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Dr Simon Dorris, Managing Partner, Lansdowne Consulting

THE MANAGEMENT CONSULTANT

MASTERING THE ART OF CONSULTANCY

SECOND EDITION

RICHARD NEWTON

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The Management Consultant



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The Management Consultant

Mastering the art of consultancy

Second Edition

Richard Newton



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Dedication

This book is dedicated to my son Konrad for inspiring me to write it, when he admitted that he did not have the faintest idea what I did. It seemed a good enough reason to write an explanation.

Preface

It's roughly a decade since I wrote the first edition of this book. Lots has changed in that period – lots that is relevant to consultants. In response to these changes, consultancy has evolved. It has always been a flexible profession. There are new clients, new situations, new subjects to help clients with and many new consultants.

The book needed updating, but the core purpose is the same. This book is a guide to the art of management consulting. It will help new and experienced consultants become better consultants. For me, *better* means providing help that is of the most long-term value to your clients. The approach is simple: to identify what the best consultants do that their less-effective colleagues do not – and to show how you can do it too. Underlying this is my belief in *client-centric consulting*.

The core of the book may be the same, but there are a number of significant changes. In the ten years since the first edition was published, some of the language and many of the examples have needed updating. More reference is made to virtual consulting firms – those temporary organisations where individuals and groups get together to form a consulting organisation for the length of a consulting engagement. This fluid way of responding to client needs is changing both the way people buy, sell and deliver consulting, and the way consulting firms are structured. There is a new chapter on transitioning to consulting from other careers. This is something many readers ask about, and I've responded with Chapter 3, which is completely new. I have also extensively revised annex B, the references. The references are mostly new, and reflect a world of fresh and improved thinking about consultancy and related disciplines. This thinking has flavoured my updates throughout the book.

The contents are derived from three sources. The first source is my experience as a consultant (working for Coopers & Lybrand, A.T Kearney, Ernst & Young, my company Enixus and the firms I partner with, especially Issoria).

Secondly, my experiences in industry as a client – negotiating, buying and managing consultants. Finally, I have a network of trusted colleagues whose ideas have influenced the book. Like a magpie I have picked up ideas and concepts throughout my career. I have sifted through them, throwing away most, and keeping hold of the ones I think are precious. Many ideas in this book are my own, but I have learnt a huge amount from others. I can't remember the sources of all of these; I am sure more credit is deserved than I have given.

There were several reasons for writing this book. Two stand out. Firstly, there are comparatively few books on consulting compared to other professional disciplines. Look at a selection of business books. You will find many on strategy, leadership, marketing, innovation and handling change, to name a few topics. But consulting books are scarce – scarcer than an industry of its size justifies. To be fair, there are a few good books on consulting, but they set out to do different things.

The second reason comes down to my frequent frustration with consultants. Often, the profession does not live up to its own hype. There are many brilliant consultants out there. I have been lucky enough to learn from a few of them. But there are many consultants who should be better. Worse, there are some mediocre consultants who mistake being paid well with being good. As supposed experts in business, it is amazing how often consultants provide inadequate value to their clients.

Management consulting is a large and varied industry. The range of skills and services that fall under this title are huge. Consider one of the famous international strategic consulting companies compared to a regional consultancy focused on optimising manufacturing operations, or an independent consultant advising on HR regulations. The difference in the work of these different types of consultancy is so great that they may not recognise each other as being in the same profession. There are some books that set out to address components of this industry. They tend to describe various tools and techniques of a specific domain of expertise – such as how to do a strategic review or develop a business plan. These tools and techniques are only applicable in some situations and to some consultants. Even if you know them, it does not necessarily make you an effective consultant. I wanted to write something for *all* management consultants.

The book contains tools and techniques that are applicable to any professional situation in which a consultant wants to help a client. Primarily, it will make you think like a consultant: *how do effective consultants think about their work and their clients?* Consulting experiences are varied, and each is unique. By thinking like a consultant, irrespective of the situation you are in, you will be able to deal with problems in the most effective way.

