don't seem to be over dependent on them because you seem to use them quite judiciously, and you have people who have their own experience so they don't need to use consultants – but generally what value do you think consultants bring to the business?**

2155 They bring expertise; they bring a timeframe and project management expertise which we would not have had in the past – because they are coming in for a specific job for a specific timeframe to actually deliver for the organisation. For me that is good, it gives me an element of control and obviously for the organisation an element of focus. So that's an important consideration.

2160 **Have you gone down the route of outsourcing at all?**

2165 Not with this model, in this organisation, at this point in time. It is something we do want to look at. But its probably a different proposition to my previous employment. My last employment was a self controlling organisation – it doesn't have a parent. They were actively looking at outsourcing, particularly the likes of IT, call centres and elements like that where they would be some key efficiencies in relation to cost. Here a lot of the outsourcing has already been done by the parent, so when they bought the company the likes of IT is already done by the parent company.

2170 **So against the background of the business model that you are involved in and the ones that you have seen elsewhere, what do you think is the future for the independent management consultant as opposed to the big consultancy houses?**

2175 I suppose I'll fast forward – if I was to become an independent management consultant what sort of pitch would I be going for? I would probably try to look within a sector rather than be broad based, if that was possible.

2180 Obviously the financial service sector is a nice sector. It's a growing sector, not just within the retail banking or traditional banks that we have, but obviously a lot of the IFSC banks have come in and more importantly I think for me is that I would be trying to say, look I am a specialist in A or B. Now that might be a hard pill to swallow for some consultants because obviously they are going into a very narrow niche and therefore the business may not survive. However I think with the growth of financial sectors over the years, with the condensation of departments, particularly HR departments, that the emphasis towards consultants could potentially be a lot more but I think its probably more waiting, in my case, for the organisation to mature, to know where we want to go and then to take consultants in to some specialist areas.

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Interview No. 6 cont'd

So, to answer your questions directly I think it would be specialist consultants in quite an important but narrow niche for them - that would be the focus for me into the future. For example pensions, performance appraisals, succession.

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And, finally, is there anything that I haven't asked you that you think I should be asking you?

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I think that going forward the one size fits all deal that we give our staff is not going to work. What a 25 year old wants is not what a 55 year old want. The work life balance issue will kick in. This will require greater segmentation, and therefore greater specialisation. One size won't fit all in the deal for staff. That is going to create some difficulties. That will require its own IR/ER specialisation to bring people along and negotiate with unions. In addition to that we will need an expertise, for example, with particular markets where a particular bonus system doesn't fit with the rest of the organisation. So I think that fits with my particular thesis that I think the niche is probably gong to be more important. To be able to narrow it down and provide a specialism in that. That's my view.

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Well, can I say thank you for agreeing to do this interview – it has been very helpful.
No problem.

Firstly can I say thank you for giving me your time to do this interview.

That's no problem.

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Are you happy that we discussed to your satisfaction the purpose of it, the commitment to confidentiality and why I would like to tape it?

Yes – absolutely.

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Ok, then, can I suggest we start by asking you to paint the picture for me of how you fit into the world of consultants?

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First of all, we are an interim management company. We hire out experienced managers to companies, not as consultants but as managers. They go in and they take on a management role with all the responsibilities that were attached to that. From my perspective I help the MD run this company and have been doing so for the last five years. We don't see our interim managers as consultants. There are basically three streams to our work. Firstly what we call 'fill-ins'. That is that a company has a management position and for some reason, all of a sudden, hasn't got anybody to fill that role. The obvious reasons could be that somebody has resigned, and you know that if you do the job correctly its going to take you at least 6 months to replace that person,. The other reason is maternity leave. It's now 6/8 months and it's shortly going to be 12 months. You have a management position there and you in many cases you have nobody to do it because all businesses now are mean and lean. You have no cover to cope with emergencies. So that's one stream of our work – fill-ins.

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The second stream of our work is projects which invariably involve change. It is the simple thing of bringing someone in to project-manage change or part of change. That can be 'in the box' assignments or 'out of the box' assignments. 'In the box' assignments are where we use people with specific qualifications to fill a role, e.g. a finance professional, or a HR professional.

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The 'out of the box' assignments are where you don't need specific qualifications e.g. a client looking for someone to set up a fund raising unit. That person could have come from anywhere, once they had a good general management background, understood strategy, was financially literate, and had a marketing and sales background, or had been involved in start-ups.

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The third stream is 'I have a problem and I want to someone in to solve that problem'. Someone coming inform outside can see the obvious whereas others cannot easily see it. In one particular assignment there was a very complex problem and our person, by establishing a very good relationship with a key person in the factory was able to pull all the pieces together, with a very successful outcome.

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Interview No. 7 cont'd

I know you said that you don't regard these interim managers as consultants, and I would like to come back at the end and perhaps make a link. But, at this stage can I ask you how you identify these interim managers?

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Well, first of all, what are we looking for? What are we selling? We are looking for highly experienced, highly qualified professionals in their field, who have been successful - because that is what we sell. We are looking for people who are flexible, adaptable, can cope with ambiguity and who have strong people skills. They can go in and can win the co-operation and support of people, and integrate quickly. They can't be a threat. They have no lead in time. Most interim managers are over qualified for the jobs they do. The reason for that is that they can go in and take it over immediately. The maximum lead in time I ever got was half a day. Then you are supposed to get on and do it.

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Another thing that we look for is that they have the capacity to sell themselves at interview. Generally the selection interview for the interim managers is just one interview.

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Just one?

Generally. Sometimes it can also include meeting the CEO or the General Manager. Sometimes it can include psychometrics. But generally speaking it is just one interview. Having said that, we present candidates, we have all the information.

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So you have done the filtering process?

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Well, I always say 'I recommend'. But that's no different to any other selection. You have to present your candidates as people who can do the job.

How long is the interim solution for?

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The average contract is for about one to six months. We keep our system free of bureaucracy. All our contracts can be terminated or extended easily.

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Can I ask, are these people paid by the client company or by you?

If we get a contract, we will have a contract with the client, and then we will have a contract with the private limited company.

