



CONSULTING SCOOP



What's the Point? Why Hire a Consultant? And How Can You Get the Best Out of Them?

[By Dr. Karen Otazo]

Moving from organizational life to consulting life didn't seem like a big deal to me. I'd been doing internal consulting for more than a decade. I'd been bringing consultants into my organization as an "extra pair of hands" or as experts to present programs or coach executives. What I found as an internal customer was that hiring a consultant can be tricky. Through a trial-and-error process of discovery I found that the nature of the consulting relationship is the key to whether the company is going to get what it needs or throw money down a consulting black hole. Although a company is "borrowing" talent, not "buying" it the way they do when they hire someone, it's still a major financial and time commitment. I spent a lot of time managing consultants. I figured "What's the point?" if I didn't get the best out of them. And for the consultant, the consulting assignment has both a financial and reputational impact. Why not make this arrangement a win-win?

To do that I found we had to learn to trust each other. The approach to low trust by the organization is often a "taxi-driver" approach. The consultant is paid by the hour or day. This is a contractual relationship versus a relational contract. The consultant does what he or she is told. The good news is that this is a good way to use "one-trick ponies." When you have speakers who can do a great presentation about what they know best, this is the best way to use them. If you want any in-depth work from a consultant, it's best to try the partnering approach. As one client said, "We are depending on you to get our bench strength ready for their next jobs." His approach was to put me into a relational contract in which I was committed to his company's expected outcomes.

Taxi-driver approach or partnering approach

One of the nicest compliments I ever got was "You don't think like a consultant." I realized that I see myself as partnering with my clients, almost as if I become part of their organization for a period of time. When clients want to hire me by the hour—or minute—I find it very strange. At one point, I was contracting with a prospective client who came out of a supply-chain background. He spent the contracting period penny-pinching me in all the aspects of the contract. For me, he was concentrating on the wrong aspects. When I tried to concentrate on the outcomes rather than the specifics of the process, he

just didn't "get it." He was so used to taking farthings off widgets that he just couldn't focus on the end results. The taxi-driver approach didn't engender enough trust for me to continue the contracting. I pulled myself out of the process.

I try not to work like a taxi driver. I have found that thinking of consulting as day labor gets me and other consultants, too, to act that way. I prefer thinking like a partner in the project's success. It's vital for a company to think this way, too. Partnering is a trust builder. There is a mutual commitment to success.

Consultant partnering trust occurs when there is both personal and professional trust. Personal trust is each party doing what they say they'll do, when they say they'll do it. Professional trust is you demonstrating your talent and expertise and your client understanding the consultant's craft and human behavior, enabling a consulting relationship to work.

Create a contractual relationship or a relational contract?

"Relationships of trust depend on our willingness to look not only to our own interests, but also the interests of other." —Peter Farquharson, early 20th century English cricketer

Even if you're hiring day laborers, a company

wants its money's worth or more. Although many consultants are hired on a short time scale, their organizational "fit" is essential. One of the best ways to ensure fit is by knowing the company and its needs as well as the needs of the project or intervention that the company needs. When a company insists on a detailed contract they often get just what they negotiated and nothing more. My belief is that it's vital to keep "your eyes on the prize." What is it that the company and the specific client(s) want to get out of the relationship? Contracting is where you ensure that the commitment and professional expertise are there. There's an old American saying that could apply to contracting: "Good fences make good neighbors." By setting up the parameters in contracting, the participants are then free to do more but not less.

It is vital that those who are doing the consulting be part of the contracting phase. If the person who initiates the engagement is the "finder" but doesn't do the work, it may not be a good idea. That also goes for having a "minder" and a bunch of "grinders" whom you don't know well. If you contract with the experienced folks there is not enough pay-off from the rookies. It's vital that you get to know the consultant(s) you're using before, during, and after the consulting engagement. Though the consultant(s) may not be employees, they should be treated as if they are personally responsible. As an independent consultant, and previously as



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a corporate buyer of consulting services, I have found that independents are often the best choices. There have been at least a dozen situations in which I've been called in after someone from a consulting firm hasn't delivered what was expected. Don't forget that you are hiring the person and not the company.