Introduction

Ask someone to define what a ‘management consultant’ is, and you will get a wide variety of responses, including smirks, sarcastic comments and even curses! The title covers an extensive range of roles providing a variety of services. There are no universally recognised standards for management consultancy and there are widely varying levels of quality. Many people want to be management consultants but do not know what it entails.

There are lots of consulting success stories, and numerous people have become affluent through consultancy. Given this success, it might be thought that the world was full of praise for management consultants. Yet, if you ask customers about their feelings and experiences of consultants, you will often be met with sceptical and even highly negative comments. There are numerous causes for these responses. Too many consultants fail to provide sufficient value to their customers and rely on churning out the same old work time and time again. Often, even good consultants with valuable skills fail to understand their clients’ real needs. Bluntly, there are also a number of terrible management consultants.

A core reason for the negative perception of consulting is the fact that too many consultants are focused on what they have to offer and how they make money, rather than what clients need. Too many consultants provide context-free and generic advice, whereas what clients need is advice that is tailored to their specific culture and context. Overall, too many consultants spend too much time trying to be clever and make money, rather than asking themselves *what makes a good consultant?*

This book describes those factors that make good consultants and how consultants can provide *client-centric consulting*. It describes consulting from the viewpoint of the client, and will help consultants understand what will make them successful. The book will help in deciding how to provide the most

appropriate services and advice to clients. Rather than considering the tools and processes of individual consulting service lines, as most other consulting books do, it focuses on the general skills of successful consultants. *What do they do that makes them successful?* – success being defined as client results, not only in terms of financial returns for the consultant. Finally, the book contains many tips gathered from decades of experience in consulting by me and my colleagues.

There is a huge number of management consultants and business advisors of one form or another. Management consultancy has been one of the great business success stories of the last 50 years, with some firms employing tens of thousands of people in worldwide businesses delivering significant profits to shareholders and partners. (For a view of this history see the wonderfully titled *The World's Newest Profession* by Christopher McKenna.) At the other end of the scale there are thousands of small consultancies and independent consultants. As employment patterns change, more people are choosing to work as consultants. Technology and changes in attitudes have enabled a vast growth in freelance advisors, virtual organisations that exist for short periods of time and remote working from every corner of the world. The competitive landscape of consulting continues to evolve.

There are many motivations for and attractions to a career in consulting. For instance:

- For some, consulting may seem the only choice following redundancy from a senior position. There are many examples of initially despondent redundant managers finding not only a better income, but more enjoyable work in consultancy.
- For others, it is a lifetime career choice that starts from university, although few students have a well-rounded concept of what being a consultant entails.
- Many people enter the consulting profession for a more flexible lifestyle, although this is often harder to achieve than it might be imagined.

Whatever the reasons for considering it, consultancy is a great opportunity.

Companies appear to have an increasing and insatiable demand for advisors, counsels, interim managers and all sorts of helpers. Providing services can be profitable and give consultants a high standard of living. But consulting has risks. It's a competitive environment. Select the wrong services or sales approach, and consulting will be a stressful, low-income profession. There is also the constant uncertainty about what happens when the current engagement is complete.

Many people assume that simply because they have specialist expertise, they will be a good consultant. Expertise is an essential foundation. This book assumes you have an area of specialist knowledge and can competently apply the techniques and tools of your specialisation. But specialist knowledge is not enough. It is not intended as a tautology when I say that the core competency of a successful consultant is the *skill of being a consultant*. Irrespective of depth of subject matter expertise, it is not a profession for everyone – there is a specific art to being a consultant which not everyone gets.

Although the consulting industry is successful, there are always risks. Some consultants thrive, others, including some big firms, struggle. Clients may want your help, but they are also adept at controlling consultants and extracting the best value from them. More and more people are entering the consulting industry, meaning that standards are rising all the time. To excel, consultants need to raise their game.