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So, the individual has to be a private limited company?

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Yes. It makes everything clean, near and simple. The vast majority of interim managers are paid on a daily rate basis. Normal business expenses are paid by the client to the individuals.

The individuals don't have any offices here?

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No.

So, essentially they are consultants who hire themselves out?

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Essentially they are self employed practitioners. Now, where do we get them?

There are probably three broad streams. Some who took early retirement and who satisfy the criteria, who are not interested in working fulltime for anyone but who would take on an assignment that had a reasonable start and finish date.

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Another group are people who are self employed. We are a source of business for them, and they are a source of expertise for us.

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And then there is another group – and that can be people who happen to be available at a particular moment in time. One of the most interesting things that I have come across in the five years that I have been here - and it reflects a change in attitude - is that some of the people in that group are people who have made fundamental lifestyle decisions. In the past men never did that. Women did. Well, men are doing it now. Some because they feel that unless they opt out of tough corporate life they will never know their children. So you have that group. They are there. They are not there on an ongoing basis. They can be

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people between jobs. The economy took a dip a few years ago. There were people who were out of jobs.

And it will happen again?

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And it will happen again. The only difference now is that we are an entrepreneurial society and if it happens, people will just get out and start grafting. It's quite an eye opener.

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So, early retirement, self employed, and then 'available now' for whatever reason?

Yes.

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Interestingly you mention that these are not consultants. But are they not in effect consultants selling themselves to you?

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They wouldn't regard themselves as consultants. But yes, maybe. However we differentiate between a consultant and an interim manager. An interim manager goes in and takes on a management role...and implements.

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And there is a view that this is the way consultancy is going. It's not just advising, but its making sure it actually happens, by implementing.

Yes. But you and I have seen this happen - you bring in consultants and they give you a plan but then they go off and someone else has to implement it.

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May I go back to selection, where you said that with the client company the interview is the predominant tool? But you have already done a selection, haven't you?

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Yes. We will never put anybody forward that we haven't interviewed. And we will make whatever checks are necessary, references etc. We are selling knowledge and experience.

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The people we have put forward have done it – successfully. They have to have this because they take over a job. So therefore at times you have to be overqualified for the job – because there is no lead in time.

Can I come back to what you look for in terms of personal skills sets?

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You look at the person and take into account the impact they make on you. The obvious sort of things like do they present well, are they articulate, have they an easy personable style. You know, are the first impressions good. Have they the capacity to communicate well. A lot of this is instinctive. You are sitting there, talking with them, watching them, and looking at their style and approach. That will let you see if this is the type of person who will fit in. They are relying on the help and support of the management team. Then they have to have the willingness to get their hands dirty, get down into the boiler house. Then what I mentioned earlier – are they flexible, adaptable, cable to handle ambiguity, and the capacity to sell themselves.

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Have you ever had any bad experiences?

We have never had to pull one. But do interims have problems – yes they do!

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What kind of problems?

There could be relationship problems. They might be resented by some people. It doesn't happen very often, but it can. But we would be in contact with every interim minimum once a month and would give any support or listening ear they need.

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Are the assignments evaluated formally? You mentioned you touch base with the interims once a month. Is there any formal evaluation with the client?

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We review with the client on a monthly basis. The review can be very short. Sometimes we go to see the client. But you have to be careful - the clients mightn't want that. They are happy with the interim but they don't want to see you every month.

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Our pyramid is the top half of middle management. We put in people at General Management level, Chief Executive level, Head of Function level, Executive Director level. So, you have to be very careful with the process. You are sticking your neck you.

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Do your interim managers come to you looking for jobs or do you source them.

We have the benefit of our parent (an executive search and selection company). When we started not everybody understood interim management. Now they do. It is seen as a perfectly reasonable, legitimate option. I think very HR person should be fully au fait with interim management. For example I put out a flyer through CIPD earlier this year. I have got about twenty good HR people out of that.

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Would these be people who are self employed, retired, between jobs or a mixture?

A lot of people are going out on their own. But it's a mixture. However we cannot guarantee an assignment when they want it. They need to be aware of that.

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Who would you see as your competitors?

There is another interim solutions company. Also for these types of assignments professional bodies, e.g. accountancy, auditing, marketing institutes etc. And then there are a lot of people out there working for themselves. The reality is that no matter how this country has changed, we are still a closely knit personal society. If you want to know anything about anybody in this town, if you really want to put your mind to it you are going to find out. You get into your network. This whole thing about networking is so very important. One of the problems that people who come back to Ireland have is that they haven't got their network. They are out of the loop. In that context interim management can get them started in a network.

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If you look at the situation where a company has a need and where there are three different providers of a service e.g. the large consultancy firms, the self employed, and the interim solution. Where do you see the future of the interim solution against that backdrop?

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One of the elements is that if you get someone from the large consultancy firms you see people getting paid around the gills. Interim managers get paid less than consultants.

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A large consultancy firm has all the cost associated with a large firm. We are a tightly managed operation. Also an interim manager is not going in as a consultant – they are going in to do the job. One of the things you have to be conscious of is the cost of the total package e.g. covering a maternity leave.

Is cost important to the clients?

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It is yes usually. But sometimes there can be a degree of urgency about it – so it depends on the need. The client is the boss. But sometimes I would say to a client – cost it out over the period and compare to the results you are going to get. Is it worth it to you?

Do you see interim solutions as a growing business?

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Yes I do. I think there is a need for it. Bearing in mind what we do. Good management is cost management. Everybody is lean and mean. Just take one aspect of it – more women in management will be more maternity leave. That is now going to be a year. That will provide opportunities. And what do the clients need? They need a comfort factor. That's what we try to give.

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So in summary, in your view is there is a big future for it?

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I think there is. Because I think that interim management is a legitimate option to have available. I think every Head of HR should have HR there as an option. Why are there so many people out there working for themselves? Because there is a market out there for good people – highly qualified, highly experienced, professionals in their field. They have got something to sell. You have to have that. We are dead in the water if we are not able to offer that type of expertise. If we can't we will tell the client. If you can't do it you don't do it. Will it work? Well we have survived for the last seven or eight years. And we have survived in some bad times.

