

# intelliVen

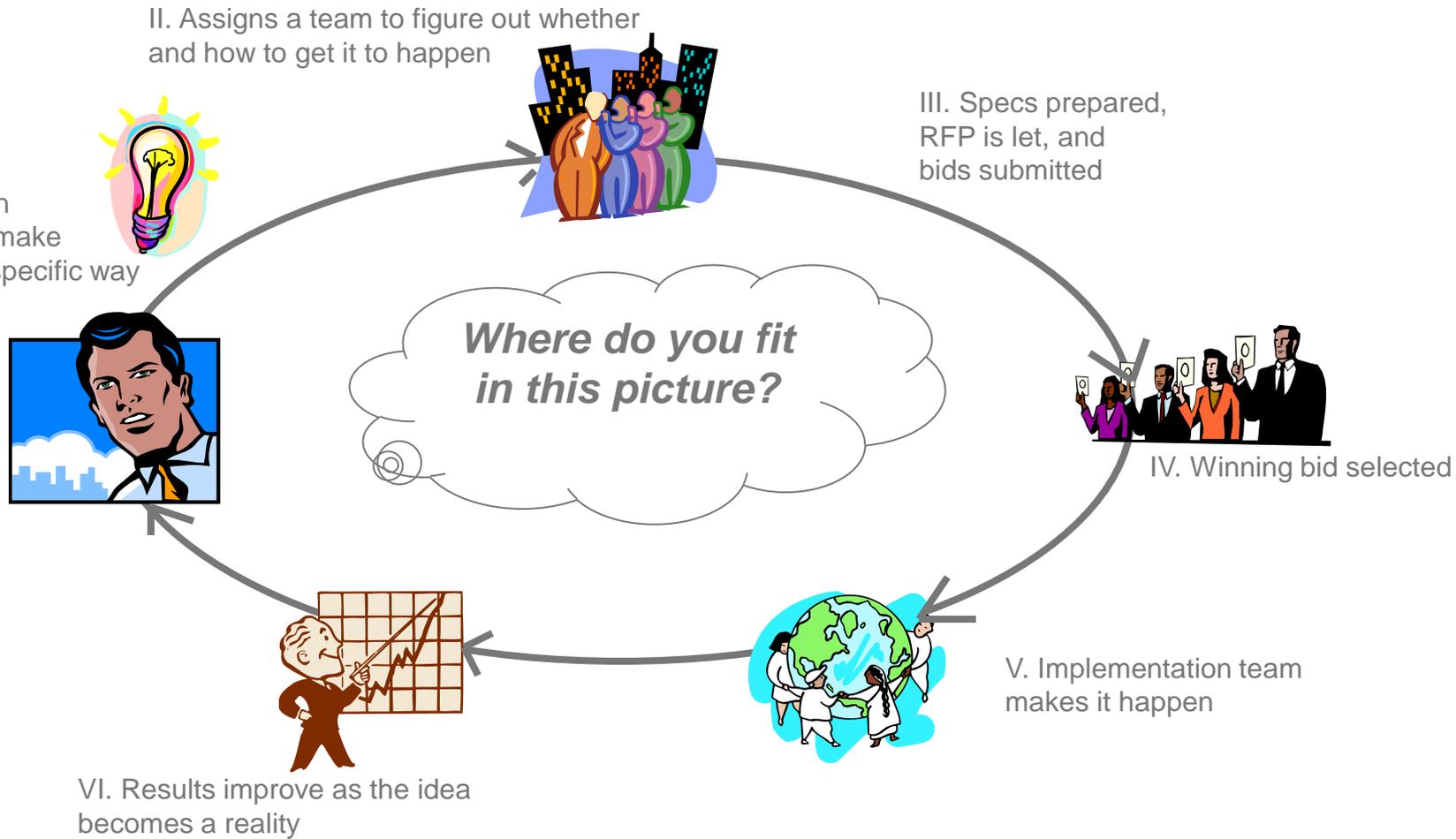
Intelligent Strategies. Successful Ventures.

