

CHAPTER 11

THE RULES OF CONSULTING

The Practice of Professional Consulting

THE RULES OF CONSULTING

Understanding and practicing professional consulting can seem to be a daunting task. It can be confusing, complex, rational and emotional. Consultants are expected to demonstrate technical expertise and at the same time high levels of emotional intelligence as we work with people. Human resource consultants need to convince clients of their technical expertise and technical consultants need to demonstrate their people skills. We need to demonstrate an ability to use tried and tested techniques and methods and at the same time be flexible and open to change. Consultants are expected to grapple with the complexities of their client's organizational failure and problems that are often ambiguous and ill-defined, yet still communicate in simple, clear and convincing language. Consultants are expected to exceed client expectations by providing solutions at lower cost while also adding value.

As discussed earlier in the book, one of the necessary skills of a good consultant is the ability to simplify complexity. It is one of the ways we add value to our client's organization. With that principle in mind, we need to simplify the practice of professional consulting by condensing this entire book into a set of simple, clear rules. Organized against the four stages in our consulting cycle, Table 11.1 lists rules of professional consulting that can be used by all consultants regardless of their area of consulting practice, professional experience or rank.

Table 11.1 The Rules of Professional Consulting

Developing

1. Most new business comes from existing clients.
2. We are in a people business, regardless of our technology.
3. The client buys you first, then your expertise.
4. Describe how to help customers be (F)x(B)x(B)x(C).

Mobilizing

5. Team work is not optional.
6. Be present and listen actively.
7. Every consultant is responsible for finding new business.
8. Profitability is driven by application and realization.

Building

9. Integrity forges long-term client relationships.
10. Having a "can do" attitude is a critical success factor.
11. Combine IQ with EQ to enhance political intelligence.
12. Find ways to contribute to your client's career success.

Deploying

13. The goal is to become a trusted consultant
14. Put the customer first, even if it risks revenue.
15. Continuous learning is a critical success factor.

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16. Live the consulting cycle (4 stages/48 practices).

These rules appear to be linear and discrete, but they overlap and are not in any particular order. Rather they represent a set of behaviors that all consultants ought to keep in mind as they do their work throughout the consulting steps and roles. They are necessary for starting a consulting business, winning business, building long-term client relationships, making a profit, and becoming a trusted advisor. Each of the rules is explained in more detail below, organized by the four stages in the consulting cycle.

DEVELOPING AND WINNING BUSINESS

Most New Business Comes From Existing Clients. Consultants spend a great deal of time in their client's organization during which they become aware of many new problems. If the consultant has been politically savvy, emotionally intelligent, and is striving to become a trusted advisor using all of the competencies and best practices in the consulting process, then the chances of being able to submit a proposal to solve new client problems seen on route, and winning that business, is very high. Not guaranteed, but very likely. People like to work with people they know and people they trust. Consulting is, after all, a people business.

We Are In a People Business, Regardless of Our Technology. Expert consultants tend to believe that it is their expertise that clients seek. Therefore, they focus on their expertise, rely on it, and often drive their customer relationships from it. It is crucial that all consultants (especially technical, scientific, and engineering consultants) realize that from the customers' point of view a very important, if not critical factor, is how they experience their consultants as human beings. Do the consultants listen; are they friendly; can they handle tension and disagreements well; are they humble or arrogant; can they moderate group discussions; are they able to articulate thought leadership; do they have emotional intelligence to get along with people; will they be able to work with my people, in my company, in our culture?

The Client Buys You First, Then Your Expertise. If you work for a consulting company chances are that the company has an established reputation and brand. The brand, such as Accenture, Bain & Company, or DDI, can carry a great deal of weight in the customer's mind. However, the marquee value of the brand only gets the consultant in the door. Customers assume and expect the "branded" consultants to have expertise relevant to their problem. The key to winning business is whether the customer thinks there is a "fit" with the consultant's style and language. They will make quick judgments about whether the consultant can work in the customer's culture, get along with employees, be easy to work with, and can communicate effectively using language that is understandable. If the customer's assessment is positive on all or most of those dimensions, the consultant has a very good chance of being hired.

Describe How to Help Customers Be (F) x (B) x (B) x (C). Since clients hire consultants to identify and solve problems it follows that they expect the solutions to those problems to make a positive impact on

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their business and organizational performance. In today's global and highly competitive business environment, all business organizations need to be faster, bigger, better (quality) and /or cheaper to achieve sustainable competitive advantage. Therefore, consultants must use that language to describe their work. They must discuss and demonstrate in concrete, practical ways how exactly their solutions achieve those business outcomes. This is true for all forms of consulting, for large and small engagements, and for consulting work in all organizational functions and at all organizational levels.