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This has been very useful for me. It's the other side of the coin to consultancy. And you can see it as either a threat to consultants or you could see it as you said earlier, another opportunity for consultant to get into.

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Yes it depends on whether you have consultants who can go in and take on a management role - because that's what they do. But if they can – yes.

Well, finally can I say thank you for this, it has been most enlightening.

APPENDIX II

CONSULTANTS' RESPONSES TO QUESTIONNAIRE

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants - No 1</p>

Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

Primarily, I would sell myself as an Organisational Development and Performance Management Consultant.

2. What industry or industries do you provide your services to?

Mainly the Financial Services, but also to the Travel Sector, Media, Government and Design (Architects and Designers).

3. What type of assignments are you usually involved in?

I have attached case studies at the back (appendix 1).

4. How do you get your work (e.g. cold calling, advertising, referrals etc)?

Mainly through referrals.

5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

Normally for non-financial, tendering, but otherwise interview and presentation with follow up documentation.

6. How important is cost to the client?

The financial services are not as price sensitive as other sectors, but organizations with little or no culture of consultancy or learning & development can be price sensitive.

7. Do your clients formally evaluate your work when it is finished? If so how?

As people are becoming more aware of the need to get value for money, they are now using strategies to ROI services. In addition they are now also using on job activities and action learning type strategies.

8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

I believe your track record is more important, but it helps when you can also show you have developed yourself in addition to your track record.

9. What do you think clients look for in a consultant?

- Emotional engagement.
- Reliability.
- Follow through.
- Good communicator
- Track record.

10. What makes a good client/consultant relationship?

- Honesty from both sides.
- Realistic commitments
- Project plan that is correctly scoped out from the start.
- I also believe keeping in regular contact works well and knowing that you are on call if needed.

11. What is it that sets the good consultant apart from the average one?

I believe empathy, good communication, exceeding client expectation and being a good listener above all are the key attributes of good consultants and good technical knowledge. Also I believe being transparent and caring – a lot of the soft stuff, but also at times having the ability to flex your style and become task focused, when the need arises. Good leadership qualities.

12. What have been the biggest difficulties that you have experienced when working with a client?

- Not knowing what they want.
- Not spending enough time at the planning stage.
- Not following through after the intervention.
- Expecting that change will happen overnight.
- Not been able to contact the client.
- Bad manners.

13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

- Better service.
- Consultant can focus on the client more than if there are strong reporting lines within the consultant company.
- Independents do not have the clock running all the time.
- Independents can build stronger relationship.

14. What added value do external consultants bring to a business?

- Additional knowledge.
- Different perspective.
- Ability to be objective.
- Experience from previous projects.

15. Do you feel that any of your clients are over dependent on you?

I believe if you manage the relationship and plan it correctly this will not happen. As a consultant you also need to insure you are developing your clients and not developing a dependency.

16. What do you see are the opportunities and threats for the independent management consultant going forward?

External forces in the economy would be my only concern.

17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

I believe people buy people. I have been self employed for seven years and consulting for five. Since then I have been involved in three companies and I still have a client from my first company. The majority of my clients today are from the second company. People follow people and if you can work on maintaining a relationship it will stay with you.

I have worked with one manager in three different client companies, in that when she moved she asked me to consult for her in her next company on both occasions. This has happened on three occasions with other companies.

For this reason, I believe empathy, good communication, exceeding client expectation and been a good listener above all are the key attributes of good consultants. Couple these attributes with good technical knowledge and I believe success will follow.

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants – No. 2</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. **How would you describe the work that you do? I provide consultancy services in the areas of IT Service Management (ISO20000) and Business Continuity.**

2. **What industry or industries do you provide your services to? Financial, Medical, Public Service and Telco.**

3. **What type of assignments are you usually involved in? Risk assessment and mitigation.**

4. **How do you get your work (e.g. cold calling, advertising, referrals etc)? Typically referrals.**

5. **What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?) Recommendation, demonstration of capability and price.**

6. **How important is cost to the client? They need to know that they are paying market rate. I can usually demonstrate that the large consulting companies will charge more.**

7. **Do your clients formally evaluate your work when it is finished? If so how? My work usually has an end product in the form of a risk assessment and/or policies, standards, processes and procedures**

- 8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them? My experience is equally as important as the formal qualification.**
- 9. What do you think clients look for in a consultant? I believe that they look for experience, maturity and value for money.**
- 10. What makes a good client/consultant relationship? Trust**
- 11. What is it that sets the good consultant apart from the average one? The ability to provide value added services from past experience. Being asked back and being referred to other clients.**
- 12. What have been the biggest difficulties that you have experienced when working with a client? Getting them to provide their time and resources to the project.**
- 13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house? Cost and experience.**
- 14. What added value do external consultants bring to a business? Previous experience and an objective opinion.**
- 15. Do you feel that any of your clients are over dependent on you? No**
- 16. What do you see are the opportunities and threats for the independent management consultant going forward? Opportunities exist when clients have recruitment embargoes. In my area, increased compliance will provide opportunities. Threats are the fear of the client to go with an independent instead of a large consulting company in case anything goes wrong. I have purchased professional indemnity insurance to mitigate against this but it does not always work.**
- 17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study? I think that you have covered off most points. Please call if I can be of further assistance.**

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants – No. 3</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

a) Brilliant, fantastic, sensational, etc etc.....

OR

b) Provide a service to financial institutions which has a number of layers;

i) examines the client proposition in the context of market developments within the wealth management / private banking arena(s),

ii) examines the delivery and support strategies deployed to deliver the customer proposition,

iii) examines the skill-set and operating environment of those employed to deliver the customer proposition.

Advice is offered on each of these areas, the reality is that only the larger institutions recognise the value in (i) and (ii) and are willing to pay for it. Smaller institutions tend to have an orientation which is more product-selling, and whilst they recognise the need to change in the developing market, are unaware and suspicious of the value of getting the first two parts right. Consequently I get paid mostly for delivering on (iii) to the smaller end of the market.

