

## **Consultants Offer Flexibility, Hands-Off Productivity**

With staff sizes and budgets restricted or diminishing, and top executives up and down the ladder under pressure to do more with less each year, many savvy executives are seeking help among the seeming army of consultants of every stripe to get their companies on the profitability track. Are they finding success down that road?

The idea of the consultant is ancient – Egyptian kings and pharaohs had “consultants” with specialized magical talents to advise them and point them in the right direction when governing the masses. King Tutankhamun had one of the greatest PR consultants ever seen, who told him that to the Egyptian people, big buildings mean big power, big statues mean big power – and Tut and other Pharaohs took this to heart and built the pyramids of Giza and other wonders of the ancient world.

Consultants can be used for a variety of purposes, from adding moral support in difficult or uncomfortable political situations, to adding credibility to pet projects in communicating them to Boards or subordinates. The image of the unfamiliar man with the briefcase and the air of confidence in the boss’s office was born out of some particularly sticky board meetings in the 1960s by top executives at a large conglomerate who’s ideas were not being communicated effectively or credibly, and a CEO who’s head was on the block. Once the Board members heard the same message in a different way coming from the consultant, an expert in such matters, they approved the plan and the CEO was spared. The consultant in that case didn’t come up with the idea, he simply communicated it effectively and lent his credibility to the idea. This practice continues today with great success in companies and organizations across America.

Communication by proxy can be used as an effective strategy if a number of conditions are met. One is that the idea or issue must have real merit on its own. A bad idea is a bad idea, no matter who presents it. Another condition is that the consultant be at least as credible as the staffer to the selected audience. He should be a known, or at least vetted, quantity, with the credentials to back it up. Once those two elements are in place, communication by proxy can be effective in getting new ideas implemented.

### **Short Term Expertise**

Consultants have many other functions as well, and most departments within the organization can find a number of consultants that specialize in their particular areas of functionality to assist them. Sometimes consultants can simply be used as additional manpower, fill-ins for key employees on personal leave, plug-ins providing necessary functionality on short notice for the short term. These are not temps you can call in for a day or two while someone is out with the flu. They are highly-trained, experienced executives who have been in many different corporate situations and reached a level of comfort with the commonalities in procedures in their area between companies to be effective quickly. They are typically not used in situations where the term is shorter than a month, as the cost of lost opportunity for a stint that short drives the hourly rate beyond the return value. Expectations in this situation are relatively high, as the consultant is being asked to step into any number of situations already in place and under way, and gather sufficient information from internal sources to keep these projects moving forward

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effectively, in a very short period of time, but without injecting much of their own influence or changing the direction of the project. This is a tough gig, and successful consultants are to be highly prized and respected for this set of skills that make such performance not only possible but routine. When projects are critical, and the schedule is inflexible for any number of reasons, this may be a good option for mid-size to large organizations.

### **“Special” Projects**

Some organizations use consultants as outboard manpower to plan and implement special projects outside the normal scope of the department or organization, or for projects that are of vital concern to the organization’s success but only come up rarely. Changing membership databases for a non-profit organization is a prime example of this type of consultant use. An IT or Association Consultant who has been through many such changeovers and data conversions can be an invaluable resource for such a critical undertaking that most organizations only face every few years. Hiring a consultant under such circumstances will expand and extend the organization’s scope of expertise for a short period, and take advantage of specialized knowledge that isn’t needed on a regular basis. The expense of the consultant is far outweighed by the savings gained by avoiding a misstep in the process and crippling your organization, however temporarily, while the problem is investigated and fixed. The consultant can prevent you from making a poor purchasing decision, and mitigates buyer’s remorse by making the correct match between user and product.

Sometimes that special project requires some specialized expertise in order to allow a “pet” project to be executed properly, and that expertise doesn’t exist in house. If time is a factor, and there’s no time for internal staff to develop that type or level of expertise, a consultant can be an excellent solution. The can work directly with your internal staff, provide the expertise necessary to move the project forward effectively, by-pass the internal chain of command and the inherent internal politics, and propel the project to a successful conclusion quickly and effectively.

### **Guidelines**

There are some guidelines to keep in mind when using a consultant for this purpose.