# Introduction to Consulting

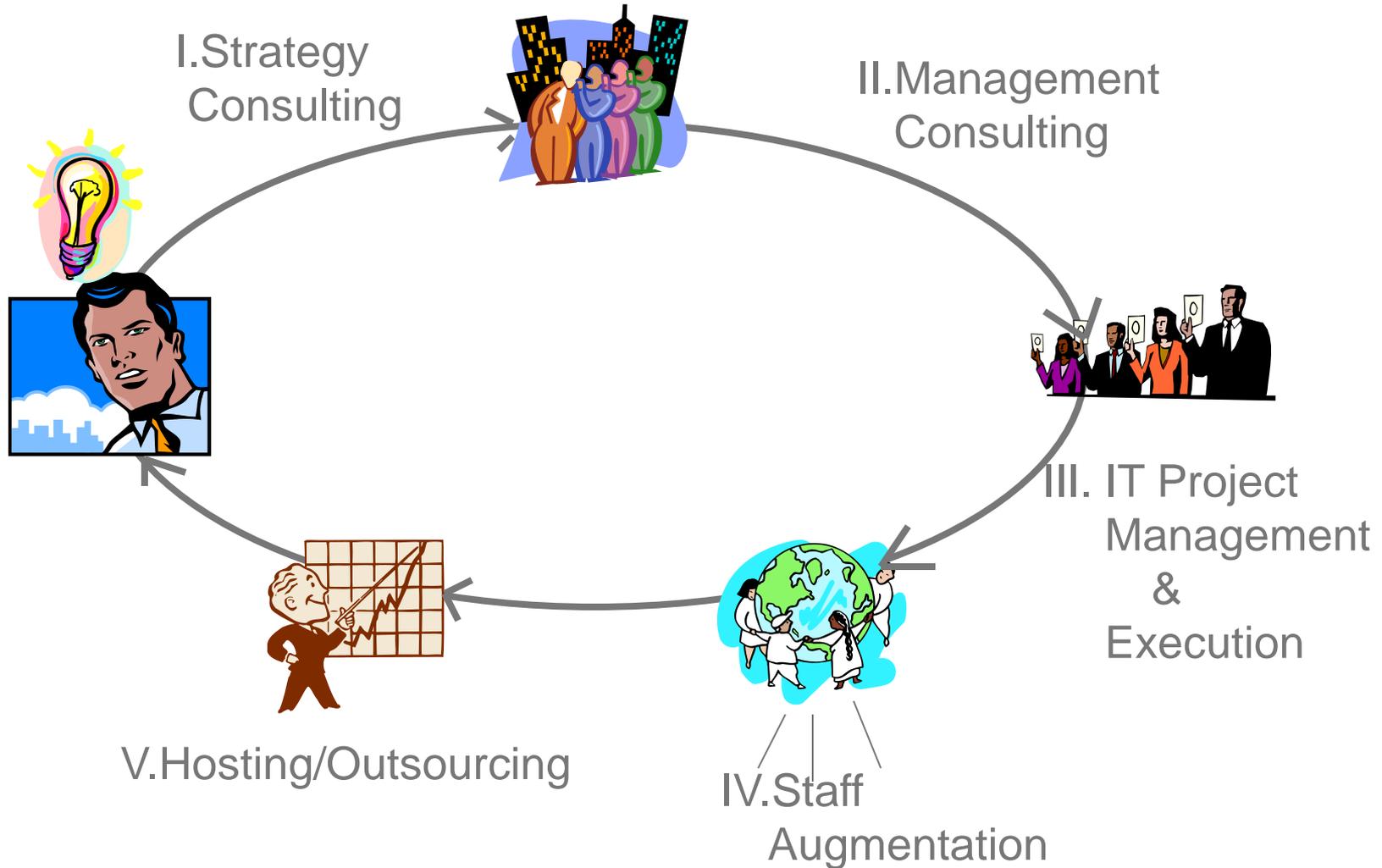
# Objectives

- To review kinds of consulting
- To define success as a consultant and show how to get it
- To understand the levels of consulting proficiency
- To provide guidelines to improve personal effectiveness in the role of consultant
- To point to sources of more information (texts and training)