3. What industry or industries do you provide your services to?

Financial services only

4. What type of assignments are you usually involved in?

(Is this covered in (i) above?) With larger institutions contracts tend to be a combination of management consultancy and training delivery as described in (i) above, for smaller institutions it tends to be the development and implementation of a training plan.

5. How do you get your work (e.g. cold calling, advertising, referrals etc)?

Referrals only

6. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

I am not aware of any. Partly I believe that this is because, in the area in which I operate, there are very few (I don't know of any) who can offer the same type of service as me. In the past I believe that solutions have been bought in which fulfill a requirement to get some training happening, in many cases the training is generic and any tailoring carried out is superficial as the providers do not have experience of the HNW market or understand the differences between it and the larger 'mums and dads' market.

7. How important is cost to the client?

I would say very – there appears to be a recognition at all levels that if funds are invested, then there is an expected benefit to the organisation, other than having employees 'enter-trained' for a couple of days

8. Do your clients formally evaluate your work when it is finished? If so how?

Yes, through a combination of feedback from participants (which I provide) and management observations over the course of the programme / consultancy. I find that in most cases, there is a view within management that you must believe that the training is valuable and will advance the abilities of the participants (even to the point of recognising that they may need to seek an alternative career path)

Where appropriate, I also provide feedback to management on participants and their development needs, as I would recognise them in the short period of time that I worked with them. I find that in all cases, my observations are consistent with management views of the individual. I must be honest and confess that I undertake this more to highlight to management that the work that I do at any given time will have an impact on that aspect of the individual's development that the training programme focuses on, but that it will not change everything. I do this to protect myself from charges of 'not making a difference'

9. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

Surprisingly not. They are more interested in my experience!

10. What do you think clients look for in a consultant?

This may sound trite – but I believe, based on my conversations with a number of organisations, that clients are looking for someone who is prepared to invest in a relationship that is broader than just one's area of expertise. In other words, the relationship may result in a benefit to the client at times, which does not always result directly in a benefit to the consultant. But there is recognition of integrity, acting in the clients best interests etc. One example of this might be where as a consultant you identify an area for development within the client organisation, and the solution recommended by the consultant involves either an investment of client resources, or possibly the use of a competitor's services. Ultimately if the relationship is strong, there should be mutual benefits. (I sincerely hope that this turns out to be the case as it is the premise upon which I am trying build my business!).

11. What makes a good client/consultant relationship?

Honesty in communication, mutual respect for one another's position, and crucially the consultant demonstrates a sound understanding of the industry, competitors, and unique culture of the client organisation

12. What is it that sets the good consultant apart from the average one?

A recognised understanding of the clients industry, competitors and unique culture / client proposition, aligned with honesty, integrity and a commitment to making management look good.

13. What have been the biggest difficulties that you have experienced when working with a client?

Delays in payment – all I believe down to faulty air-conditioning systems into which my invoices disappear all too frequently!

An understandable difficulty, although still very frustrating, is the delay on agreed scheduling of programmes because of(insert any number of reasons here)

14. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?..

In honesty I am not sure. If I relate one experience where I worked briefly, on secondment, for X (large consultancy firm) on a large project - the approach as far as I could determine was to validate the management view for a need for strategic change. There was no attempt to validate the change proposed. In my naiveté I was very surprised, now I can see why this type of tactic should be used to employ the old 'third party validation' trick.

Based on that experience I have always been mistrustful of larger consultancies.

In truth there is probably a need for both. I would imagine that the key differentiator is that the independent consultant can focus on niche, and if the quality is right deliver a solution in a costly fashion. I also believe that independents can be more at the cutting edge of industry developments because of the nature of the individual (hungry *****). Larger consultancies should be able to bring greater scale, and expertise through their research capabilities. As with any large organisation, having the resources and access to industry developments does not automatically translate to effective usage. The reality is that employees are required to invest time in business-related issues (in effect to harmonise the working environment) and may not be motivated to keep themselves at the cutting edge – the business name after all guarantees success and a steady flow of clients / income.

From a client perspective I imagine that there is great comfort in using a recognised name. Conversely there is a great risk in using an individual who does not have the

strength/credibility of an organisation behind them. I would imagine one of the factors to determine which would be selected would be the nature of the personality of the decision-maker.

15. What added value do external consultants bring to a business?

At it best, expertise which can complement or fill a deficiency within the client organisation.

16. Do you feel that any of your clients are over dependent on you?

Not in the least – I would prefer if they were more dependent

17. What do you see are the opportunities and threats for the independent management consultant going forward?

Opportunities	Threats
Focus on a niche and become a recognised expert.	Being seen as a general provider of training & consultancy services. This should be the domain of the larger consultancy houses
Should be a cheaper proposition given the lack of overheads and other resources	Fee structures are not competitive, particularly where expertise is questionable
Laziness of larger consultancies to adopt a one approach fits all strategy	Larger consultancy houses develop niche units to focus on particular market opportunities
Develop an off-shore client base to enhance reputation and expertise (forced to understand what's happening outside of Ireland etc).	Lack of international experience may result in an insular view of an increasingly global economy.

18. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

None

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

The Future for the Independent Management Consultant - Survey of Consultants - No 4

Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

Assisting businesses to improve profitability via continuous improvement. Supporting clients with such tasks as process management, development of performance measures, Project planning and business “health” analysis

1. What industry or industries do you provide your services to?

Banking, Insurance, Government Sector – basically any industry where my skills are required. I do not consider my skills to be industry specific.

2. What type of assignments are you usually involved in?

Process performance improvement, profit improvement, project management support, training assignment

3. How do you get your work (e.g. cold calling, advertising, referrals etc)?

Primarily referrals and cold calling - but cold calling to people with whom I have some links e.g. I used to work with them, someone knows me and knows them, etc

4. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

In Government they use a formal tendering process which varies in focus from assignment to assignment. It is a “pain”. Otherwise, some clients have particular skills sets they need and so use a set of skill set criteria to select. Others either like you or don't.

5. How important is cost to the client?

Generally not too important (within reason). Most important is can you do the work.

