

How CEOs / Senior Managers can Best Leverage Consulting Relationships to impact Earnings.

No matter your company's size, having all skill sets on-board, which are necessary for leading your company to top performance in good times and bad, is impossible.

Further, many skill sets are not necessary in-house 365 days out of every year.

Outsourcing is a \$121B industry, yet satisfaction rates average only 58%. Companies that balk at hiring consultants do so because the profession has some detractors. Some people say, "Consultants just waste our time, ask questions and keep us from doing our job. Then they drop off a report, go away and nothing changes." There are others who say that consultants cause as many problems as they solve or that they just don't "do" anything.

There is probably some truth in all of this. But, what do you expect? Like any profession, there are some that are adept and others that are less so. Couple this with the fact that many consulting assignments are akin to damage control on a torpedoed ship, and I'm surprised that the industry's record is as good as it is. Don't wait until the ship has nearly sunk to call for reinforcements.

Understand why you're hiring a consultant; what are your expectations?

One of management's problems is the confusion about what to expect from consultants. CEO Don Libey of Libey Concordia Investment Bankers said, "*The reason for consulting is first and foremost, to enhance and grow earnings.*" It is not the consultant's role to be a miracle worker, executioner or savior, although I believe that my colleagues and I truly want to help. To elaborate on Libey's statement, good consultants help your people discern where to focus and how to develop their skills so that *you and your people* can realize your expectations.

The consultant's role is to:

a) be a fresh set of eyes and ears. Because you and your team are in the fray of daily battle, consultants are better able to point to a strategic advantage, a safety zone or high ground that you may have missed.



We're not saying that we know your business better than you, but we do have fresher perspective. A fresh perspective is usually invaluable.
b) bring unique experience and skills to focus on the project to enhance your team's ability to achieve your goals. As stated earlier, it is impossible to maintain *all* necessary skill sets at *all* times—so, "rent them" at the appropriate times.

Define milestones and success.

That's another of the obstacles management faces: unclear delineation of the scope of the project with an equally unclear definition of success. Too often, staff and even management aren't clear about what's to be accomplished. So, begin with the end in mind; define what success will look like.

Be specific in the tasks assigned and fair in holding the outsourced and in-house team members accountable for agreed upon tasks.

Leverage your investment in the outsourced experience. Don't allow your consultants to do the research, turn in a report and then ride off into the sunset. When this happens, "plans" often end up sitting on a shelf. From the start, commit yourself to harnessing the intellectual property that consultants inevitably acquire/develop during their engagement, by making them part of the execution and implementation team.

If clients and consultants stay the course together and keep focus on joint expectations and milestones, they can create a whole greater than the sum of their parts. And they'll consistently improve performance.

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