# Typical Idea-to-Benefit Cycle



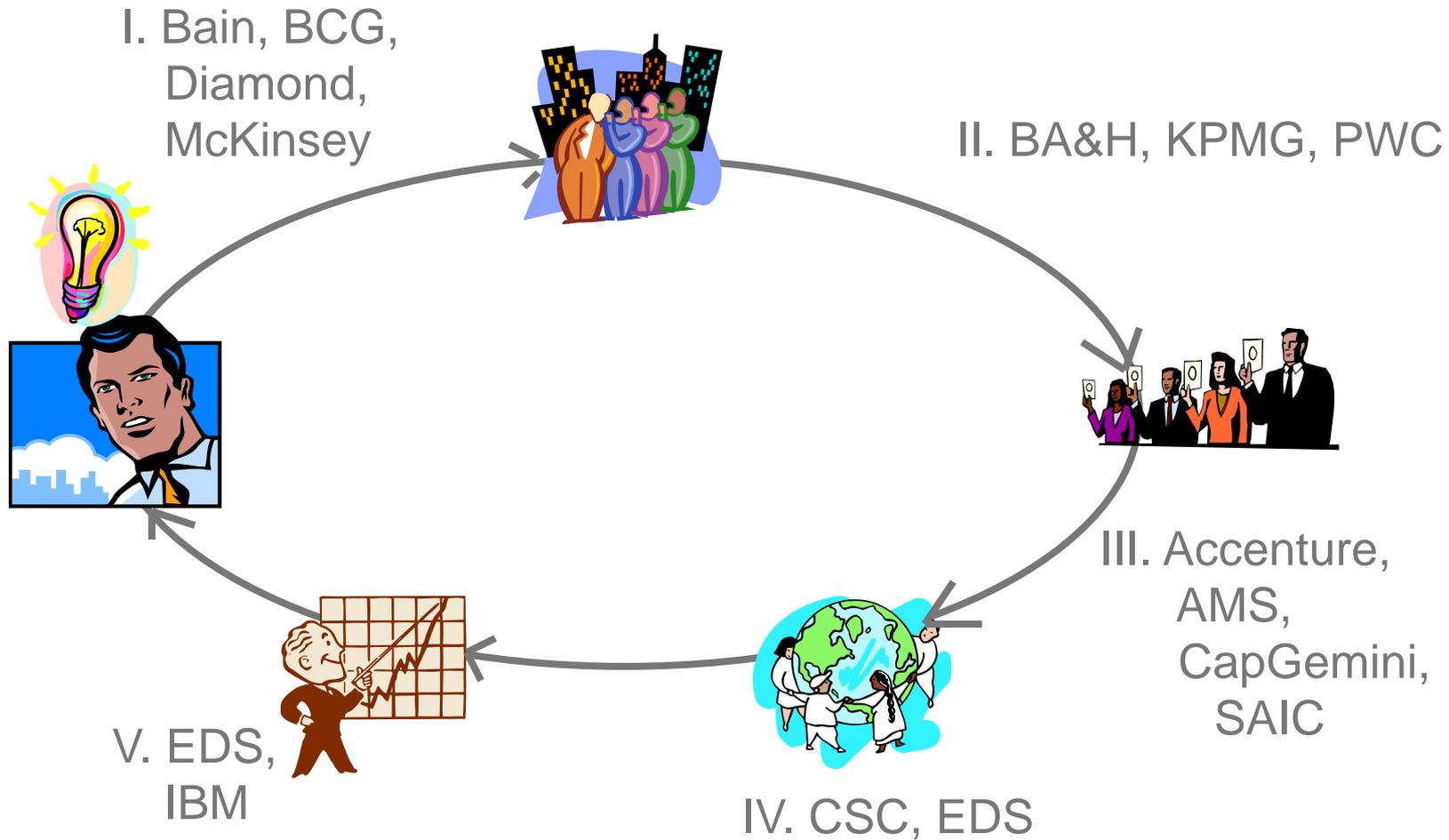
# Ways vendors participate in the Idea-to-Benefit Cycle