6. Do your clients formally evaluate your work when it is finished? If so how?

Sometime yes, but generally no. But clients do have a sense of “good job / bad job”

7. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

Sometimes, in training roles people do look for formal qualifications

8. What do you think clients look for in a consultant?

Generally they are looking for someone who can complete the assignment they need to have completed.

9. What makes a good client/consultant relationship?

Good interpersonal relationships. If you cannot go to lunch with a client you have problem. Formal reporting of progress. No surprises. Delivering what you said you would deliver. Making the person who hired you look good.

10. What is it that sets the good consultant apart from the average one?

Very broad question. Clearly some consultants have very specific skills (technical IT skills for example) and in this case my points in 10 above do not apply so much. Otherwise I stick with my views in 10 above.

11. What have been the biggest difficulties that you have experienced when working with a client?

Scheduling time that suits everyone.

12. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

Advantages: What you see is what you get, less expensive, minimum bureaucracy
Disadvantages:

13. What added value do external consultants bring to a business?

This will depend on their skills. In my case there is an enormous untapped set of operational knowledge within businesses and I help to find these nuggets so that profits can improve. One adds value which comes from experience – in process mapping and performance improvement opportunities in my case etc.

14. Do you feel that any of your clients are over dependent on you?

No. Unfortunately

15. What do you see are the opportunities and threats for the independent management consultant going forward?

Threats:

Growing tendencies to go to tender – a high cost in terms of time is involved in this.

An increasing tendency to buy big companies because of a perceived lower risk.

Opportunities:

Flexibility is an opportunity as is agility. Independent people tend to stick at what they're best at. Accordingly clients will get good value for their spend

16. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

None that I can immediately think of.

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

The Future for the Independent Management Consultant Survey of Consultants - No. 5

Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

Mostly Executive Coaching Services and HR Consultancy work focused on the Selection Process and Profiling (Psychometrics).

2. What industry or industries do you provide your services to?

Across many industries including Technology, Financial Services, Professional Services Sector and Food Sector.

3. What type of assignments are you usually involved in?

- One to One Coaching of a CEO in an Irish Software Company.
- Consultancy Support for the Selection of a Worldwide Head of Sales for a Technology Business.
- Personal Development Coaching of Managers in Major Financial Institution.

4. How do you get your work (e.g. cold calling, advertising, referrals etc)?

- Coaching – almost exclusively through word of mouth / personal referral.
- HR consultancy mostly personal referral – some networking.
- Recently got a piece of HR / Coaching work with public body through competitive tender.

5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

- In my experience where there is a personal referral – the process is quite informal and sometimes the person does not even seek references.
- In the case of the Public Body above the process was very formal (governed by EU Procurement Regulations) – yet the Body in question made their selection based on written RFP and actual Tender documents submitted. Surprisingly there was no interview / presentation – even through this was a option they could have used.

6. How important is cost to the client?

- With HR consultancy – I think within reason clients are more interest in the actual consultant doing the job, their track record, their knowledge of the business – and their actual effectiveness. Price has a role but I don't think it's the primary consideration. In the formal tender process described about – I think it accounted for a 30% weighting of the selection criteria used.
- In terms of coaching – the perception of the client re cost / pricing is very interesting. Firstly one to one coaching is very time consuming – you are selling hours rather than days and therefore the per hour rate can be quite high, because for ever hour in front of client – you also have preparation time and follow up time. . Secondly in terms of Executive Coaching – there is a significant use of UK Executive Coaching companies and there is a degree of psychological pricing – “if your very expensive you must be very good”. Or as I have discovered in one case – if you don't charge enough – you must only coach mid level managers – we will get someone more expensive for our executives!

7. Do your clients formally evaluate your work when it is finished? If so how?

- With HR consultancy work – there is a degree of informal feedback – if you produce a psychometric report or candidate assessment – there is a degree of checking back. But generally it's down to a good consultant informally checking and seeking client feedback.
- Ultimately the evaluation is informal and basically down to quality of work produced by the consultant – and quality of relationship with their contact in client company.
- With coaching there are probably more informal check point / process review during the process (with the person being coached) to ensure progress is being made. Then with larger companies they will generally seek feedback on a particular Coach from one or two people who may have worked with that coach.

8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

- No – more interested in your experience of working in their industry or experience working at their level (seniority).
- I think in time – accreditation (rather than formal qualification) will become important in the area of coaching – currently lot of confusion and no clear standard in relation to coach accreditation.

9. What do you think clients look for in a consultant?

- Knowledge expertise relevant to their business.
- Professional approach.
- Quality and value for money.
- Skills transfer.
- Constructive challenge and external perspective.

10. What makes a good client/consultant relationship?

- Clarity of objectives.
- Open communications.
- Expectations agreed and understood by both (pricing, duration etc.).
- Clear start, middle and end to a particular assignment.
- Capacity of consultant to demonstrate “added value”.
- Capacity of the consultant to refresh (and if necessary end the relationship) before it gets “stale and complacent” – particularly important with long term coaching assignments.
- Capacity of the consultant to understand the client’s business.
- Capacity of consultant to listen, question and challenge in order to understand the clients needs.
- Avoid over dependency by either party.

11. What is it that sets the good consultant apart from the average one?

- Many of the capacities described above.
- Overall a high level of personal self-awareness, an ability to agree and deliver on the clients expectations, a capacity to listen and an ability to resist the temptation of charging the client for every small piece of “advice” provided (Big Firm favourite). And an ability to avoid the “know all” attitude of many big firm consultants.

12. What have been the biggest difficulties that you have experienced when working with a client?

- A HR Director who wanted to run an assessment centre – with a predetermined outcome – I decided to “wash my hair that day”! and was unable to oblige!!
- The odd client who believes the more work they give you, the cheaper it should get – of course they want the quality to remain the same!!

- **13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?**

Advantages:

- Personal Attention, more tailored service.
- Less Complacent.
- Likely to make more of an effort to get to know your business.
- Likely to be more price competitive.
- More open to skills transfer (less precious than the Big Firms).
- Likely to want repeat business – and build a long term relationship with client business.

Disadvantage:

- Lack breath of experience.
- Board / Senior Executives less impressed with independent consultant versus big firm brand.
- Assignments can take longer – independent does not have unlimited number of consultants to “throw” at a problem.

