

The Chartered Institute for IT

British Computer Society The Chartered Institute for IT HOW TO BE A CONSULTANT

a programme experienced, for new and aspiring consultants

Fees, Commerciality, Contracts & Finance by Stephanie Horsfield BSc, BFP, ACA

30th June 2021



COMMERCIAL ASPECTS OF CONSULTANCY Stephanie Horsfield 30 June, 2021

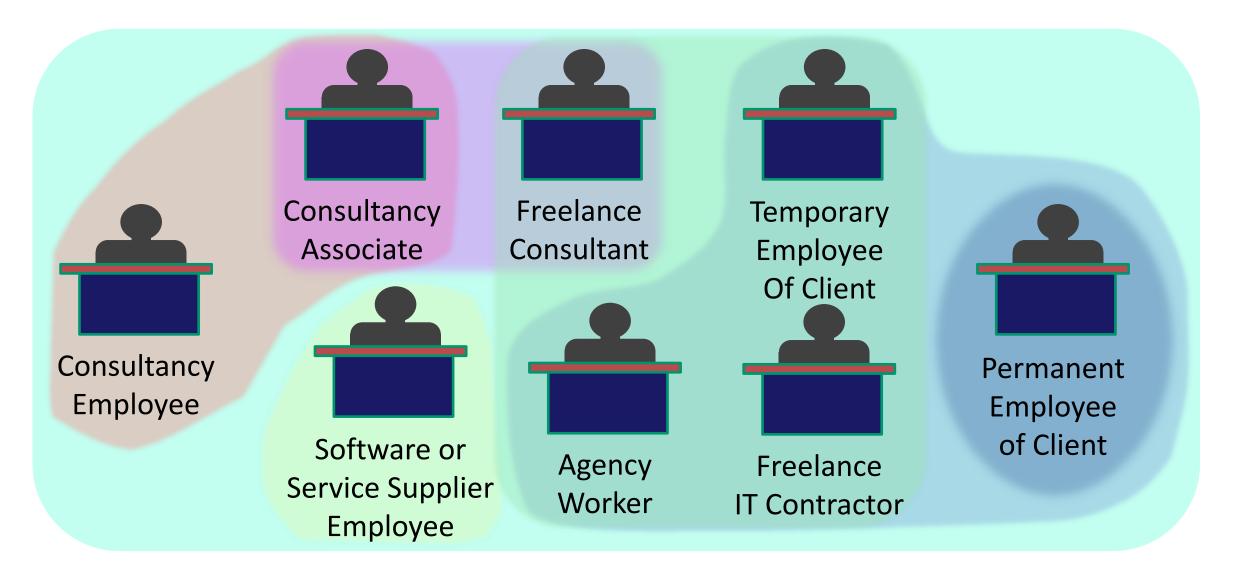
About me



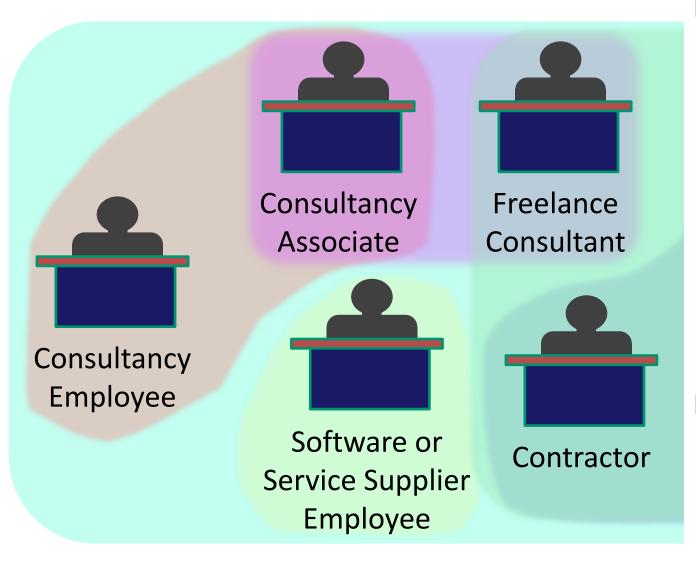
Stephanie Horsfield BSc BFP ACA

- Currently Account Director for cloud software vendor BlackLine - 2016 to present
- Advisor Relations Infosys BPO 2012 to 2016
- Business Consultant
 - ➢ KPMG Consulting − Office of CFO 1996-2001
 - Independent 2001 to 2007
 - Alsbridge Outsourcing Advisor 2008 to 2012
- Several Global Finance Roles Fisons plc 1991 to 1996
- Qualified Chartered Accountant PwC 1988-1991

Types of Project Worker



Employee vs Freelance



Employed

- Steady job
- Colleagues and coaches
- Fed with work
- Career progression
- Training
- Holidays
- Paid even when not doing client work
- Infrastructure, equipment and support
- Back office (eg finance & HR)

Freelance

- Profit from your own success
- Freedom / flexibility
- Choose your own assignments
- Reputation in your own name

Commercial Aspects of Consultancy

Keep non-revenue generating activities in proportion

- Ruthlessly qualify opportunities
 - Do you understand client's requirements?
 - Is it in your 'sweetspot'?
 - Do you have capabilities and credentials?
 - Do you have proven methodology/IP/Resources?
 - Assess likelihood of winning capabilities, track record, relationships, competition
 - Can you quantify effort within reasonable tolerance?
 - What are risks?
 - Can you mitigate risks? specify assumptions, include contingency
- Multiple Channels your network, social media, niche consultancies, agencies

Good Practice to formalise qualification process – e.g. Miller Heiman Blue Sheet

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Charging for your services

- Pricing
 - T&M
 - Fixed fee
 - Contingency
 - Stage payments
 - Body Shop v Additional resources
 - Scarcity of skills
 - Length of engagement
- Type of contract:
 - Employment contract
 - Contractor care with IR 35
 - Consulting multiple resources
- Plus expenses, overtime, travelling time, VAT
- Allow for down time, holidays, pensions, business expenses etc?

RISK

Standard contracts

"We have a standard contract"

"It was for the decorators but I changed the details"



"... but I don't use ladders"

It's a business

- Accounts, accountants, auditors, payroll, banking
- Taxes VAT, Corporation Tax, etc
- Insurances Professional Indemnity, Business, Travel, etc.
- IT and equipment secure PC, software, printers, email, document management
- Marketing, web, social media, brochures, advertising, etc

Get paid

- Know the client's processes and contacts They was
- Do timely billing
- Agree
 - timesheets
 - signoffs and charges
- Calculate invoices in accordance with contract
- Contingent Workforce Solutions e.g. SAP Fieldglass
- Chase payment

They want to know our Purchase Order Number



Question: Are four 10-hour days the same as five 8-hour days?

Commercial Aspects of Consultancy