MOBILIZING AND ALIGNING A TEAM

Teamwork is Not Optional. Technical consultants may prefer to do their work in isolation of people. Many prefer to sit at their computer to do systems analysis, design architecture, write software code, and perform testing. However, the fact is that today, business organizations operate on the basis of teamwork, cross functional projects, multilevel task forces, and various committees. Systems (contextual) thinking informs us that everything is connected to everything else (i.e., functions, roles, management, operations and administrative procedures) in business organizations. No one can work in isolation. Therefore, consultants must learn how to be an effective team member. Consulting team leaders must know how to develop high performing teams. They must be able to lead effectively their own teams and teams that include client members.

Be Present and Listen Actively. The world is a very busy and noisy place and consultants and clients now have sophisticated communications technology in their hands to stay constantly in touch with friends and colleagues. The net effect of this is that a new generation of employees has entered the workforce multi-tasking at the expense of real human engagement. Consultants run the risk of their clients feeling disengaged and insulted by them because they are not paying attention and being present. Some clients will conclude the consultant is being extremely rude by such multi-tasking behavior. When a consultant is distracted by a cell-phone or the computer, the consultant cannot be fully present and engaged with the client's mind. When the consultant is thinking about something other than what the client is talking about, the consultant is not fully present. Effective consultants understand these risks and work hard to actively listen to the client, every time, without exception. In such a manner, clients learn to trust the consultant as a person of integrity. Never underestimate the power of effective listening!

Every Consultant is Responsible for Finding New Business Opportunities. While engaged in client work consultants see and hear about many client problems beyond their immediate engagement. It is every consultant's responsibility to bring that awareness and insight back to their firm for a consideration and possibly a proposal. Similarly, independent self-employed consultants need to think through whether they should / can submit new business proposals that address the problems they have become aware of in their client setting. All consultants must look for new business, even if they will not do the consulting assignment themselves. Junior consultants and even software developers have this responsibility; to bring business consulting opportunities to the attention of their firm's management.

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Profitability is Driven by Application and Realization. Realization is the firm's policies, systems and procedures to effectively and efficiently win new business, bill their clients, and bank the money. Generally, a consulting firm must have more proposals won than can be immediately deployed so a backlog accumulates. The larger the backlog of business, the greater ability the firm has to hire new consultants, pay existing consultants more money, invest in and expand the firm. The ratio of business won to business lost must be positive and the financial structure of new business must produce a profit. Application rate refers to the percentage of time in a month or year that a consultant is able to bill a client for work. Application rates (sometimes called chargeability or utilization rates) must be sufficient to: 1) justify the fixed cost of a consultant, 2) contribute to overhead and 3) yield a profit to the firm.

Consulting firms must have administrative and managerial procedures that support their ability to make money. The salary and benefits paid to consultants is a fixed cost to the consulting firm, and is paid whether or not consultants are out doing client work. Too little client work means the firm will lose money and eventually must lay-off employees, thereby hindering their ability to find future business quickly. In addition, each consultant must be working on a client assignment (i.e., be applied or utilized) for which they can charge clients a fee. Fees charged to a client include a profit margin, so the more the consultants are applying themselves to client work, the more profit they make for the firm. Firms usually set target application rates for all their consultants, (the rates vary by consultant's rank, experience and role), and expect their consultants to achieve those targets so their fixed costs will be covered with extra money coming in for overhead and a profit.

BUILDING AND PRODUCING DELIVERABLES

Integrity Forges Long-term Client Relationships. Since most new business should be coming from existing clients, it follows that consultants ought to run their business with rules and procedures that create long-term relationships with their clients. Such relationships are built with integrity. For consultants, integrity is ensuring complete consistency between one's spoken word and one's behavior. Therefore, throughout the entire consulting process, consultants must be alert to the expectations they are setting, their spoken intentions, and communications that set standards of work and behavior. Broken integrity is very difficult to restore. It breaks trust – the most fundamental psychological tenet of human relationships -- with its obvious impact on forging long-term, profitable client relationships.

A “Can Do” attitude is A Critical Success Factor. Client organizations are complex, often ambiguous and full of unexpected events. Simultaneously, consultants are usually making their clients more so by driving some sort of change. The amount, direction, and intensity of change often make employees resist the consultant's work. When facing this natural resistive pressure, consultants still need to get things done and produce deliverables. They must have a “can do” attitude, rather than capitulating or complaining about client resistance. This means consultants must think of what is possible; choose alternative paths;

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devise new strategies; explain vision and values; and communicate with influence in ways that gets people to act and move the client's organization forward.