13. What added value do external consultants bring to a business?

- Fill skills gap / expertise gap in short term.
- Provide an outside and potentially more “objective” perspective.
- Good consultant can question and challenge in a way “internal” consultants cannot?
- Additional pair of hands to get assignments completed quickly.

14. Do you feel that any of your clients are over dependent on you?

- No – seek comments above . Particularly in coaching it is something you have to guard against. There is one client relationship where “complacency” rather than dependency is developing and this need to be addressed. Sometimes it good for the consultant and the client to take a 3 or 6 month break – can be very good and recharging the dynamic of the consultant / client relationship.

15. What do you see are the opportunities and threats for the independent management consultant going forward?

Opportunities:

- Increased pressures on areas like compliance, corporate governance represent emerging opportunities.
- Growth in use of Executive Coaching.
- Move toward more tailored Executive Development and Career Planning.
- Outsourcing - lets see what the experience is – will it be back full circle in 3 to 5 years. An employee ringing outsourced HR function with a query is told to read page x of employee manual (person answering call has not knowledge or experience)– lets see does this meet the business need?

- Opportunity for small groups of independent consultants to develop co-op style entities to compete with larger outsource operations.

Threats:

- Outsourcing: In the sense that an Accenture takes the assignment. But in the case of training and development – do they do it themselves – or subcontract to independent consultants?

- Independent consultant staying as sole operators. There has to be some economies of scale with co-op style entities described above.

16. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

None.

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants – No. 6</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

Management consulting support in the areas of:

- Strategy development & implementation
- Facilitation
- Team Development
- Individual Coaching
- Leadership Development

2. What industry or industries do you provide your services to?

Public/Private sectors - Financial Services, Semi-state, Hi-Tech Multinational, Pharmaceutical and Education sectors.

1. What type of assignments are you usually involved in?

See number 1

2. How do you get your work (e.g. cold calling, advertising, referrals etc)?

90% referrals, 10% responding to tenders

3. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

Of referral business, I'd say 70% don't look any further, 30% might look at a second supplier for reference. Of tender business, all follow rigorous selection process, (expertise, reference sites, tax clearance, continuity of resources and cost mostly)

4. **How important is cost to the client?**
 - I'd say very important but not typically the decider, (most would put expertise, proven track record and reference sites above cost)
5. **Do your clients formally evaluate your work when it is finished? If so how?**
 - Public sector do but not very scientifically, (usually an informal review to ascertain that they got what they expected)
 - Private sector evaluation is triggered by me discussing how satisfied they are with result, (I keep meaning to formalize my questions but haven't yet).
6. **Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?**
 - I don't think so, again background, track record, expertise and reference sites seem more important than paper qualifications. Having said that, maybe you wouldn't get in the door without them.
7. **What do you think clients look for in a consultant?**
 - A good listener, somebody they can trust, open up to/confide in/help them frame their thoughts/make sense of seeming confusion, knowledgeable, creative, flexible, pragmatic, good communicator, somebody who'll credibly engage with their senior management re difficult messages, when needed
8. **What makes a good client/consultant relationship?**
 - Trust, openness, respect, flexibility.....act as a facilitator vs. the expert
9. **What is it that sets the good consultant apart from the average one?**
 - See 9 and 10 (a good consultant also has a strong sense of their own capabilities and doesn't talk them up or take on assignments for which they are not suitable/qualified 'chance their arm'!)
10. **What have been the biggest difficulties that you have experienced when working with a client?**
 - Holding up the mirror to senior executives on behalf of their management teams.....giving them messages that their teams want them to hear in a way they'll hear them and result in a positive outcome.
11. **In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?**
 - I'll send you a separate slide I did for a talk I did at Smurfit Business School

12. What added value do external consultants bring to a business?

- See slide response to 13

13. Do you feel that any of your clients are over dependent on you?

- No..... I'd never opt to make myself indispensable, quite the opposite

14. What do you see are the opportunities and threats for the independent management consultant going forward?

- Threats
 - a. Larger consulting practices (better set up to source clients, invest in skills development, networking, etc.)
 - b. As an independent, having the guts to invest in developing skill in an area that might not yield, (and taking your eye off a more lucrative opportunity.....independents can't be in two places at once!)
- Opportunities
 - a. Public sector formalized tendering process seems to level the playing field to a degree, they appear to be mandated to award business to big and small practices

15. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants – No. 7</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

- 1. How would you describe the work that you do?**
Executive Coaching & HR consulting
- 2. What industry or industries do you provide your services to?**
Public Sector, ICT, service industries, voluntary sector
- 3. What type of assignments are you usually involved in?**
Management Development & HR advisory
- 4. How do you get your work (e.g. cold calling, advertising, referrals etc)?**
Introductions and referrals
- 5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)**
Public Sector through tendering process; others by proposal
- 6. How important is cost to the client?**
Value for Money main driver
- 7. Do your clients formally evaluate your work when it is finished? If so how?**
All evaluations informal through feedback
- 8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?**
Reasonably important for establishing credibility, but never required to produce evidence
- 9. What do you think clients look for in a consultant?**
Expertise, credibility, track record understanding of business issues and value for money

10. What makes a good client/consultant relationship?

Trust and understanding of business issues, good interpersonal relationships

11. What is it that sets the good consultant apart from the average one?

Track record, interpersonal relationship, trust

12. What have been the biggest difficulties that you have experienced when working with a client?

Working with them to identify the real issues

13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

Advantages – cost; “who you see is who you get”

Disadvantages – job may be too big for the independent consultant

14. What added value do external consultants bring to a business?

Independence, outside expertise, credibility

15. Do you feel that any of your clients are over dependent on you?

No!

16. What do you see are the opportunities and threats for the independent management consultant going forward?

Opportunities – organizations will continue to buy in expert help; lack of faith in and cost of larger consultancy houses

Threats – not being in a position to take on larger assignments without losing the personal element; not being able to stay up to date with latest thinking

17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants - No. 8</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

I work in the area of innovation and creativity; also in change mgmt; and in mgmt development.

