

What Constitutes Effective Consulting?

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Everyone will agree that an effective consulting engagement is one that concludes with both parties in agreement that requirements were met exactly – with on time and on plan deliverables. What's so hard about that? Well, when the engagement is contemplated in an environment of financial constraints, the respective parties bring differing viewpoints that are not joined. In the end, some don't do what they could or should and others are unsatisfied with outcomes.

Clients seek subject matter expertise, problem-solvers and solutions – an involvement that respects internal knowledge but offers external credibility. Consultants seek clients that are open to fresh thinking, people who have a serious stake in outcomes and a desire to follow through. Both parties must be definitively committed to key points in a plan, starting with an explicit vision and ending with quantitative outcomes.

Why is it that so few engagements commence before financial constraints encumber the process, and are there ways to manage exploratory processes to start turnarounds earlier?

First, prospective clients need to believe that consultants truly offer something that they can't do for themselves. Although skills within the client organization may be sufficient to address problems, these resources may not be available to meet the need. They may be deployed on other priorities or constrained or, frankly, paralyzed. Second, consultants may appear too superficial in evaluating the circumstances or too ready to take precipitous action, or far too expensive. In either case, the apparent cost is higher than the perceived benefit. There is no clear intersection of need, no measure of benefit with accountability for achieving outcomes crucial to the client.

How do we navigate points of possible contention? When considering the horns of a dilemma, it's often best to jump right into the middle. Explicit discussion about desired outcomes can lead to development of a plan outline. Frank comparison of the level of need and the cost of consulting is crucial, a discipline diagrammed below, including use of internal resources and unique consulting capabilities. Consultants must understand that they provide a grout to supplement internal resources and bind the client organization to a mission, a respectful responsibility to challenge the status quo and an accountability to monitor progress. Objectives must be to educate and coach, to conclude the engagement with the client organization in position to prosper – measured against explicit plan objectives. Finally, consultants must be openly conscious of the proportion of financial betterment that they share, and willing to stake a portion of what they charge to achieving the agreed set of results.

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For help with analyzing how to best optimize your cash flows and establish a solid cash reserve, contact us at 303-459-4870.