Combine IQ with EQ to Enhance Political Intelligence. Clients use consultants, in part, for their expertise and intellectual ability expecting them to bring rigor to a problem solving and decision-making process that leads to a solution. This is necessary for solving complex organizational problems. Expertise and intellectual ability gets the consultant in the door. However, winning business and successfully completing an engagement requires an additional capacity: a high level of emotional intelligence. Emotional intelligence is a set of skills that enables a consultant to respond appropriately in any situation, to the emotional stresses and pressures of client work. This is important because some organizations are notoriously high pressure environments and many managers put a lot of pressure on consultants to "deliver." A consultant's emotional quotient (EQ) affects the consultant's ability to work with people, deal with conflict, handle pressure, work within the client's culture, and respond appropriately to unexpected client circumstances.

Find Ways to Contribute to a Client's Career Success. A client is not an organization or a whole business entity. It is usually a single person. It is the individual in the client's organization that has primary responsibility for the success of the consulting engagement. Effective consultants are cognizant of the fact that the client has a boss that must be kept happy; the client may have a lot of visibility with the engagement in question, and is probably feeling quite vulnerable, hoping that everything goes well. With this in mind, consultants must consider how the engagement is affecting their client's internal, political success and seek ways to make the client look good, be successful, receive credit and get ahead. By helping the client to advance in his or her career, long-term relationships and future business are reliably built.

IMPLEMENTING AND DEPLOYING SOLUTIONS

The Goal is to Become a Trusted Consultant. The benefits of achieving the status of "trusted advisor" or trusted consultant are so significant that it should be every consultant's goal to become one. Being trustworthy, working with integrity, expanding one's knowledge, and understanding of the client's business, and working to develop a warm, professional, yet friendly relationship with the client are the keys to achieving the goal. The trusted consultant relationship yields benefits in low price sensitivity, expanded business opportunities, and professional satisfaction.

Put the Customer First, Even if it Risks Revenue. Clients always expect more for less. Consultants are often under pressure to do "a little bit extra" for clients. Since even a small amount of additional work means time, it also means money so that consultants must often make a decision to either work for free to please the client or re-negotiate the fee. A change in the scope of work is a legitimate reason to re-negotiate the fee. Anything else is discretionary and should be done with the best interest of the client in

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mind. Working late to get something done on time (or ahead of time) pays dividends in the client's mind and is usually worth doing. Alternatively, consultants should not intentionally expand the time to do work in order to charge more money. That is unethical.

During the building and implementation stages, the deliverables are put to the test. Things do not always go as planned. Even very well built deliverables and solutions do not always deliver what they are supposed to do. If the consultant has already been paid for the work, yet the client is unhappy (for legitimate reasons) the consultant should do whatever is necessary to fix the problem. If the problem is clearly the fault of the consultant, fees should not be renegotiated. Rather, after the client's complaint is clarified and a workable solution is devised, the consultant then works without additional fees, until the deliverable meets expectations. As a rule, fees should be renegotiated only if the client changes expectations and the scope of the work.

Continuous Improvement is a Critical Success Factor. Continuous improvement is a learning process for clients and consultants alike since by working together they both must change and improve their knowledge, skills, and capabilities as they produce new solutions to problems. Consultants must assume responsibility for being role models for continuous improvement in their professional practice. They must seek ways to improve their professionalism, processes, technology, systems, and personal style. As self-proclaimed experts, this requires them to expand continuously their expertise; to be open to learning new things. Otherwise they run the risk of promoting themselves as having, say ten-years of experience, when in fact they only have one-year's worth of experience, ten times over. They risk ignoring client data, issues and analysis in order to deploy existing, ready-made solutions over and over again. There is little value in that.

Live the Consulting Cycle. The cycle of consulting is a fully integrated process requiring the use of four stages, four roles, twelve competences and forty-eight practices. For convenience, the competencies and practices are organized by each stage and role. In practice, however, the knowledge and skills used in one stage can be used in any other stage, to one degree or another. Certain stages require an emphasis on certain competencies. At the same time, all of the stages require excellent interpersonal skills, an ability to influence people; the exercise of leadership, and good organization of time and resources. Throughout the cycle, consultants must be able to establish clear goals, formulate a strategy, establish responsibilities, delegate work, and follow established procedures and protocols. In short, they must live the cycle.