2. What industry or industries do you provide your services to?

Manufacturing, Financial, IT Hospitality, Prof. Services.

3. What type of assignments are you usually involved in?

From short think tank assignments, to longer term change processes; with mgmt devel / coaching as well.

4. How do you get your work (e.g. cold calling, advertising, referrals etc)?

Referrals

5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

Rarely go to tender. Sometimes call referees. Often a CEO just makes up his/her mind

6. How important is cost to the client?

Not very important

7. Do your clients formally evaluate your work when it is finished? If so how?

Rarely – it's mostly very obvious.

**8. Do you feel that your formal qualifications are important to your clients?
Have you ever been asked about them?**

No. Only important when I am speaking at a conference.

9. What do you think clients look for in a consultant?

Challenge. Confidence. A good planner with an eye for structure and people management issues. A good listener.

10. What makes a good client/consultant relationship?

Obvious delivery of added value as a minimum; good informal contact, with client taking initiative

11. What is it that sets the good consultant apart from the average one?

Real engagement in the material, with the manager; inventive suggestions for process; thought provoking (e.g. articles of relevance)

12. What have been the biggest difficulties that you have experienced when working with a client?

Politics in the form of dynamics in management that made the client's role difficult; moving goal posts during a project; cynicism regarding the possibility of change and innovation; small mindedness and attachment to nostalgic view of the old days.

13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

Quality of the individual concerned; what you see is what you get. Flexibility if change is required; BUT – big firms less risky for big programmes; access to global knowledge is a plus.

14. What added value do external consultants bring to a business?

Neutrality. The 'sherpa' role of a journey is involved, stating the obvious, experience from similar situations.

15. Do you feel that any of your clients are over dependent on you?

One is.

16. What do you see are the opportunities and threats for the independent management consultant going forward?

Big Opportunities – lonely CEOs, chaotic mgmt, fast growing entrepreneurs

Threats – fear of consultants, bad experiences

17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

Added value from consultants' networks. IT issues. Globalisation and its' impact on independents.

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant Survey of Consultants – No. 9</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

I provide a range of training and consultancy supports to clients who, in the main, operate in the financial services sector.

2. What industry or industries do you provide your services to?

My clients are primarily in the financial services sector.

3. What type of assignments are you usually involved in?

1. Working with management teams working through a period of organizational change
2. Designing and delivering management development programmes
3. Delivering banking skills training to the retail banking sector

4. How do you get your work (e.g. cold calling, advertising, referrals etc)?

All of my work comes by referral

5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

I cannot be definitive on this but from my contacts I understand it to be by reputation. Thereafter the ongoing success of the business relationship which I have with them generates further referral of business to me

6. How important is cost to the client?

It does not seem to be the determining factor but I would have to add that my fee comes in the mid-range. My clients often acknowledge that they feel they are getting value for money in this regard

7. Do your clients formally evaluate your work when it is finished? If so how?

The evaluation is formal through the end of programme evaluations which the client always insists on completing and then through informal contacts between my client and the participants on programmes. Thereafter I have meetings with the client to assess the feedback.

8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

From my experience, the practical experience which I bring to the role carries quite a bit of weight.

In the regulatory and quasi-legal training which I provide, my qualification as a solicitor does add weight.

9. What do you think clients look for in a consultant?

Someone who can help them to design and deliver solutions for their particular needs.

Someone who is practical and with whom they can relate.

Someone whom they can trust.

10. What makes a good client/consultant relationship?

I think it is important that the consultant understands their client needs. The ability to discuss frankly and openly the issues that arise both in the design stage and the subsequent delivery of the training is imperative. It is also important that both sides of the relationship know that they have the other's support when alternative ways of doing things need to be explored.

11. What is it that sets the good consultant apart from the average one?

Continuity of contact with the client

Commitment to the client for the long haul

Frank and open relationships

A willingness on the part of the consultant to act as a buffer for the client if the need arises

12. What have been the biggest difficulties that you have experienced when working with a client?

Where the agenda being served is not clear and there no a lack of commitment to the project by the client.

13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

In general terms, I would expect that the large consultancy house can provide a breadth of experiences across a number of areas to the client. However from my own personal experience, I am very open with my clients as to the range of services that I provide so that my size as an independent consultant does not appear to be a disadvantage in this regard.

Indeed, as an independent consultant, the ability to offer a very personal bespoke service to the client is something which my clients recognize as an advantage.

It often seems that the large consultancy houses have difficulty or are unwilling to deliver bespoke solutions for small projects.

14. What added value do external consultants bring to a business?

I believe that we bring a breadth of experience from dealing with other clients which is extremely useful (while always respecting client confidentiality).

The ability to challenge the status quo is an added value to the client.

15. Do you feel that any of your clients are over dependent on you?

No, I don't believe so. I have always worked on the basis that if I lack expertise in a particular area I will not take the project on and to this end my clients will source their solutions elsewhere. This is, in my view, a healthy way to do business and also allows me the flexibility to work with a number of different clients as it is important to me not to find myself too reliant on one client for business.

16. What do you see are the opportunities and threats for the independent management consultant going forward?

1. Outsourcing as a threat

The move to outsourcing by major businesses will, in the short term, prove to be a challenge. I believe that initially there will be an unwillingness to use anyone other than the provider agreed in the outsourcing. This will make it difficult for the independent consultant to develop or indeed retain these relationships. However, I firmly believe that if the outsourcing provider fails to meet the needs of business at local level flexibility will re-enter this part of the business allowing the independent consultant to re-establish their relationships in time.

2. Bespoke solutions to small projects

Where the independent provider can to provide a specialized bespoke service at a price which offers value for money I believe that we can continue to grow our business.

A willingness to move outside the more traditional ways of delivering solutions will also be important.

I believe that where we can develop solutions which are aimed at developing skill sets which cannot be delivered through e-learning and interactive models favoured by the large providers we can grow our business.