This book sets out to provide you with guidance as to what makes a great consultant, irrespective of where you fit among the incredible variety of management consultants. It avoids the constraints of focusing on specific elements of consulting or approaches to consultancy, and instead takes a client-centric view of what is needed to provide expert consulting. Although this book contains approaches, the fundamental questions it seeks to ask are *what makes a great consultant* and, building on that, *how do you achieve this?*

Contents and structure

There are 15 chapters and three short additional reference lists in the book. It is broken into three main sections. In the first section (Chapters 1–5), I explore what it means to be a management consultant and how to go about setting yourself up as one. This includes a chapter new to this edition on the transition into consultancy from another career. In the second section (Chapters 6–9), I discuss how to go about winning work and delivering value to clients. In the third section (Chapters 10–15), I discuss a range of broader issues which set the context for consulting and will give you some additional tips and techniques for being a successful consultant.

The book has been designed to be read cover to cover, but you can dip into it as you require. If you want to reference parts individually, the contents of each chapter are described in the following table:

#	Chapter title	Chapter summary
1	Consultants and consultancy	The key terminology and concepts used in the book and an overview of what being a consultant means
2	Why does anyone buy consultancy?	Explores how successful consulting starts by understanding the reasons clients have for buying consultancy – essential knowledge for anyone wanting to provide client-centric consulting
3	Transitioning to consultancy	What it is like to come into consultancy from another profession, and how you can make this move
4	Your consulting service	The range of services you can offer as a consultant and how to position your skills and experience as a saleable client service
5	The three core processes of client-centric consulting	Discusses the core engagement process and then puts it in context with the client's change process, and the client's operational process; understanding this relationship is at the heart of client-centric consulting
6	Finding and winning work	Discusses the processes and approaches to winning work; as a commercial business, consultants must find opportunities to sell their services to clients
7	Delivering consulting engagements and satisfying clients	Investigates the central work of a consultant – delivering consulting engagements, which adds value to the clients
8	The alternative approach – process consulting	Describes an alternative approach to expert consulting, which can be used to deliver entire consulting engagements or as a tool on an engagement – process consulting
9	Closing engagements and sustaining results	This chapter considers how to achieve changes resulting from a consultant's advice, and how to sustain them after an engagement is complete
10	Developing long-term client relationships	Describes the advantages of having long-term client relationships and how to develop them
11	The ethical dimension	Considers the ethics of consulting, and the potential ethical dilemmas that regularly face consultants and ways to deal with them
12	The language of consulting	Describes some approaches to communications and explores the topic of consulting jargon, language being the central tool of the consultant

#	Chapter title	Chapter summary
13	Knowing when to say no	Describes the characteristics of those engagements that consultants should avoid if possible, as not all consulting opportunities are worth pursuing
14	Key consulting tips	A summary of key tips from the book
15	The client's perspective - buying consultancy	A short review from a client's perspective of issues to consider when purchasing consultancy
A	The tools and processes of a consultancy business	A summary of the key processes and tools a consulting business requires
B	References	A list of references that have influenced the author's thinking, and may be useful to readers
C	Sample proposal letter	An example of a proposal letter for a small consulting engagement

About the Author

Richard Newton is a skilled executive with broad experience of both line management and consultancy roles, in a range of sectors. He has worked for three major consultancies – Coopers & Lybrand, A.T. Kearney and Ernst and Young. He founded the consultancy company Enixus in 2005, a firm that specialises in helping large organisations to improve their change capabilities. He is also a non-executive director of the consultancy Issoria. As part of his work, Richard has helped several consultancies improve their engagement processes. He has worked widely in Europe, Asia, Australia and North America.

Richard is a well-known speaker and author who has published eleven books, including the award-winning *The Management Book*; *Managing Your Team Through Change* and *Dream It, Do It, Live It!*

Richard has degrees in Mechanical Engineering, Economics and Philosophy, and outside of his hectic professional schedule is studying for a master's degree in Epistemology and Ethics. When not travelling on business, he splits his time between living in the Cotswolds in the UK and the Tatras in Poland.

part

one

Understanding consultants and consultancy

chapter



Consultants and consultancy

This chapter answers the questions: what is a *management consultant* and what is *management consultancy*?

Why are you reading this book? Perhaps you are an experienced consultant who wants to pick up a few new tricks? Maybe you are new to consulting and want to gain a better understanding of what it is all about? This chapter is aimed primarily at the novice consultant.