# Consulting is not one thing

Type of Consulting	“Stork” Consulting	Implementation Consulting	Development Consulting
Example firms	McKinsey BCG Bain	AMS Accenture SAIC IBM CSC Systems	Touchstone Booz Allen & Hamilton CSC Consulting PWC SiloSmashers
Key Messages to clients	<i>“We find the answer for you”</i>	<i>“We know the answer”</i>	<i>“The answer lies within”</i>
	<i>“You know how to change your world”</i>	<i>“We’ll change your world for you”</i>	<i>“We help you to change your world”</i>
Client’s mindset	<i>What do we do now?</i>	<i>What do we do next?</i>	<i>We did it, and we know what to do next!</i>

# Vendors by stage of the Idea-to-Benefit Cycle



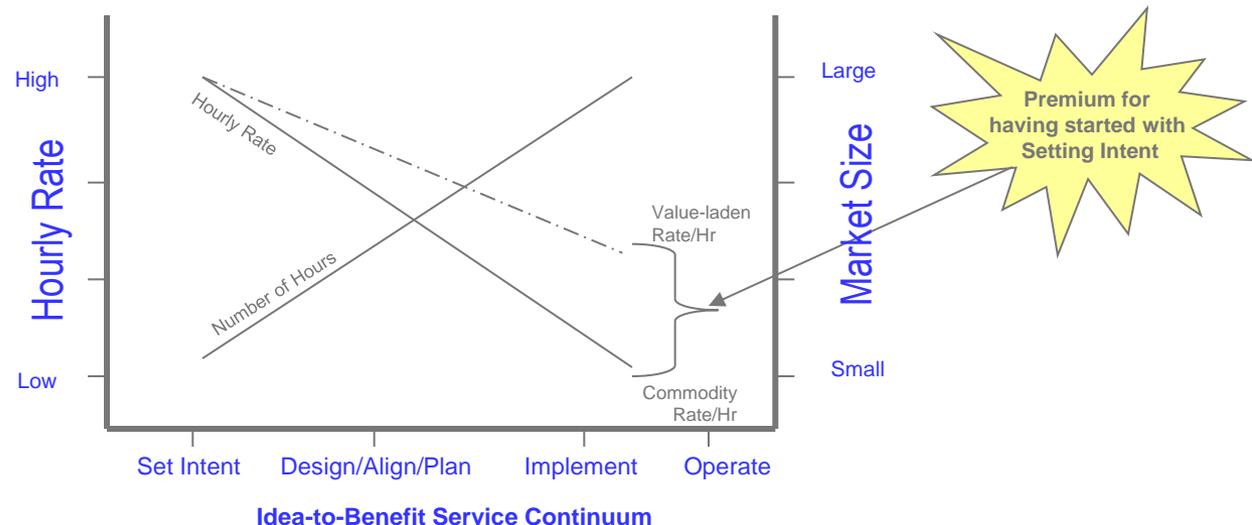
# Examples of Companies and their Service Focus