- When planning to include a consultant in the mix, be sure to make “room” for them both in the budget and in the schedule. There will be some initial ramp up, no matter how short, as they learn to work with the particular in-house players, and assess their individual capabilities. Leave a reasonable time for them to get acclimated and figure out who’s who in your organization.
- Depending on the type of project, the consultant has been hired to provide expertise, advice and specialized services. This often requires change from the status quo, introduction of new ideas, and some assessment of the internal strengths and weaknesses on the team. Take the advice and ideas you’re given and make the most of it. Putting up roadblocks, creating obstacles, withholding information, and rejecting ideas out of hand are all a waste of time and money. You’ve hired him or her as an expert, treat them as such, and listen to them.
- When planning to use a consultant, build into your plan sufficient staff time to manage the consultant, and the money in the budget to implement the ideas

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they introduce. You've hired an expert, but if you don't leave room in the budget to put into practice the concepts they introduce, you've only done half the job. Even if you don't keep the consultant in the picture during the implementation, you still need to fund the project sufficiently to be successful.

Most good consultants in most fields have learned to work with a bare minimum of supervision or management. If you carefully outline the goals for the project, introduce them effectively to the internal staff, and provide the resources and the communication pathway for them to get accurate, unvarnished answers to questions quickly, they will take the ball and run with it. In order to keep them from veering too far from what you envision a success to be, some check-ins or milestones for approval should be built into the project schedule. That way you can adjust the course at critical junctures before they go too far off the map. Too many of these can erode the effectiveness of the consultant and doom the project, so avoid the temptation to micro manage. You had the foresight to hire them, now let them do their thing. Too few milestones can lead to some surprises, when the end of the project approaches and the final product is not what you envisioned and you don't know why. A happy medium and a light touch usually lead to a successful outcome.

## **Finances**

The financial arrangements for consultants vary to some degree, depending upon the industry, the scope and duration of the project, and the nature of the organization. Many work on an hourly rate, which are standardized to some degree based on what the market will bear for the size of the projects, the area of expertise, the reputation of the consultant, and the geographic area. A Human Resources Consultant will likely charge a small company in Tennessee less per hour for a candidate search than a large company in New York City, and the company's expectations and needs will likely differ as well. The rate can be negotiated up front, before the project starts, and the terms are often outlined in a binding legal contract. Most Boards insist on such a document in one form or another, to help provide the company some recourse and some protection for both parties should outcome turn out to be less than expected.

Some consultants in certain industries work on a fixed project fee. This is negotiated up front as well, once the scope and extent of their involvement and the size of the project has been agreed upon. A contract is often required for this arrangement as well, with some contracts including an incentive bonus for successful or early completion or for staying under established budget guidelines. On rare occasion, a consultant will work on a contingency, similar to a tort or personal injury attorney. Especially in forensic financial work, collections, auditing, or tax work, these arrangements exist where the consultant's fee or payment is tied either directly or indirectly to the money they are able to recover or save the company.

No matter what the arrangement, no matter what the industry, selecting which consultant to work with is a critical step to a successful outcome. A recommendation from a colleague who has used someone for a similar project is a great start. Other sources include your local Chamber of Commerce, and industry-specific trade publication editors. The local College or University department most closely aligned with your industry is also a good source of "experts" in your selected field. Once you've gathered a few

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names, a brief phone interview is always a good idea. That alone can whittle the field down to two or three suitable candidates. Their availability, and responsiveness will give you an idea as to what they will be like to work with on your project, and you can prepare some industry specific questions to ask, to see how close to your industry and your project they are currently. Once these are complete, a personal interview is in order. This will give you an even better idea as to the character of your candidates and their capabilities. Each candidate should furnish a list of client references, and they should be rigorously checked before making a decision.

Once a decision is made, financial arrangements can be made, and your project can begin.

Consultants can be a vital part of your organization, expanding your capabilities, allowing you flexibility in staffing to meet short term needs, and let you take advantage of expertise beyond the level you are able to train in house. Used wisely and strategically, consultants can help you meet goals, complete new projects, grow your organization and function more efficiently and profitably.

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