Whether you are joining a major consultancy, starting out as an independent consultant, or have been recruited as an internal consultant, the chapter provides an overview of the fundamental concepts in consulting. Most of the book is about *how* to be a consultant. As an opening to the subject, this chapter answers *what* being a consultant means.

One of the ongoing challenges for consultants is to explain what we do to non-consultants. That's what I'm going to do in this chapter. I want you to understand what a management consultant is, be familiar with common consulting terminology and appreciate the difference between being a consultant and other roles.

If you are thinking of consultancy as a career, it is best to think through why you want to be a consultant and to assess whether it is a profession that can meet your desires. It is useful to have at least a basic grasp of the economics of a consulting business. This chapter sets out to do all of this. There is nothing complex here, but it provides the foundations for the rest of the book. This disparate range of ideas combines to give a basic but core picture of consulting.

One small but noteworthy point: rather than write the phrases ‘management consultant’ and ‘management consultancy’ repeatedly, I shorten these to ‘consultant’ and ‘consultancy’. This is commonplace in the industry and among clients, who generally just refer to ‘consultants’.

What is a management consultant?

There is a large and growing band of people who call themselves management consultants. Some consultants prefer labels such as *business advisor*, *strategy consultant*, *operational consultant* or even *leadership consultant*. These and related job titles encompass a divergent and eclectic group of individuals.

The work such people do varies enormously. The fee rates range from low to high, and the length of a consulting project may vary from hours to years. Clients who use consultants can be the owners of firms, mid-level managers, or the main board directors of major corporations. Clients may be businesses, or public sector and not-for-profit organisations. Some consultants are employees of the firms the consulting takes place in, many others are external but familiar faces within an organisation, while some consultants appear in a client organisation for a short time and never reappear again. Their areas of specialist expertise go from obscure pieces of business to generalist management or leadership advice.

“ it is not easy to come up with a concise definition of consultancy ”

Given this huge variety, what is it that is similar that enables them to be bundled together as *management consultants*? It is not easy to come up with a concise definition of consultancy that covers this assortment of roles.

The problem with describing the role of a management consultant is compounded by the fact that some common definitions have been written by people who are not consultants, and who do not understand what consultants do. But listening to professional consultants can equally be misleading. Those who are consultants have a vested interest in making the role sound majestic and magical, and to bias any description towards the type of work they specifically do. I have read definitions of management consultancy in sales brochures, books, dictionaries, encyclopaedias and blogs. A few definitions are the summarisations of people without any real understanding, some are correct but focus on irrelevant aspects of the role, many are good, but do not manage to encapsulate the role and its variations.

Given the wide variety of consultants, it's best to start by listing characteristics of the role of a consultant. As little in this world is absolutely black and white, there are caveats with each one of these characteristics.

Consultants typically do the following seven things:

- 1 They provide advice and recommendations to leaders in organisations, and may provide assistance with the implementation of the recommendations.
Caveat: Consulting companies may provide a whole range of services, from pure consulting to training and outsourcing. Not all of this is consulting. Consulting is about providing useful advice, and helping managers to implement the advice.
- 2 They base their advice and recommendation on a set of skills and expertise, or intellectual property they have available to them.
Caveat: This is what should happen. However, ask any experienced manager and they can probably tell you of the time they spoke to or even engaged someone who purported to be a consultant but who had limited skills, experience or intellectual property.
- 3 They consult. This may sound obvious given the name, but it is often forgotten. What I mean by this is that consultants engage in dialogue with an organisation and its staff, and apply their expertise to develop recommendations, taking account of the needs and context of that organisation.
Caveat: Some firms called consultancies do not consult. Such firms may be successful in selling research, benchmarking data or other types of information. Consultants do not sell products or give the same advice to everyone. There is nothing wrong with selling a product, but irrespective of how it is branded, it is not management consulting.
- 4 They are involved with a given client on a temporary basis.
Caveat: The length of a consulting project may be anything from hours to months. Occasionally, it may be years, although it is difficult to argue that someone who has worked continuously in one organisation for years is still working as a consultant. (Internal consultants work for one organisation, but they will be working on different projects across a range of departments or divisions.) It is not unusual for a consultant to work regularly for the same client, but each piece of work is of a limited duration.
- 5 They are independent. A consultant should be providing advice or recommendations irrespective of the internal politics and vested interests of an organisation or the managers who are their client. To do this a

consultant often needs a good understanding of those politics, but only as a way of making the advice practical.

