Introduction

This checklist is for prospective users of consultancy and suggests some of the questions users should ask themselves before commissioning an assignment, as well as advice on getting the most from a consultancy relationship. Buying in and using management consultancy can be a valuable investment provided you:

- allow enough time for the whole exercise
- carefully define the area of need
- know what you want the consultant to do
- exercise care in selecting the right consultant
- manage the relationship effectively
- monitor progress towards desired outcomes
- don’t become over-dependent on the consultant
- try to achieve knowledge transfer as part of the process.

There are many advantages in using consultants, including their expertise. As consultants are immersed in their specialism, they are well-placed to advise on the state of the art. It may be impractical for an organisation to tap such expertise in any other way. Other advantages are:

- For short-term projects it may be more cost-effective for a company to buy in expertise as and when it is needed.
- Help can be required for an overstretched management team or to pursue a project that would otherwise not be completed.
- An outsider can see things which are unclear to those on the inside or say things which members of staff may fear to articulate. Equally, employees may be more willing to agree to a course of action if they know that impartial advice has been taken.

Definition

The following definition is taken from the Management Consultancy Competence Framework developed by the Institute of Business Consulting, now the Institute of Consulting.

“Management consulting involves individuals, whether self-employed or employed, using their knowledge and experience, and their analytical and problem-solving skills, to add value into a wide variety of organisations within a framework of appropriate and relevant professional standards, disciplines and ethics.”

Action checklist

1. Clarify the need to buy in external expertise

Firstly, be clear about whether you really need a management consultant. Check that the knowledge and expertise required is not already available within the organisation. Consider also, that if expertise is needed
on an ongoing basis, it may be more cost effective to employ someone with the necessary experience. However, if you are looking at a short term project or you need the objective perspective of an outsider, a consultancy assignment may offer the best way forward.

2. **Involve senior management from the beginning**

Gain the approval of senior personnel for the decision to use consultants and keep them informed during the selection process. This will help ensure that your choice of consultant will be accepted at the top level.

3. **Understand organisational procurement policy and practice in respect of hiring consultants**

Large organisations often require procurement departments to manage the hiring process. Public sector organisations may have rigorous controls in place, require some contracts to be put out to tender, or follow the guidance of the Office of Government Commerce (see Additional resources below). Bear in mind, however, that buying commodities (e.g. stationery and computers) is very different from buying services and intellectual property. Be aware of the risks of bureaucratising and de-personalising the selection process. Question procurers’ assumptions and procedures that concentrate on lowest price and which automatically employ formal invitations to tender, even when the value of the contract is small.

4. **Ensure impartiality**

Make sure that that any person with an interest declares this and is not part of the appointing committee or group.

5. **Prepare a short list of possible consultants**

There are a number of directories and registers available for identifying consultants. Some consultancies offer a wide range of services, while others specialise in particular industries, certain areas of business activity or on organisations. Recommendation is also commonly used. Ask those you work with to suggest people they trust. Make sure you request references from previous clients to establish a consultant's track record and follow up on them.

6. **Ask for written proposals from consultants on your short list**

This will enable you to establish the extent to which the consultant can help you, the likely benefits, and the duration of the assignment. It should also give you an insight into the consultant's approach to the problem.

7. **Generate a genuine dialogue**

Aim for a dialogue in a sense of partnership rather than having a sharp division of labour between yourselves. Rather than present consultants with a tightly defined problem, it may be helpful to engage them at the problem-definition stage. They may have useful insights and strategic abilities to bring to the table.

8. **Understand the commercial imperative in consultants’ minds**

To win a contract, a consultant may appear to agree with your diagnosis, but may not actually do so. Once engaged, a consultant may hope to redefine the assignment – either to fit their analysis of the issue or to enable them to do what they are best at doing. Be aware too, that once the assignment starts the work may be left to junior consultancy staff or personnel may change during the project. You may wish to stipulate that any changes of personnel be approved by yourself. Most consultants have a follow-on contract in mind and this can colour their advice to you – telling you what you may want to hear, and not what you may need to hear.

9. **Study the consultancy proposals submitted**

These should include the following:

- an understanding of the situation or need
- a programme of work
- a timetable for completing the work
- a statement of benefits
- an indication of the consultant's style and approach
- details of staff involved, including relevant qualifications and experience
- the resources required, time, information, equipment and the time of your own staff, for meetings, interviews and work in joint teams, for example
- references to previous work of a similar nature undertaken elsewhere.
- estimates of fees and costs.