	Strategy			Design			Implementation			Operations		
	Bus. Strategy	IT Strategy	IT Planning	Bus Process Design	Req. Defin.	System Design	IT Project Mgt.	Custom Software Dev.	Software Package Config	QA and Test	Staff Aug.	Out-sourcing
<b>Tier I</b> Typical Characteristics • \$1B+ Revenues • Thought Leader • 50+ Offices • International												
<b>Tier II</b> • \$100M+ Revenues • Thought Leader in specific areas • 5+ Offices												
<b>Tier III</b> • \$20M+ Revenues • Several Verticals • Thought Leader • Several Offices												
<b>Tier IV</b> • \$1M+ Revenues • Single Vertical • Single Location • Regional												

# Starting with setting strategy profoundly changes the economics of a services business.

- Strategy work is high profit because few do it well; but the market for it is small.
- Implementation and support are huge markets; but rates are low because a lot of people do it well.
- It is possible to command a premium rate for commodity services.

**Help clients set their vision and go from Strategy-Setting to Operations to earn a premium for providing commodity services (brick-laying) because you are doing more than the commodity service you are fulfilling their vision (castle-building)!**



# What is needed from each consultant:

- Complete assigned tasks:
  - on target
  - on time
  - on budget
- Ensure client appreciates the value of your work:
  - Be proud of your own work
  - Be sure everyone on your team feels similarly
  - Set and manage expectations well ahead of completion
- Look for opportunities to:
  - Extend current work arrangement
  - Expand current assignments
  - Find new opportunities in other areas of the same client
  - Find new clients for what we do
  - Consolidate and record lessons learned for next time!

# Great Consultants

- **Are conceptual:** I.e., Able to make a whole out of any number of little parts and to clearly explain that whole others who do not themselves happen to be conceptual
- Have, or able to develop, an **extraordinary depth of competence** in something relevant to their clients business; generally in the are of: process, technology, or function
- Have the **drive** to put the above to work in order to accomplish something big

# Formula for Success

**P**repare  
Show up **P**  
**P**ay Attention  
Think **P**owerfully  
Develop a **P**oint of View  
**P**articipate

# Guidelines for results and impact:

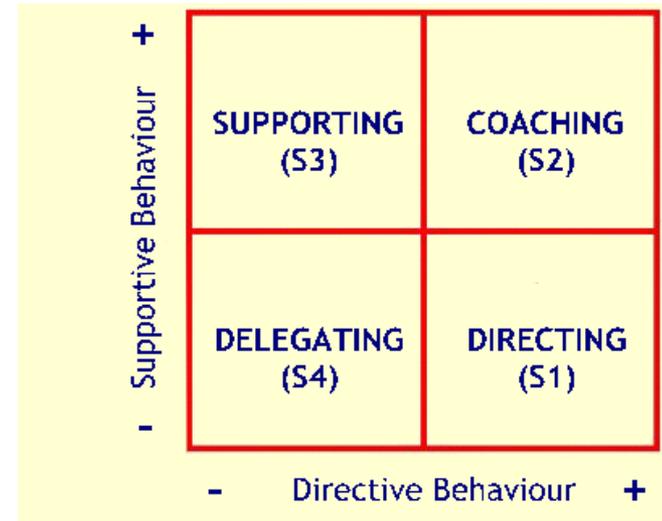
- **Prepare**
  - Imagine yourself in the meeting well ahead of time
  - Determine what you aim to accomplish and what you need to know, say, and do to achieve that end
  - Research Web and network to find out about relevant people and issues
  - Consult with other experts to get their input, advice, and guidance
- **Show up**
  - Arrive early
  - Leave late
- **Pay attention**
  - Be mentally and physically present
  - Be open to new input
  - Think critically
  - Develop a point of view
- **Develop a Point of View**
- **Participate**

# Levels of Executive Engagement.



# Levels of Independence

1. Wait until told what to do
2. Ask what to do
3. Recommend what to do
4. Act, but report action immediately
5. Act independently, reporting the action routinely
6. Act independently, ask for forgiveness later



From: Dalton & Thompson, Novations, Ken Blanchard's "One Minute Manager", and Paul Hersey's Situational Leadership