Caveat: Consultants are human, have their own business interests to consider and naturally have their own biases. But a consultant's biases should be independent of a client's biases. In truth, consultants often get swept up in a client's politics and may manipulate the politics for their own ends (see Chapter 11).

- 6 They are not paid for from an organisation's normal staff budgets.

Caveat: A manager who wants to employ a consultant needs a budget for it. This is often true even for internal consultants who charge back their time, and if they do not, they remain an overhead to the rest of the business.

- 7 They add value to a manager and the client organisation by helping them to change. Value can take many forms, such as improved decision making, faster change implementation, reduced business risk and so on.

Caveat: At least they should do! The reality is not always so clear cut.

If we take these seven characteristics of a consultant and apply the pertinent points, it's possible to develop a definition of a consultant that is true in most situations:

Definition

A consultant is an independent advisor who adds value by helping leaders gain insights, identify improvements and achieve beneficial change appropriate to their situation.

Essential consulting jargon

There is some consultancy terminology that is used frequently and widely, and will be used often in this book. If you are new to the industry then it's essential you become familiar with these concepts. I am not generally a big advocate of jargon (see Chapter 12), but there are words and phrases that are continuously used by consultants. Most of these are simple, and may even be obvious, but they are used in ways that are specific in consulting and are essential to know. For the avoidance of doubt, let's quickly run through them.

Consultants tend to talk about *clients*, rather than customers. The concept of a client is explored in the next chapter. In general terms, the word is used

both to refer to an individual who gives the consultant direction on a consulting project, and the organisation in which that manager works. Hence a consultant may think of the client as Mr Peter Smith of the XYZ Company, or may consider the client to be the XYZ Company. To differentiate, when I refer to a client I am talking about a person (or group of people); when I am talking about the organisation the client works for, I use the term *client organisation*. This may sound pedantic, but not differentiating between clients and client organisations leads to poor thinking.

Once employed by a client, the specific consulting project being undertaken is usually referred to as an *engagement* or sometimes a *live engagement*. A client is one of a larger group of *stakeholders* with whom a consultant must deal. Stakeholders form a set of individuals whom consultants must take into consideration when delivering an engagement.

To win work consultants engage in *business development*. Business development relates to time that is not (usually) *chargeable* to a client, and includes activities that are associated with marketing a business and pursuing specific sales. The aim of business development is to identify *opportunities*, and then convert these opportunities into live engagements and hence have some chargeable time.

“ consultants must normally write a description of the service they will provide ”

An *opportunity* is the situation in which a client has a need for consulting support. To convert an opportunity into an engagement and be able to charge fees, consultants must normally write a description of the service they will provide to the client. This description is called a *proposal*.

Chargeable time is the time when a consultant is billing fees to the client. Once an engagement is complete, consultants often seek to *sell on* – that is, to sell a subsequent consulting engagement to the client so the consultant can remain chargeable.

In order to sell regularly, and for proposals to be successful, consultants may have *service lines*. A service line is a specific area of expertise that a consultant or a consultancy company invests in and sells to clients (see Chapter 4). For instance, one consultancy may have a service line in improving the management of technology, and another may have a service line to increase innovation in business. Service lines may be the informal labelling of expertise of individual consultants, but they can also be the formal documentation of processes and approaches to consulting by larger consulting companies.

Service lines and any other knowledge or approaches are often called *intellectual property* by consultants. Intellectual property has a specific legal meaning, but many consultants use this phrase in a looser fashion than the legal definition requires (see Chapter 4).

