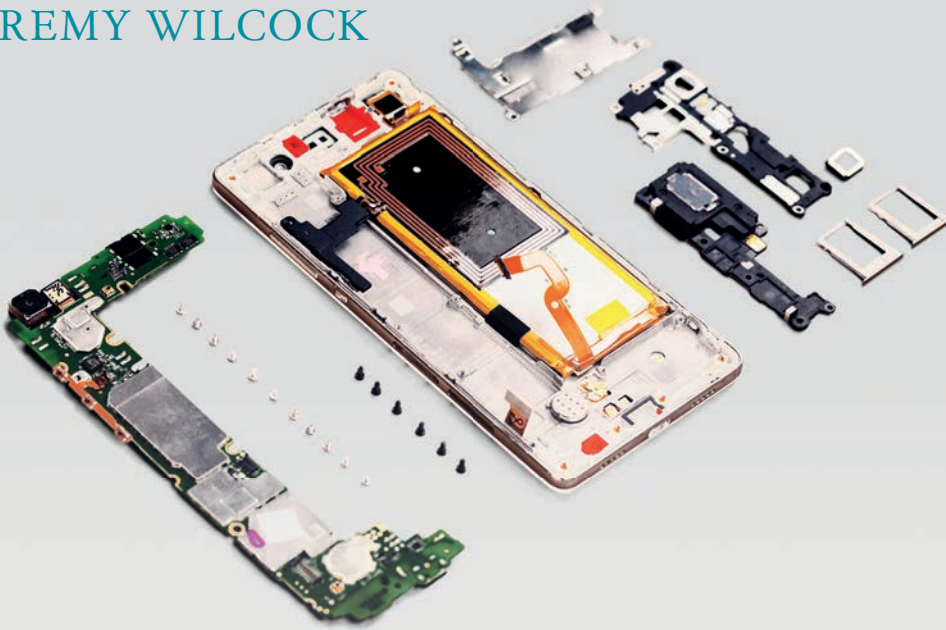


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# BUSINESS AND MANAGEMENT CONSULTING

Delivering an  
effective project



# **Business and Management Consulting**

To try and help the novice consultant, those skills that are essential and those which are still important but less critical are identified below.

Skill set	Essential	Important
Project management	<ul style="list-style-type: none"> <li>● define objectives</li> <li>● develop formal plans</li> <li>● sequence and prioritise tasks</li> </ul>	<ul style="list-style-type: none"> <li>● manage finances</li> <li>● recognise the expertise needed</li> <li>● manage one's own time</li> </ul>
Analysis	<ul style="list-style-type: none"> <li>● process information and draw conclusions</li> <li>● recognise the external opportunities and challenges the business faces</li> <li>● assess the business's internal condition</li> </ul>	<ul style="list-style-type: none"> <li>● identifying what information is available and what is needed</li> <li>● assessing the business's financial situation</li> <li>● evaluating the business's markets</li> <li>● analysing the firm's decision-making process</li> </ul>
Relationship building	<ul style="list-style-type: none"> <li>● building rapport and trust</li> <li>● communicating ideas effectively</li> <li>● negotiating objectives and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>● effective questioning</li> <li>● working effectively as a team</li> <li>● demonstrating leadership</li> </ul>

## 4.2 The consulting selling process

There are many consultants, often with similar skills. So how does a firm choose to use one consultant over another? Personal experience is a very strong motivator: people feel more comfortable with those they have worked with before or are recommended by someone they trust. Below is a list of factors leading clients to select a particular consulting firm from Czerniawska and May (2006):

- 1 ability to deliver;
- 2 experienced consulting team;
- 3 specialist expertise;
- 4 originality of approach;
- 5 experience of client sector/market;
- 6 reputation;
- 7 existing relationship with individual.