10. **Finalise the agreement**

Check the terms and conditions of the agreement carefully to make sure that they are clear and unambiguous and that you are happy with the provisions, especially if you do not have a standard contract for consultancy assignments. You may wish to refer to the standard terms and conditions for consultancy contracts available from The Institute of Consulting (see Further Resources below.)

11. **Be careful if you need to employ more than one consultant for the task**

Sometimes a job will require more than one consultant, e.g. if specialist knowledge that the main (or “lead”) consultant cannot supply is needed. Ensure that any such relationship is clearly defined, and in particular be sure that it is clear who is employing, managing, instructing and evaluating the secondary consultant. The lead consultancy may not have the skills to evaluate or monitor the specialist, in which case it may fall to you as the client — but that does not mean that you must assume all responsibility for the sub-contractor. You may need to accept an additional overhead to make sure that specialist elements of the project are properly completed - build this into your evaluation system for the overall project. Make sure that the contract sets out clearly where these responsibilities lie. This will probably be a statement that the lead contractor is liable for any problems with sub-contractors and their work.

12. **Explain to all concerned why a consultant is being employed**

Brief staff on why a consultant has been appointed, when he, she or they will arrive, and the co-operation that is expected. Consider appointing someone as the main contact with the consultant, for example to help them with unfamiliar routines, geography and so on.

13. **Ask for regular reports and meetings on the progress of the assignment**

It is vital to monitor progress and to measure it against agreed objectives and programmes of work. You may wish to ask for regular reports, or exception reports, and to schedule meetings regularly at key points during the consultation period: start-up, midway and project end, for example. If any issues arise, a face to face meeting can help to resolve them quickly and amicably.

14. **Have a debriefing session before the end of the assignment**

Make sure the consultant summarises the findings and conclusions of the project either in a report or in a presentation. Ensure there are no misunderstandings or errors and that you have received what you asked for.

15. **Assess consultant effectiveness**

When implementing change, whether carried out by consultants or post-consultancy. Check that recommendations and outcomes are properly applied, and that they are not being undermined by a return to 'business as usual'. Discuss any particular difficulties which arise during implementation with those concerned. Regularly examine the results being achieved and consider follow-up visits from the consultant at appropriate intervals after completion of the project.

**Managers should avoid:**

- presuming that staff will readily accept an outside expert - be prepared to manage the resentment which may come from staff at the employment of consultants
- assuming that staff will readily accept the engagement of consultants
- being unprepared to manage any adverse reactions
● losing sight of objectives
● becoming overly reliant on a consultant
● becoming embroiled in the consultants' internal management issues, such as managing sub-contractors - unless this has been agreed with the lead supplier.
● being led by consultants to extend the consulting assignment beyond its original scope unless this has been agreed as valuable and approved by the senior management team.

National Occupational Standards for Management and Leadership

This checklist has relevance for the following standards:
D: Working with people, unit 1.

Additional resources

Books

Buying professional services: how to get value for money from consultants and other professional services providers, by Fiona Czerniawska and Peter Smith

How to buy consultancy: the Institute of Business Consulting’s guide to successful consultancy assignments,

Institute of Business Consulting agreement for the provision of consultancy services

Talent on tap: getting the best from freelancers interims and consultants, Emma Brierley
London: Chartered Institute of Personnel and Development, 2006

This is a selection of books available for loan to members from CMI’s library. More information at: www.managers.org.uk/library

Internet Resources

Institute of Consulting: Purchasing Consultancy http://www.iconsulting.org.uk/purchasing_consultancy
The IC offers guidance on best practice in purchasing consultancy and a free Find a Consultant Service.

OGC Consultancy http://www.ogc.gov.uk/policy_and_standards_framework_consultancy.asp
Guidance from the Office of Government Commerce on the procurement of consultancy.

Organisations

Institute of Consulting 4th Floor, 2 Savoy Court, Strand, London WC2R 0EZ
Tel: 020 7497 0580 Email: welcome@iconsulting.org.uk Web: www.iconsulting.org.uk

British Expertise 1 Westminster Palace Gardens, Artillery Row, London SW1P 1RJ
Tel: 020 7222 3651 http://www.britishexpertise.org

Management Consultancies Association 60 Trafalgar Square, London WC2N 5DS
Tel: 020 7321 3990 Web: www.mca.org.uk