One of the most important measures of a consulting business is *utilisation* or *chargeable utilisation*. Utilisation is a measure of the proportion of time a consultant is working on fee-paying work on a client site. A consultant who is billing three days a week is 60 per cent utilised. There are some variances in how this is calculated (for example, some firms include holiday time, some exclude it), but I'm sure you get the general picture. It's normally not possible for a consultant to be 100 per cent utilised because some time must be spent on business development, the creation and maintenance of service lines and taking a holiday.

How does consulting differ from other roles?

Understanding the role of the consultant starts by appreciating the difference between a consultant and an employee, a manager or a business leader. The boundaries between being a consultant and, for example, a manager are grey, but there are important and definite differences.

Let's start by considering the role of a consultant versus an employee in an organisation using consultants. The obvious point is that a consultant is not an employee of the organisation they are helping, but an employee of a consulting business. Why does this matter? Most consultants want to do a good job that satisfies a client, but their performance assessments, pay increases, promotions, ongoing praise and criticism are not done by the client organisation. All these are influenced by their performance with clients, but consultants have different motivations from client organisation staff. Consultants are never fully part of a client organisation's team. For example, a client may regard a consultant as having done a brilliant job by providing fantastic advice. A consulting company may judge the same consultant to have only done an average job because he did not manage to make any additional consulting sales.

A consultant can be part of a client organisation's project team, and in doing this share some goals with other staff, but consultants are always to some extent independent from the client organisation. Their incentives and performance drivers are different. This is true even for an internal consultant. Obviously, an internal consultant is employed by the same company as his or her clients, but is not employed by the same department, nor is part of the same management hierarchy. This is not necessarily a bad thing – a consultant

who is as much part of your team as any other employee will struggle to then give truly independent advice.

What about the difference between being a consultant and a line manager? Like managers, consultants often are hard-working and want to produce a quality result, but this is relative to the scope of a consulting engagement. They do not, and arguably cannot, deliver an end result in a client organisation.

“ consultants are temporary visitors to an organisation – it is line managers who must live with the results of any consulting engagement ”

They do not live with the outcomes of their recommendations. If a consultant is providing advice, then, if the advice is accepted, a line manager has to implement this advice somehow. Even if consultants help with implementation planning or a change implementation project, they do not end up working with the results following the implementation. Consultants are temporary visitors to an organisation – it is line managers who must live with the results of any consulting engagement.

There is another point about consultants compared to managers. Many consultants are ex-managers with a good understanding of the challenge of managing a department. On the other hand, while all consultants advise, some have never managed anything of any significant complexity. Even relatively senior career consultants, who became consultants from university, may never have managed a team of more than 20 people. For someone in an operational role with several thousand staff and a budget of hundreds of millions, a consultant's understanding of the reality of dealing with this number of people and scale of budget will appear limited. The consultant's response to this should be not even to attempt to be an expert line manager, but to provide focused specialist expertise beyond that of a normal manager.

Finally, what about a consultant compared to a business leader? Many consultants fancy themselves to be great leaders. There are well-regarded business gurus who have come from a consulting background, but a guru is not a leader – a guru is an influencer and a shaper of opinions. Sometimes you see a successful chief executive with a

“ you can be a good consultant without having the ability to lead or inspire ”

background in consulting, but, on the whole, I am sceptical about professional consultants as business leaders. The consultancy profession encourages the development of a range of skills such as strong communication and influencing skills. On

the other hand, you can be a good consultant without having the ability to lead or inspire.

The fact that consultants are different from employees, managers and business leaders is not a criticism of consultants. Consultants are not employees, managers or leaders – that is not what the role entails or requires. Consulting is a different role from being an employee, manager or leader. Consultants must appreciate these roles, be able to work with them and be able to influence them. Some consultants may have a background in organisations which required them to manage or to lead, but this is not universally true. Consultants should not forget that the role of the consultant is to consult, not to manage or to lead.

