Managing Effective Consultancy Relationships

Chartered Management Institute & Women In Management

Phoebe Dunn, Director, Square Peg International
Thursday October 11th 2012

“The consultant relationship is a two-way thing: both the client and the consultant have a responsibility to make it as effective as possible.”
Agenda

- 6.00pm Registration, drinks
- 6.30pm Introduction
- 6.35pm **Linky Trott, Partner, Edwin Coe LLP**
  Legal Aspects of Consultancy Relationships
- 6.45pm **Phoebe Dunn, Director, Square Peg**
  Managing Effective Consultancy Relationships
- 7.45pm Networking and meet the team
- 8.30pm Close
Square Peg International

- A global boutique business consultancy. Since 2003 we have been helping leaders and organisations to manage transitions and deal with events that demand fast, effective change.
- We do that by finding the ‘sweet-spot’ between strategy, leadership, and people practices.
- Our clients include some of the world’s largest brands
Square Peg International

- We try to be ‘not your average consultants’
  - Real world pragmatism
  - Innovation & excellence coming as standard
  - Making things happen
  - A “no-bull” attitude
- 2009: IBC Consultancy of the Year u30 employees. Best International Project
- 2011: IC ‘Consultancy of the Year’
- 2012: Silver Medallists at the global Constantinus ICMCI Awards
Managing Effective Consultancy Relationships
Managing Effective Relationships, What’s in it for me?...

... the Clients
- Getting the job done
- Trusted pairs of hands
- Technical expertise
- External perspective
- Getting the job done

... the Consultants
- Profitable engagements
- Client knowledge
- Hitting the ground running
- Being ‘in-play’
- Profitable engagements
Two perspectives

The Theory

- The UK Institute of Consulting code of practice:
  ‘As a consultant and adviser I will put client interests first, doing whatever it takes to serve them to the highest possible standards at all times’

The Real-world

- ‘Bloody clients! Always making ridiculous demands and wanting everything yesterday!’

- ‘Bloody consultants! Always borrowing your watch to tell you the time!’
The traditional/transactional deal

- **Procure**
  - Pre-selection
  - Standard contracts

- **Hire**
  - Buyer-Seller

- **So-long!**
  - Complete
  - Exit
The Partnership Life-Cycle

Each stage is a chance to deepen the relationship!

- Due Diligence
- Contracting
- Managing the assignment
- Closing the assignment
- Building a long term partnership

Each stage is a chance to deepen the relationship!
Due Diligence

- The consultant passing the credibility check
  - Forbes March 2012: The ‘Only 3 interview questions’ apply here too:
    - Can you do the job?
    - Will you love the job?
    - And can we tolerate working with you?
  - In the client’s due diligence process the consultant needs to answer all three.

- Your website is a prospective client’s first port of call, but think broader - SEO, Google, published articles, Linked-in etc
  - IC Consultants Register, Preferred supplier lists

- Are you any good?! How can you prove it?
  - Qualifications & memberships
  - Awards
  - Case studies

- REFERENCES!
contracting

‘A good contract should not be under-estimated. It doesn't have to be complex, but the Schedule of work must be detailed so that there is a clear understanding on both sides of what's to be delivered.

It’s worth taking extra time building the contract, because in the course of discussing the Schedule you'll learn a lot about your contractor and yourself, particularly in terms of managing expectations.’

‘Make sure you have the right to ask for individual consultants to be replaced (or indeed retained). It's not unheard of for a consultancy to put in the A team to win the business and substitute with the B team for delivery.’

‘Insist that the individual consultants are incentivised to deliver your required outcomes (not to generate more revenue from the engagement. (It's exceedingly tiresome and counter-productive to work with a consultancy team which is constantly trying to 'up-sell' you.’

‘Ensure the contract clearly shows the outcomes you want.’

‘If you want knowledge transfer, make sure it's written into the contract at the start - it can become a very expensive after thought.’

‘Agree how the rates will be determined for extra work.’