The way that a consultant (firm) approaches contracting is revealing. Are they happy to spend as much time as it takes in this phase? The time that it takes to contract and work with the company representative who is doing the contract is part of the big bucks that consultants charge. Part of the contracting should be a negotiated "package," or program price. Part of the package price is that the consultant should not be charging for every small cost, like taxi fares for local work.

The package should include written information that is necessary for the process to work. That might mean something in writing that can serve as a roadmap for clients to follow as they work with the consultant. A report at the end of the consulting process is not one of the worthwhile things to pay for. When the consultant has left, the report is rarely of use. It may feel good to get one but often goes on a shelf after the consulting engagement is finished.

Most of all, I believe in *generosity of spirit* on the part of the consultant and the company. That means giving more than the contract stipulates when it's needed. That means consultants occasionally giving more consulting time, without extra fees, for those who need it and the company staying supportive and flexible with the needs of

the consultant. In other words, the parties involved should be responsive to the other's needs. Over time, this kind of attitude breeds trust.

Being a consultant is a bit like being an employee for a period of time. Just the way employees hold the needs of their job and the needs of their company in their consciousness, an excellent consultant holds clients and their needs and the work in his or her thinking time outside of the actual assignment time. I am constantly surprised when a client says that since a workshop I gave was only six hours, they should not have to pay for the entire day of eight hours. How amazing is that? It may have taken days to prepare the work which may or may not have been remunerated. Moreover, when a consultant is at one company for six hours there is no way that two more hours can be squeezed into that day. That is one of the reasons why daily fees don't make sense for excellent work. The other is the thinking time that involves holding the client in your thoughts and plans.

Be careful with one-trick ponies and "consultant creep"

"The people I distrust most are those who want to improve our lives but have only one course of action."—Frank Herbert, 20th century science fiction author

A company usually hires consultants for their expertise. In their area of expertise they need to be role models. I once hired a consultant who was superb at educating and empowering personal assistants to maximize their potential. When she was asked by an executive to work out a conflict among a group of personal assistants,

she overstepped her expertise and failed miserably. It's not uncommon for this kind of thing to happen since expertise is often specialized.

It's also the responsibility of the consultant to keep the company representative informed of every potential consulting request that the consultant gets to do additional consulting. Someone in the company needs to keep track to avoid "consultant creep," or consultants running amok around the organization. I find that someone to vet each request and the appropriateness of the consultant(s) for the request is the only way to ensure trust that you have the right person in place.

Trust comes from bringing in consultants who don't come in with a prepared idea of the issue and the solution. Consulting companies that have "models" that they use can be guilty of this approach.

Consultants need guts rather than glory

It's too easy for consultants to be sycophants rather than speak what they believe needs to be said to individuals of power and authority. This is not the place executives should be told what they want to hear rather than what they need to hear and learn. It is important that a consultant, beyond an "extra pair of hands," be responsible for moving individuals, or the culture, to take action. The trick is that the "push" needs to be strong enough to show action and gentle enough not to cause reactive "push back," or organizational resistance. This is a major area of trust!

On the whole, mature consultants who are beyond wanting their own days of personal glory make some of the best choices. If the



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consulting work isn't satisfactory, it's time to give the consultant(s) feedback. The way that they accept and respond to feedback without defending tells you a lot about their professional trust. I love adapting as a consultant. It's wonderful to get feedback

and have a chance to adapt to the needs of the company and the individual(s) involved.

Consultants who need a lot of kudos and strokes can be trouble. Consultants can be a bit like a catalyst. They can have enormous

impact for positive change yet not be part of the end result. If they need the glory, they are not mature enough for this kind of work.

For more information on Dr. Karen Otazo, please visit www.global-leadership-network.com.

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