

Why Hire a Consultant?

The Consultant: Necessary Evil or Valued Partner?

Why would I need to hire a consultant? Having spent many years working in Operations, I often found myself asking that question. Why bring in someone from outside the company? Aren't I capable enough to handle this project on my own? Some of that thinking was ego driven and some was the fear of the unknown.

Through the years I have often looked at Consultants with a degree of skepticism. "Consultants are just guys from out of town wearing suits that are going to tell me what I already know", and "Consultants use my own watch to tell me what time it is, then keep my watch", were two of my favorite sayings. While the underlying sentiment for those comments may be factual at times, Consultants can also add a tremendous amount of value when used in the right circumstances.

Experience and Expertise

Consultants can add a breadth of experience and knowledge to a project that most Management and Operations professionals simply don't possess. While you may implement new systems or modify your operations once every five to ten years, a Consultant will typically lead multiple projects of this type every year. Having been in the trenches during many project implementations gives the Consultant hands on experiences on what works (and perhaps more importantly what doesn't work) when leading your project.

The Consultant can also bring a different perspective to the project team. Many of the internal resources on any major systems or facilities project will be going through their first design / implementation. While they may have significant understanding of your business, they only "know what they know". The Consultant can bring proven processes and methodologies utilized in other businesses and industries to the table during the planning, design and implementation phases of your project. This perspective can break down the "We've always done it that way" mentality and prevent you from simply automating the bad habits your organization has built up over time.

Project Methodology

Consultants will bring a proven step-by-step process for success to your project. This project methodology has been built through their past experiences and includes all the factors that have made previous projects successful.

One of the key elements most Consultants will rely on is a Requirements Analysis. Typically, the Consultant will work with your Management Staff and Project Team to define the Objectives and Requirements for the project. This critical task of clearly defining your requirements prior to soliciting vendors will make your company an informed consumer. Think of it as entering your local home electronics store with a specifications listing that you want a 50 to 60 inch, wide screen, DLP, High-Definition television compared with walking up to the salesman stating you would like a "big screen TV". Understanding your needs has narrowed the scope of your search to only those alternatives that meet your specific requirements and eliminates the time wasted while the salesman shows you the "latest technology" items (with the highest profit margin / sales commission for him) and tries to sell you gadgets you don't need.

The Consultant will also utilize the defined requirements to develop a Request For Proposal (RFP). Once again having clearly defined requirements will enable you to narrow your search and ensure you will be reviewing quotes for only those alternatives that meet your needs. This will also allow for an “apples to apples” comparison of solutions and will provide you with a measure of comfort that you are getting a fair market price that meets your requirements.

Finally, the Consultant will maintain continued focus on overall project goals. Many projects will experience scope creep, or change, where additional functionality is added (i.e. sold) and the implementation schedule is altered, most often delayed. A Consultant’s main focus is to keep the original objectives and requirements for the project in perspective and ensure your business goals are being met.

Objectivity

The Consultant will bring an analytical approach to issue resolution and alternative evaluation. Consultants can utilize their skills to provide Senior Management with the factual analysis to make an informed decision. Predetermined outcomes and preconceived ideas can be objectively discussed. Inter-office politics can be skirted and process “ownership” issues can be eliminated.

The Consultant will also bring an objective input on management /support staff capabilities. New systems and processes may require a vastly different skill set for the management staff. A different view on the current capabilities and an understanding of the qualifications going forward for your team will be invaluable as you decide how to alter your business.

Industry / Market Knowledge

One of the major “payback” areas where Consultants can add value is their understanding of the current market. Whether its systems, equipment, facilities, lease rates, etc., the Consultant has continuous exposure to the market and understands the “fair” market value to the commodity you are purchasing. This value understanding saves clients many times the Consultant’s fee through the competitive bidding and negotiation process. While on the surface a five and six figure fee for the consultant may seem like a large capital expenditure, in reality it only takes a small percentage savings on a large systems or equipment project to completely offset the consultant costs.

The Consultant / Vendor relationship also alleviates some of the fear from the buyer that they are “just a small fish in a big pond”. Vendors recognize that while a specific company may be a “small fish”, the Consultant will be returning with additional opportunities based on continued successful service that will potentially add up to more revenues than even their largest single projects.

It is important to note that this savings opportunity assumes a level of objectivity on the Consultant’s part. Typically, Consultants are not affiliated with any vendor and have nothing to sell other than their expertise. This objectivity is important and ensures the Consultant has nothing to gain through their design analysis and alternative recommendations.

Resource Availability

A critical factor to consider when embarking on a major project is “Who here has the time?”. Managing a large design and implementation project will easily take upwards of 3000 man-hours. There are few, if any, senior level managers in today’s economy with the available band-width to take on such a large task and still maintain their regular assigned duties. Most I know have difficulty fitting their current tasks inside a 50 to 60 hour week.

The Consultant can assume many of these hours and work together with the Senior Manager to lead your project. A Consultant working in concert with a Senior Manager will likely shorten the implementation time and accelerate the planned savings from the project. The earlier your company can begin gaining the benefits from the project, the better your return on your investment. As the old saying goes, “Time is money”.

Change Management

My experience has always been that the cultural change is the largest hurdle for any project, regardless of the size and magnitude of the investment. No matter how well designed or conceived a project is during the planning stage the eventual measure of success will ride on the acceptance from the user community. The objective third party with a history of managing this change can ultimately determine the success for you and your project (promotions, bonuses, job security, etc.). The Consultant has encountered these issues with each and every project completed and can identify potential problems and assist with resolution before the small fires become raging infernos.

Selecting a Consultant

You’ve decided to take the plunge and hire a Consultant to work with your team. What next? The key factors to review when locating and hiring a Consultant are Experience; Objectivity; Compatibility. Determine your goals and objectives and utilize an RFP for the consulting selection. Meet the project team from the Consultant and receive a detailed statement of work clearly defining and setting the expectations for the relationship. Most importantly, work with them to develop a relationship where they become part of your team, not “the guy from out of town wearing a suit”.