Clearly it is about getting a good job done and if the consultant is known to the client and has the capabilities then it is a win-win situation. There are times though when the potential buyer of consulting does not personally know who they can turn to: then they must look for information on who might help them. As with buying any service, the potential buyer of consulting has some common criteria, which would fulfil the above factors:

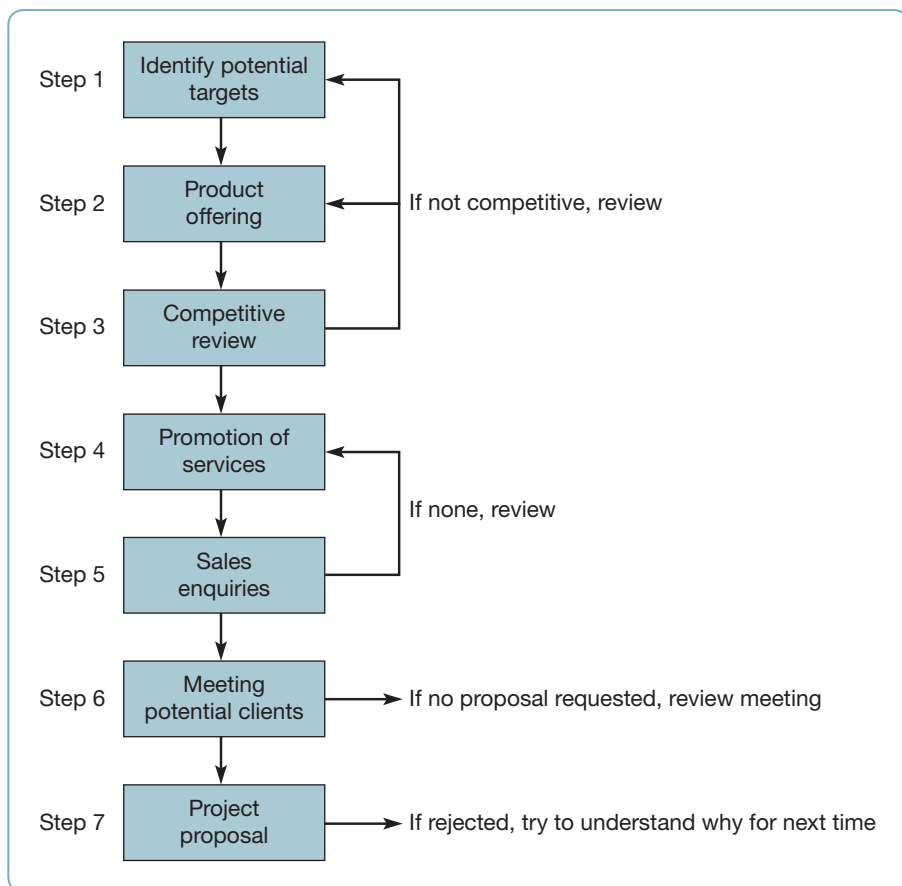
- Have I heard of this company (i.e. a *brand* that I trust)?
- Do they offer the service I require?
- Are their rates competitive?
- Do they have testimonials from other satisfied customers?
- Are they efficient at handling my initial enquiry?
- Do I trust and empathise with the representative(s) of the company who I meet, i.e. do they speak the same language and understand my issues?

From a consultant's point of view, they need to ensure that any potential clients are not only aware of them and their capabilities but also have a good (if second-hand) opinion of them.

**Consultants have to effectively market themselves, just like any business. This demands a marketing strategy and an action plan, detailing the activities that they will undertake.**

For those starting out as a consultant, either as a sole operator or in a newly formed group, good branding is critical. Unlike other businesses however, you or your group *are* the brand, so any activity you do or say online impacts on your business. This includes your website, social media (both business and personal) and other online communication such as blogs, podcasts and contributions to other websites. Your message in all these mediums should be clear and consistent. A useful technique is the *elevator pitch*, where you encapsulate the key benefits of your business to a potential client in less than 30 seconds. This enables you to focus on the most important offer you bring to your client.

Figure 4.1 shows the process that an effective consultant goes through to achieve a sale.



**Figure 4.1** The selling process

## Step 1: Identify potential targets

Depending on the size of the consulting firm, i.e. the number of consultants they have and the skills of those people, the targets could be defined as follows:

- All those from one type of industry, e.g. food and drink, or a sector within an industry, e.g. vegan food.
- Firms of a certain size (turnover between £50 and £100 million or those with profits in excess of £50 million for example).
- In geographical terms by region (Europe for example), country or even area within a country, e.g. north-west England.
- Personal contacts of consulting firm's members: these could be former colleagues or those that they have worked with in a consulting capacity.
- All those requiring a particular product or service: for example, cost reduction in factories.

In these challenging times for business, some consultancies may form strategic alliances with other firms who have complementary skill sets. For instance, those firms with a good client base but limited functional skills may team up with a practice that is expert in delivering a particular product or service, such as analysis of social media data. Consulting firms may also link up with other professional service providers, such as accountants and lawyers, to provide new client opportunities.