17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

<p style="text-align: center;">The Future for the Independent Management Consultant - Survey of Consultants - No. 10</p>

Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

1. How would you describe the work that you do?

- Initially the work involved on-the-job training – training new entrants on the basic skills of the job as well as training more experienced staff member to progress on to the next level of the job
- Part of this work involved compiling training documents with all the key procedures and controls
- I also helped the business areas complete some jobs skills analysis and job cover analysis
- I have also done some work in Business Process Redesign
- My work developed from on-the-job training to being the training consultant for new systems being introduced into the business. This involved learning the new systems and then producing training documents for each system. Once these were in place it involved training key staff on how the use the new systems
- I have also run a number of Train the Trainer workshops and Presentation Skills workshops

2. What industry or industries do you provide your services to?

I have done the bulk of my consultancy work for one financial services company based in Dublin

3. What type of assignments are you usually involved in?

See 1 above

4. How do you get your work (e.g. cold calling, advertising, referrals etc)?

Referrals

5. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)

I don't know, however, as I previously work for the company they were familiar with the quality of my work and my knowledge of the business

6. How important is cost to the client?

Cost is always an issue, particularly for longer term contracts

7. Do your clients formally evaluate your work when it is finished? If so how?

I always provide a summary of all work completed and discuss progress with the client on a regular basis (usually weekly)

The quality of the work completed is usually reflected in the ability of the staff to perform the work they have been trained to do – their work is evaluated and if there are any gaps I do some more work with the staff member to close the gap

8. Do you feel that your formal qualifications are important to your clients? Have you ever been asked about them?

While I have never been asked about my qualifications I feel that initially when I was asked to do the training that the fact that I had a 3rd level qualification helped me get the job

9. What do you think clients look for in a consultant?

Someone who can deliver a quality product, in the agreed timescale to budget

10. What makes a good client/consultant relationship?

Regular feedback

Addressing any issues as they arise

Delivering the requested service to a high standard

11. What is it that sets the good consultant apart from the average one?

The quality of the work they do

Their ability to establish a good working relationship with the people that they work for

12. What have been the biggest difficulties that you have experienced when working with a client?

I have been lucky enough not to experience any major difficulties

13. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?

There is not a straightforward answer to this question. Whether the consultant is independent or from a large consultancy house the quality comes down to the individual in the end. I believe I would have the same enthusiasm and commitment to my work as an independent consultant as I would have if I worked for one of the larger consultancy houses. Having said that I think that independent consultants probably don't charge as much as the larger consultancy houses (but that's only a guess)

14. What added value do external consultants bring to a business?

The independent consultant is not bogged down in the day to day running of the business and the demands of staff. Therefore they can focus on the job at hand and suggest more effective ways of getting the job/training done

15. Do you feel that any of your clients are over dependent on you?

For a time I would say yes, while I would have trained internal staff to take over the training on an ongoing basis they tended to be sucked back into the day to day work and therefore I would be called back on a regular basis. Within the past year this has resolved itself with more reliance on internal staff taking responsibility for the training. Other factors have also influenced this as the company I was working have outsourced its training needs to one of the large consultancy companies.

16. What do you see are the opportunities and threats for the independent management consultant going forward?

It depends on the style of the independent consultant. I have tended to get my assignments through referral and I wouldn't like to have to do any cold-calling. If I wanted to stay in this business I would have to get used to doing cold calling or join one of the larger companies and let their marketing people do the cold calling for me!

17. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?

I can't think of anything

Thank you again for taking the time to complete this survey. Please send it by e-mail to barbaragilligan@eircom.net

APPENDIX III

INTERVIEW THEME SHEET

Themes for Interviews with Clients

When you think of the term 'consultant' what do you think of?

What type of assignments do you use consultants for?

How do you identify your consultants?

In your experience what kind of selection criteria are used to decide who to give the piece of work to?

How is the success of the assignment evaluated?

Have you had experience where you have been less than happy with the delivery of consultants' promises?

Can I ask you, in terms of your experiences when you look at the good consultant versus the 'average' consultant, what is it that sets them apart?

How important is it that they understand the culture of the organisation they are coming into?

What do you think are the biggest problems when taking consultants in to do a piece of work?

What are the advantages or disadvantages of the large consultancy practice versus the small independent consultant?

Are companies over dependent on consultants?

What value do consultants really add to the business?

Going forward ...bearing in mind that there is far more globalisation, and major outsourcing to the larger consultancy firms, what in your view is the future for independent management consultant?

SAMPLE QUESTIONNAIRE

<p style="text-align: center;">The Future for the Independent Management Consultant - Survey of Consultants</p>
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Thank you for participating in this survey. This survey forms part of a thesis the objective of which is to form a view on the future for independent management consultants, against a backdrop of increased globalization, outsourcing and shared services. A number of senior people within major corporations (based in Dublin) have been interviewed to ascertain their views. This short survey is aimed, not at the corporations, but at the consultants – to get your views. I would really appreciate if you took the time to consider the questions and give some expanded answers. I will be very happy to share my findings with you on completion of my thesis.

- 18. How would you describe the work that you do?**

- 19. What industry or industries do you provide your services to?**

- 20. What type of assignments are you usually involved in?**

- 21. How do you get your work (e.g. cold calling, advertising, referrals etc)?**

- 22. What kind of a selection process, if any, do your clients use when deciding to whom business will be given? (or do you know?)**

- 23. How important is cost to the client?**

- 24. Do your clients formally evaluate your work when it is finished? If so how?**

- 25. Do you feel that your formal qualifications are important to your clients?
Have you ever been asked about them?**

- 26. What do you think clients look for in a consultant?**

- 27. What makes a good client/consultant relationship?**
- 28. What is it that sets the good consultant apart from the average one?**
- 29. What have been the biggest difficulties that you have experienced when working with a client?**
- 30. In your view what are the advantages and disadvantages to clients of employing an independent consultant rather than a large consultancy house?**
- 31. What added value do external consultants bring to a business?**
- 32. Do you feel that any of your clients are over dependent on you?**
- 33. What do you see are the opportunities and threats for the independent management consultant going forward?**
- 34. What questions have I not asked or what other issues do you wish to mention that you feel are relevant to this study?**

Thank you again for taking the time to complete this survey. Please sent it by e-mail to barbaragilligan@eircom.net

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