Comparing consulting to other roles depends on the type of consultant being talked about. There are two dimensions of consulting we should be aware of:

- 1 *Internal or external consultants:*** An internal consultant is a full-time employee of an organisation who has a role as a consultant to the business. Typical examples include human resources (HR) or internal change management specialists. An external consultant is someone who is engaged for a specific consulting project, but otherwise is independent of an organisation. Internal consultants tend to have a greater understanding of an organisation's culture and are familiar with many aspects of a business that an external consultant will take some time to learn or understand. External consultants will typically have a broader range of experience in a specific service line and have done work similar to their current engagement in multiple organisations.
- 2 *Strategic, operational, implementation or specialist consultants:*** Many consultants work in a wide range of roles and float between providing strategic advice, helping with implementing it and supporting operational managers. Generally, you can differentiate between consultants (and consulting companies) who advise organisations at a strategic level – what direction a business should be taking; at an operational level – how the business should be run on a daily basis efficiently and effectively; or at an implementation level – how to deliver projects and changes (which may be derived from the advice of a strategic or operational consultant). There are also specialist consultants who focus on a particular area of advice. All consultants should be specialists, but what I mean here is, for example, those consultants who focus on specific areas such as regulatory compliance advice or digital transformation.

Another thing to consider is whether the work being done is consulting or another related profession. There are several job titles in common use

which are often employed in relation to consultants, or in relation to people doing work that can seem similar to that of a consultant. The main examples are:

- **Contractor:** A contractor is a temporary employee who is usually paid a day rate to complete some work which is of a transitory nature, where it is not efficient to employ a permanent member of staff. This covers a wide range of areas – from office cleaners to short-term senior staff. The overlap with management consultants is that many projects require temporary staff, and these are often contractors. Organisations are often left with a choice of whether to use contractors or consultants. A rough difference is that a consultant is employed to advise or provide skills the client does not have access to, and a contractor is employed as an extra pair of hands to increase the capacity of an organisation beyond that available with existing permanent staff. In reality, the boundaries are not hard and fast.
- **Interim manager:** An interim manager is a specialised form of senior contractor. An expert manager is engaged to perform a management role for a limited period of time – for example, because a senior manager is ill, on maternity leave or when a search is underway for a replacement. Interim managers are usually expert managers, who fit quickly into even the most senior management roles. It is difficult to define hard and fast boundaries with consultants, as many consultancies offer interim management services and some consultants regularly work as interim managers – but when they do, they are not working as a consultant.
- **Coach:** Coaching is normally done on a one-to-one basis with individual leaders, employees or teams of a client organisation. Coaching is concerned with helping individuals or teams to reach their full potential. A consultant may work as a coach or mentor, but there are professional coaches who do not consider themselves management consultants.
- **Facilitator:** A facilitator is someone who uses facilitation skills to help a group or team resolve some issue or problem. Facilitation is one of those badly misused words in business (and is explored further in Chapter 8). Facilitation is often closely associated with workshops, but it is possible to use facilitation in other situations. Facilitators do not advise directly, but help clients to solve their own problems. Facilitation is both an expert profession in its own right, but to a certain degree also a skill of most consultants.

It's useful to understand the real differences in these roles, but the boundaries are not fixed. Many consultants have the necessary skills and often work in these other roles, but you should not assume that all consultants can perform such roles effectively. Put another way, you can be a successful consultant without, for example, having the capability to facilitate, coach or be an interim manager.

Varieties of consulting organisations

There are different organisational structures you can work in as a consultant. The choice is important as it will affect the type of projects you do, the nature of the day-to-day work and the level of risk and uncertainty you expose yourself to. There are essentially five ways you can work as a consultant:

- 1 as a solo or independent consultant working for yourself or your own company;
- 2 as an employee of a major consulting company;
- 3 as part of an organisation offering a portfolio of services of which consulting is only one – the most common is the consulting, IT development and outsourcing company, but there are other variants;
- 4 as part of a small consultancy company;
- 5 in a short-term or virtual organisation brought together for one client opportunity.

What's best for you depends on personal preferences, and what opportunities are open to you. I have worked as a consultant in all these models.