It may be counter-intuitive but a consultant also needs to think about who they *do not* want to work with. This could be a particular industry that they have a moral objection to such as firms involved in gambling or those that require additional regulation, such as the finance industry. It could be that a certain firm has standards of ethics that the consultant may feel uncomfortable with, particularly those located in another culture (see Chapter 3 for a further discussion of consulting across borders). In the Institute of Consulting's Code of Practice, it says that a consultant should:

- Put client interests first, doing whatever it takes to serve them to the highest possible standards at all times.
- Consider for each potential new engagement the possibility of it creating a conflict of interest.
- Act independently and objectively and exercise professional care to establish the facts of a situation and bring to bear an informed and experienced judgement.

If the type of client would prevent you from fulfilling these obligations, then clearly you should not work for them.

When the consultant has identified the firms they wish to target, they need to think about the key people within these companies. While this might be initially obvious, in selling consultancy, there are complex relationships that must be understood to identify who ensures a consulting project goes ahead. Heiman, Miller and Tuleja (2011), in their book *The New Strategic Selling*, have identified four types of *buyers* who are all-important when consultants are considering selling their services:

- *Economic buyer* – this is the person who ultimately approves the funds for the project to go ahead. They could be the chief executive or the finance director or, in more complex organisations, the head of a department that will benefit from the consulting project. They have the right to veto a project when everyone else has agreed. They can also be a strong

ally in accepting an unpopular consulting assignment; for example, large-scale change programmes. While many consulting projects have been sold just with the approval of the economic buyer, they are never as well implemented unless the other buyers are considered.

- *User buyer* – these will be the ones who are directly affected by the consulting project. They may have to devote time to the project in addition to their *day* job. The outcome of the project may influence their future job or career. Critically, their input can *make or break* a project and determine whether a consulting firm is able to get repeat business. In the sale process, they can be valuable sources of information for the proposal to make it as *sellable* as possible. They do not sign the cheque however, so while concentrating solely on this group can yield a creditable proposal, it will not get the funds approved.
- *Technical buyer* – these are specialists within the firm who will *vet* any consulting proposals; for example, the head of IT will be the technical buyer for a new digital system. They can judge whether the proposal is feasible given the company's current position. While they cannot give a final *yes* (like the economic buyer), they are in a position to reject a proposal on technical grounds. They may be a good source of information for the proposal but consultants need to maintain their impartiality, especially if they are advocating a radical solution.
- *Coach* – this is your *friendly face* in the target company (occasionally they may be outside the target firm but would have a close professional relationship with it). They can find you the other buyers within the organisation and make introductions. They can also help you if you are having problems getting the information you need from user and technical buyers. What they cannot do is complete the sale for you. However, not having a coach makes the process much harder and the success rate lower.

**Targeting the right business and individuals within it determines the success of a sale.**

### Step 2: Product offering

The next stage is to understand what will be offered to potential clients. These could range from very specific products such as offering commercial due diligence to private equity houses interested in investing in new technology firms, to more general ones which rely on the skills of the consultants themselves like organisational development. David Maister's chapter on 'The Anatomy of a Consulting Firm' in Fombrun and Nevins (2004) argues that the structure and management of consulting firms is determined by two key factors: the degree of customisation in the firm's work activities and the extent of face-to-face interaction with the client. A consulting firm therefore has to think about whether it is going to offer mainly a standardised process, where all potential clients get an *off the peg* solution or a customised one which is bespoke. Both have their advantages: the first is easy to administer and less highly skilled staff are needed. The latter attracts higher fee rates and the work is more intellectually rewarding for the consultant. The reality is that few firms can offer both with credibility, just as designer labels struggle to be aspirational and mass market. The other variable is the extent to which a consultant is involved with the client and this is explored further in Chapter 8.

### Step 3: Competitive review

The key is for the consultant to be able to offer something that differentiates themselves as far as possible from their competitors. As with any good marketing strategy, they need to

understand their competitors' services. They can then compare themselves and ensure that what they offer is competitive. Given that personal relationships are often important in selling a consultancy, you may want to look for gaps where your competitors are not operating. This may be because they think those customers are too small for them or that they are not natural buyers of consulting such as other professional services.