# Levels of Consulting

- **Associate** – Completes assigned tasks with excellence, on time, and on budget.
- **Consultant** – Takes responsibility for end-goal and develops, assigns, and completes tasks with excellence, on time, and on budget in order to achieve the goal.
- **Principal Consultant** – Has demonstrated, as a Consultant, over a sustained period, the ability to reliably and consistently perform functions that are important to clients and to the organization with a high degree of proficiency and independence.
- **Director**: Has demonstrated, as a Principal Consultant, over a sustained period, the ability to magnify his/her individual impact through others and/or through assets and processes that s/he has developed, maintained, and systematically used to advance the firm's performance in an readily identifiable, significant, sustainable, and scalable way.
- **Vice President**: Has contributed, as a Director, over a sustained period, to bottom-line operating profit in a predictable, sustained, and increasingly significant and scaleable manner.

# What you want a client to think about you (per Nick Miller)

- I'll take your call and speak pleasantly to you because I feel comfortable with you, personally.
- I'll call you first when I think of something I need.
- You're the most convenient supplier for these products so I'll buy them from you, as long as your price is pretty good.
- I'll commit that I'll buy everything I need from you for a year.
- I'll introduce you to my colleagues.

# Key Performance Factors by Level

Level	Performance Factor
Associate	Says: “What do you want me to do next?”
Consultant	Says: “I get it, here is what I need to do next...”
Principal Consultant	Independence
Director	Significant and sustained leverage
Vice President	Significant, sustained, and growing systematic contribution

# Open forum

- Think about experiences you have had while working on projects.
- Do they fit the framework we have outlined here?
  - How so?
  - How not?
- Work together to see how what we do fits and what we can do to help each other perform better

# There are three basic approaches to driving sales in a consulting practice

## “Salesmen-led”

- Door-openers learn what the firm does and then broker it into their base of contacts for others to cultivate, capture, close, and deliver
- E.g.,: John Condon at Touchstone, Tom Richards at Aquilent, military hires at SAIC
- Door openers need strong guidance and direction and are hard to manage
- List of contacts is eventually used up
- Success is a function of personal circumstances, luck, and serendipity