The independent consultant is usually either someone who has worked in a larger consultancy but wants a more self-sufficient lifestyle, or an ex-manager or subject-matter expert who now wants to advise rather than manage. There are many reasons for choosing to become independent. I prefer to work for my own company as it enables me to maximise my personal flexibility. The cost is that I am completely dependent on my own ability to find projects and generate an income.

“organisations
always need help”

I have not found this a problem. I have an established reputation and organisations always need help. My business costs are comparatively low, and I have other revenues. I have access to a wide range of work. This gives me great flexibility. For instance, if I feel I don't want to work for a few weeks or months I can take a break. I don't need to make that much money to cover my business costs.

At the other extreme are the major consulting companies. If you have little experience, are a recent graduate or like to combine consulting with a corporate culture, these are the organisations for you. The big consultancies can be attractive places to work. They tend to give great opportunities for professional development and international working and arguably reduce your personal risk as you have teams of people around you also helping to win and deliver engagements. Additionally, the larger firms often win massive projects which may require leading-edge thinking and techniques, although on the largest projects you can feel like a cog in the machine rather than a real consultant. If you become a senior manager (or partner) in such organisations the rewards can be high. But it does mean taking on all the baggage that comes with corporate life.

“ big consultancies are notoriously political environments ”

Big consultancies are notoriously political environments. Some are focused on people who fit their specific organisational culture, which can give the consultancy a defined feeling that will not suit everyone. If you want to work for a big consultancy take

care choosing, as the entry requirements, culture, work expectations and rewards vary significantly.

Companies offering a portfolio of services beyond consultancy provide a large variety of career options. However, if your firm is not purely a consultancy, there is always the tension over how independent the consulting advice is and whether it is just a sales channel for other services. Some outsourcing firms have successful consulting divisions, but there is always a doubt in some clients' minds as to whether the consulting is impartial advice or a funnel to win outsourcing contracts.

There are many smaller consultancies, which offer a compromise between the complete self-sufficiency of the sole trader and the corporate hierarchies of the larger firms. Some of the smaller consultancies are industry leaders in specific consulting niches. For instance, you can find consulting firms who specialise solely in financial regulation, telecommunications, customer services or cost control in manufacturing. If you have a particularly focused specialisation there may be a firm for whom you are a perfect fit.

“ it's easy nowadays to form 'virtual organisations' with other independent or small consultancies ”

I run my own company but that does not mean that I am tied to working by myself. It's easy nowadays to form 'virtual organisations' with other independent or small consultancies. I have been involved in large engagements, won in competition with some of the largest consulting firms. I have a network of

trusted colleagues and partner organisations, and we work together to deliver the larger engagements that a single consultant may not manage.

Why do you want to be a consultant?

Let's reflect on why you want to be a management consultant, and if your reasons have a realistic chance of being fulfilled.

“ the best reason for wanting to become a management consultant is because you enjoy the process of consulting with clients ”

The best reason for wanting to become a management consultant is because you enjoy the process of consulting with clients. If you have never worked as a consultant, just what 'consulting with a client' means will be unclear. If you do know, and this is the reason for becoming a consultant, then you are well set for a successful career. However, most people have more pragmatic grounds for becoming a consultant.

A common reason to join the profession is the potential variety of the work. Although as a consultant you may work in a specialist area, you will work in many organisations. The context and culture of the organisations and details of the problems will vary significantly. I find consulting work highly varied. I have worked all around the world, for companies in a wide variety of sectors, with clients of differing levels of seniority, to help resolve a divergent range of problems. However, if the service you will provide to organisations is specialised – for example, helping them to be compliant with a specific piece of industrial regulation – what variety you gain from different clients you may lose in essentially doing the same piece of work again and again.

Some people join consulting for skills development, which typically arises from one of two sources. Development may happen because of the wide variety of challenging work you are involved in. There is no quicker way of improving your skills than intense and challenging work! Alternatively, and this is most true for graduates coming into consulting, it is because you join a company that understands that its key asset is people and hence is willing to invest significantly in their development. Consulting does provide a great way to develop a powerful set of useful skills, such as problem analysis, communication skills and influencing skills. One important exception to this is that if you want to learn how to manage people then you will be better off seeking an operational line management role.