#### Step 4: Promotion of services

Consultants must then tell their potential customers what they have to offer. They need to stand out from the crowd and this is harder when the current market entry costs are so low. A website is a prerequisite as it is the first place that a potential client will look at. To be credible, it needs to be professional, clear, easy to navigate and up to date. However clients need to be aware of you, as they are highly unlikely to stumble on your website by accident. As a consultant, you are selling your brain power, so establishing yourself as a *thought leader* is key. Using a channel, such as the business social networking site LinkedIn to do this, means you reach a wider audience. This can then lead to opportunities to give talks at business and networking events, to further enhance your reputation and widen your network.

Just as having a website is essential, so now is the use of social networking to market your business. It is particularly suited to consulting, as business is gained through personal contacts and if used appropriately, this is an ideal medium. Most start with LinkedIn and Twitter accounts given their wide reach but other web-based services platforms such as *guru.com* may be more useful in targeting new clients. As with the website, the content has to be professional, relevant and current. Care also needs to be taken in not alienating your network by *oversharing*, otherwise they will feel bombarded by your information.

One of the most powerful promotional tools a consultant has is their previous work for a client. This *repeat business* is highly sought after, as it is relatively cheap to acquire and the likelihood of success should be greater as the consultant knows the buyers better. Just working for one client has its risks though. In any business, putting all your resources in one area makes you highly vulnerable if your customer moves away from you. In this situation you could also start to lose one of your main functions: that of an independent voice.

#### Step 5: Sales enquiries

This should elicit sales enquiries, if the steps above are correctly carried out, i.e. the correct target audience has been identified, with the right product offering and correctly promoted. There are broadly two types of sales enquiries. The first is where the client has worked with the consultant before and the consultant has had an active role in getting the enquiry. For example, at the end of a business strategy project, there may be new opportunities for the consultant to help the firm implement it. This could include developing a marketing strategy or new product development. Clearly the consultant has to have the right skills to be able to offer these additional services but provided the first project went well, they have a good chance of succeeding.

The second type of sales enquiry is where the client has not worked with the consulting firm. This can either be as a result of a formal competitive tender process (often used by the public sector as a way of achieving best value) or an invitation to make a proposal following an informal meeting (e.g. a business presentation). The former will be a definite brief and a consultant can decide whether they wish to join the competitive bidding process, where

chances of success are lower than the latter type of invitation to make a proposal. Turning down the latter would only be done in extreme circumstances when there were no resources available or the consultant felt the proposal was beyond their scope of expertise.

**The consultant will know if their promotional activities are working if they receive appropriate invitations to make a proposal.**

### Step 6: Meeting potential clients

The next stage – meeting with the client to discuss the project – is sometimes the hardest as it relies on listening carefully to the potential client's issues and the reason for their sales call.

**An effective consultant will *not* go into a sales meeting with the aim to sell a specific project, even if it is a formal tender.**

If the consultant tries to sell a specific project, it will be at their peril! This is one of the biggest mistakes a consultant can make and the most disastrous. It could lead either to the project proposal being rejected by the client or if in the event the project does go ahead, it does not deliver what the client wants. It may take quite a few meetings and a lot of preparation before the consultant is clear about what exactly the client needs to address their issue. Here the consultant should not be afraid to ask, even simple, questions. Trying to look clever but not understanding what the client is saying can be fatal! A client should not expect that the consultant knows everything about their business.

Neil Rackham, in his book *Spin-Selling*® (1995), identifies four stages in a sales meeting:

- preliminaries;
- investigating;
- demonstrating capability;
- obtaining commitment.

Preliminaries are critical because many potential clients will make up their mind in the first few minutes of meeting as to their opinion of the consultant. For any business meeting, you should be punctual and dress appropriately. The latter is not as straightforward as it used to be when a business suit was the universal uniform. Many IT and creative firms have an official (or unofficial) casual dress policy and turning up to such an organisation in a three-piece suit and tie for men (and the equivalent for women) might give the impression that you are not used to working in such an environment. There are no hard and fast rules. The key is to do your homework and ideally find a *coach* (see section above on types of buyers) as quickly as possible within the firm, who can help you with such matters.

The next stage involves uncovering the client's needs through investigation, i.e. asking the right questions. In a complex sale such as a consultancy project, this may involve two stages. The first elicits *implied needs* that need to be gently tested. For example, the client may believe that the reason for their low sales is that they are targeting the wrong sort of customers. Questions such as, 'How are your competitors doing?' or 'Who are your **right** customers?' may show that in fact their products are in a poor competitive position, so the *explicit need* has