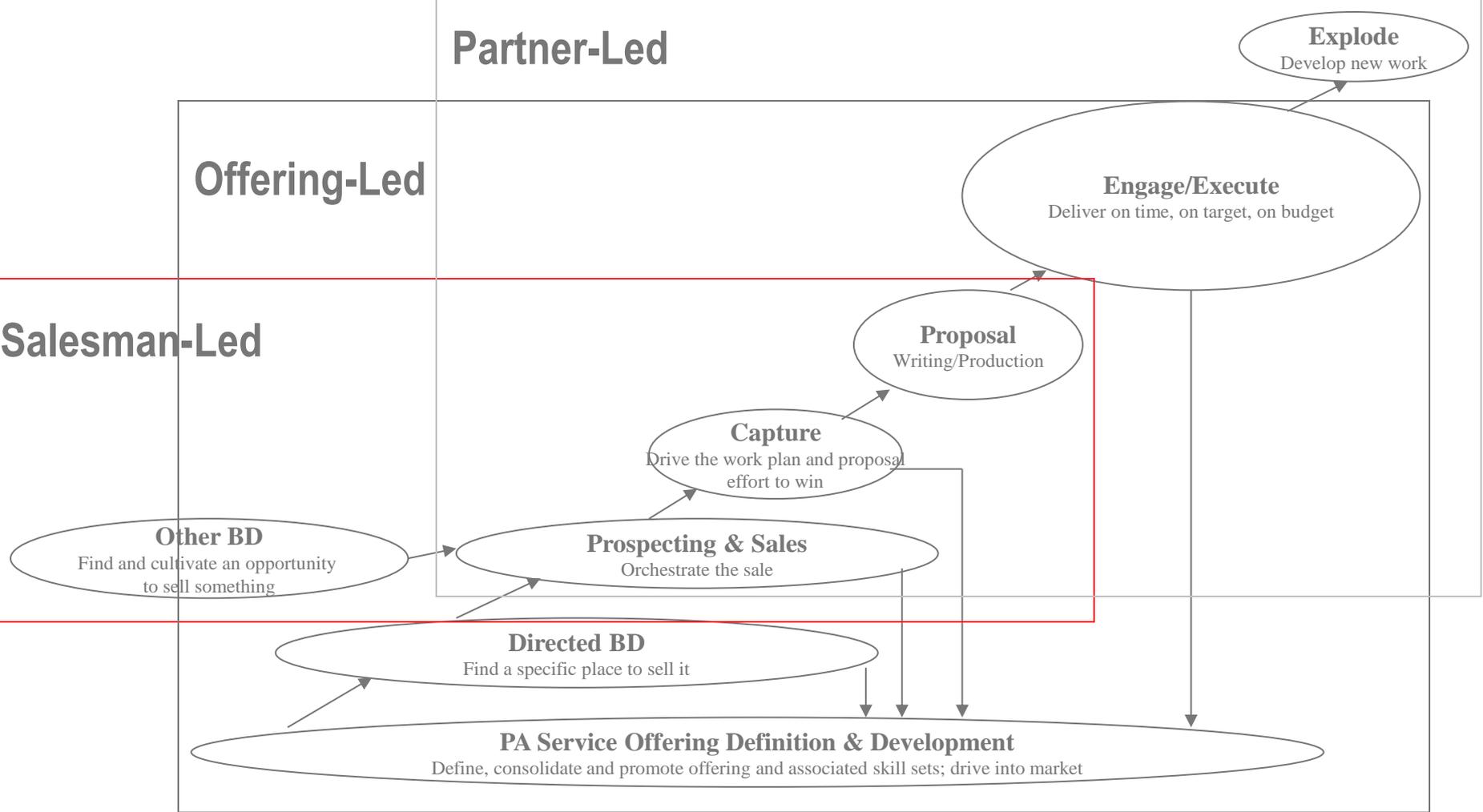
## “Partner-led”

- Strong senior players each lead sales and delivery through ultra-strong personal connections at one or two agencies (as at BA&H, Accenture, D&T)
- Partners each:
  - “Eat what they kill”
  - Keep 35 to 50 people billable indefinitely
  - Groom and spawn next generation of partners over time
  - Work independent of others; little shared knowledge or cross-partner leverage
- Can accommodate any number of partners that achieve and sustain their revenue base
- Growth is slow but steady

