

How to Choose A Consultancy

Chris Howe explores the advantages and disadvantages of choosing a small specialist consultancy over a more broad based company.

A small specialist consultancy tends to offer a client several advantages:

- 👉 *The consultants are generally experienced practitioners themselves.* They have lived in the real world, been real managers, run real businesses and hence they can understand and empathise with the realities that their clients face.
- 👉 *Specialist experts.* People who start small specialist consultancies do so because they are passionate about the specialisation. Therefore they know their boundaries of competence and will not stray beyond them for the sake of interest and professional pride.
- 👉 *Leading edge thinking.* Because people in small consultancies are passionate about their speciality, they are constantly looking at new ideas and approaches and blending it with existing and dependable approaches. The larger firms do of course do this, but it takes them much longer (sometimes years) to integrate new thinking into their formulaic approach.
- 👉 *Say it like it is.* The advantage of owning and running a small specialist consultancy is that you can be totally honest and open with the client and not fear consequences imposed by others. If you investigate the client's needs and find that you are wrong for the job or if you tell them what needs to change, and they don't like what you say and then choose to fire you, there is no senior partner sitting on your shoulder telling you to do what is needed to protect the revenue.
- 👉 *Clients get what they need and not what you have got.* In general, the larger consultancies use a fairly formulaic approach; they have to in order to be able to build a large team that can be deployed predictably. As a consequence, the solution offered to one client is often the same as that offered to the last one. A small consultancy lives by dealing with the needs of the client and finding a unique solution to their unique problem.
- 👉 *What you see is what you get.* With the large consultancies you often meet a senior consultant who sells and does the account/project management but the main delivery is done by a number of junior consultants and often sub-contractors. With a small consultancy the people that you meet during the sales process are the people that do the work.

To summarise, experience, passion, honesty, authenticity and transparency.

Of course one man's food is another man's poison and the potential disadvantages of small consultancies are:

- 👉 *They are not a one stop shop.* This may mean that the client has to appoint more than one organisation to help them with large or complex projects and manage the potential complications that arise at the boundary points between each consultant's inputs. In fairness most small consultancies are pretty good at working in partnership with others, because it is just part of the turf.
- 👉 *Finding them in the first place.* The large consultancies have an established brand presence. You need a consultancy to help with a new HR strategy and instantly a few names come to mind. Finding the right small consultancy can be harder work and if you don't know where to look you will never find them.
- 👉 *By definition they are 'less safe'.* In the 1960s and 1970s it was well known that "no one ever got fired for buying IBM". Sometimes clients like the security of buying

from a large organisation that has done “stuff like this before”, it may be formulaic, it may not be the most current thinking but “hey, it works”. If safety or low risk taking is a cultural norm it would appear logical, if not always appropriate, to buy from a well known brand name. IBM did always offer security and dependability, but it certainly did not always offer the best, most advanced or cost effective solution.

How important are good references and international experience?

Good references are probably the best and should perhaps be the only reason for buying from a small consultancy, because another client’s experience is the only reality that you can trust.

Do not be swayed by ‘badges of honour’ i.e. membership of august bodies or qualifications in coaching that say absolutely nothing about the consultant’s ability to understand your issues and make a difference to your business or people.

If the consultant is not happy for you to ring some of their existing clients, ask yourself why! Confidentiality is never a good excuse.

As to international experience, it depends whether it is relevant to your needs. For many, international experience is just another ‘badge of honour’ that boosts the ego, but offers no relevant benefit.

However, if that experience means that the consultant has worked in a market that is ahead of yours and can help you leapfrog others, or he/she has experience in markets that you will need them to be working in, then it is of value to you. Equally if that consultant has worked in a market, such as China, which you see affecting your future in some way, then it is an ingredient that adds to their value.

Does it make sense to work with a company that can execute as well as simply advise?

Consultants who just advise and write reports and then leave before the real work starts seldom think about how their advice will play out and the practicalities of implementing it.

If you hire a group of consultants to advise and propose and then leave implementation to another group of consultants or your own staff, don’t be too shocked if what gets built does not look like the design! And so why get the advice in the first place?

Equally it is about cost control and budget management. All too often the ‘advisors’ will eat up a large amount of the overall budget leaving too little for execution/implementation; or they will suggest that an implementation budget should be X and the implementers then discover that it needs to be 3X. Since you cannot afford 3X, nothing gets implemented, but you do at least know what the perfect solution would have looked like!