‘A good contract helps you retain a good contractor and depersonalises any problems that arise.’
Contracting

- Each new contract is yours to lose
- Spend the time to get a very clear understanding of what the client wants/needs – challenge is the heart of partnership
- Be clear:
  - Who will deliver
  - What they will deliver
  - When they will deliver it
  - How they will deliver it
- Spend the time to cover legal responsibilities:
  - Confidentiality and data protection
  - Intellectual property
  - Staff retention
  - Conflict of interest

Question: Does your contracting strengthen the relationship by clearly reflecting and setting expectations?
Managing the assignment

- Whatever it takes – always deliver.
- Make the client look good - demonstrate *value* for money
- Plan the work and work the plan – milestones & deliverables
- Regular progress checks – *what* and *how*
- Be part of the solution
- Build trust with individuals – individuals hire consultants
  - Network – learn the business, join the dots
  - Socialise – keep it friendly but not familiar. The client does not want your tales of woe
  - NEVER bitch!
- No surprises

**Question:** Does the way you manage your assignment strengthen the relationship by consistently reconfirming the purchase decision?
The Partnership Life-Cycle

Each stage is a chance to strengthen the relationship!

- Due Diligence
- Contracting
- Managing the assignment
- Closing the assignment
- Building a long term partnership
Table Exercise (10 mins)

- Divide into groups with a mix of clients and consultants
- Spend 10 minutes talking through the first three stages of the partnership cycle. For each stage identify your top 3 dislikes.
  - Due diligence
  - Contracting
  - Managing the assignment
- What can we as clients and consultants do about them?
- Report back
Table Exercise

— Due diligence
— Contracting
— Managing the assignment
The Partnership Life-Cycle

Each stage is a chance to strengthen the relationship!
Closing the assignment

- Wrap it up with a bow - provide a formal review meeting & report
- Be honest about what went well and ‘less well’
- Tick off the deliverables
- Be explicit about the added value
- Invoicing
  – Bill transparently
  – Follow up personally
- Write up a case-study
- Request – and get – client references while your wonderful work is still fresh
- Ask for introductions
- Agree how you will stay in touch
Closing the assignment

- Wrap it up with a bow - provide a formal review meeting & report, documentation etc
- Be honest about what went well and ‘less well’
- Tick off the deliverables
- Be explicit about the added value
- Invoicing
  - Bill transparently
  - Follow up personally
- Write up a case-study
- Request – and get – client references while your wonderful work is still fresh
- Ask for introductions
- Agree how you will stay in touch

Question: Does the way you wrap up your assignment strengthen the relationship by consistently reconfirming the purchase decision?
Building the long term partnership

- True partnership – in it together even when apart
- Stay connected on terms that add value for both parties
- Be useful – something for nothing
  - Provide insights, articles, links etc that the client may not see
  - Demonstrate that you are staying close to their business
  - Make introductions – if you really believe they’ll benefit your client
  - Prioritise requests for help – clients children
- Share your successes
- Reach out to offer support – sparingly. They should know where you are!

**Question:** Does the way you build the long term relationship strengthen the partnership by giving the client something of value whilst keeping you in play?
The Partnership Life-Cycle

Due Diligence

Contracting

Managing the assignment

Closing the assignment

Building a long term partnership

Each stage is a chance to strengthen the relationship!
TABLE EXERCISE II
Table Exercise

- Divide into groups with a mix of clients and consultants
- Spend 10 minutes talking through the final 2 stages of the partnership cycle. For each stage identify your top 3 dislikes:
  - Closing the assignment
  - Building a long term partnership
- What can we as clients and consultants do about them?
- Report back
SO WHAT HAVE WE LEARNT?
The Partnership Life-Cycle

- Due Diligence
- Contracting
- Managing the assignment
- Closing the assignment
- Building a long term partnership

Each stage is a chance to strengthen the relationship!
Questions to ponder

- **Does your web presence strengthen the new relationship by telling an authentic story about your existing client relationships?**

- **Does your contracting strengthen the relationship by clearly reflecting and setting expectations?**

- **Does the way you manage your assignment strengthen the relationship by consistently reconfirming the purchase decision?**

- **Does the way wrap up your assignment strengthen the relationship by consistently reconfirming the purchase decision?**

- **Does the way you build the long term relationship strengthen the partnership by giving the client something of value whilst keeping you in play?**
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