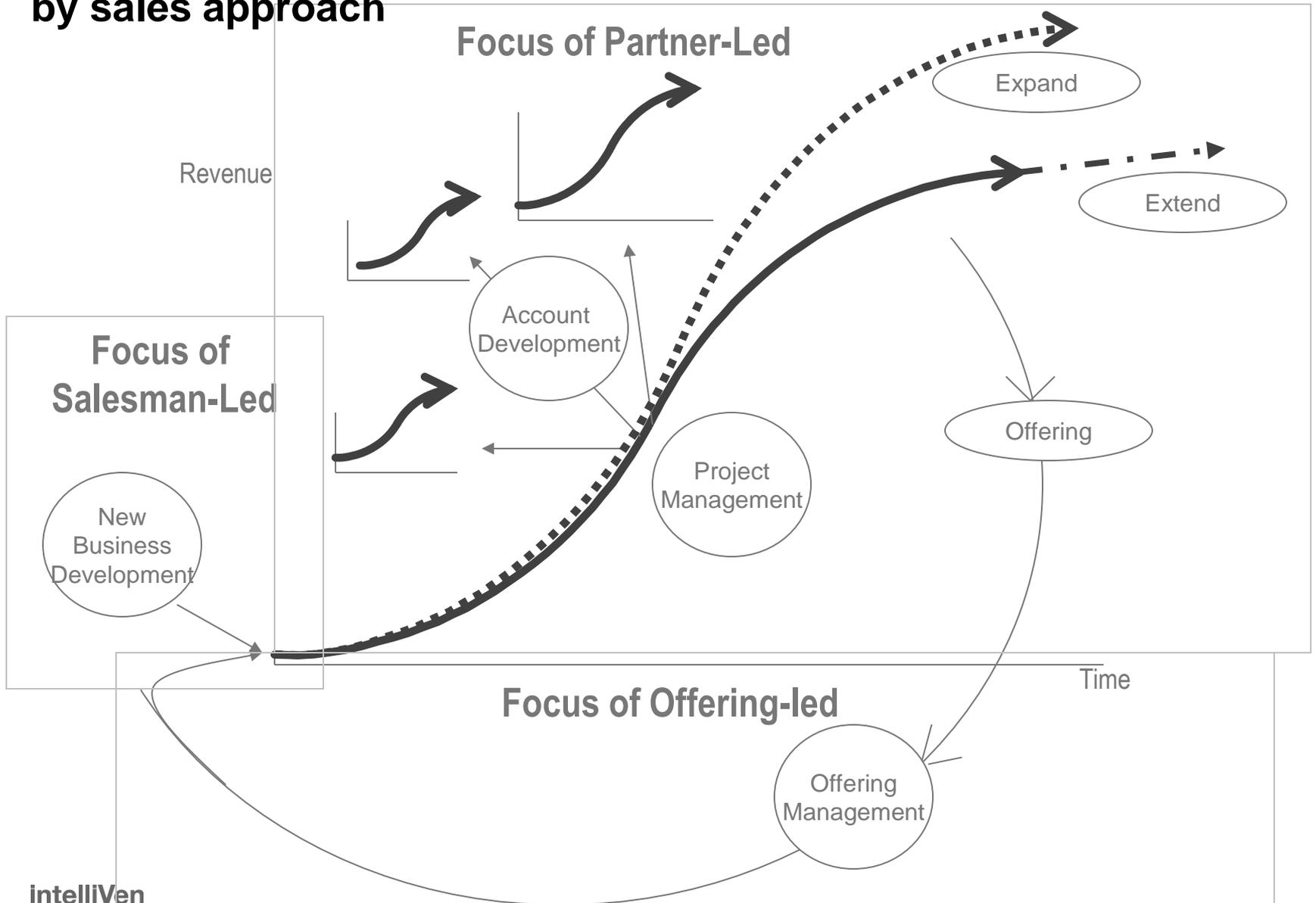
## “Offering-led”

- Staff systematically sell and deliver a value proposition to address an important and pervasive problem in a tight market in a repeatable and scaleable way; e.g., Federal Financial Systems and Procurement Desktop at AMS, Supply Chain at PRT&M, and Procurement at Acquisition Solutions
- Growth can be rapid
- Critically dependant on assets (offering, methodology, knowledge) that is leveraged over less experienced players

# Sequence of Tasks Required to Generate Sales and Focus Areas by Sales Approach



# Summary of ways to drive sales in a consulting practice and focus by sales approach



# Summary of Alternative Approaches to Driving Sales

	Salesmen-led	Partner-led	Play-led
<b>Keys to growth</b>	<p>Finding, managing, nurturing and supporting door-openers who have strong networks</p> <p>Sales manager to;</p> <ul style="list-style-type: none"> <li>• Help door-openers figure out what to sell to whom</li> <li>• Ride herd</li> <li>• Know when they have run their course and need to be cut loose</li> </ul>	<p>Slow and steady hiring/spawning partners</p> <p>E.g., adding 4/year, each growing to \$5M; total unit would be \$200M in 5 years</p>	<p>Unit and Practice Leaders who can drive sales and delivery and who can develop people to scale the business</p> <p>Attractive niches that play to corporate strengths and market needs</p>
<b>Limits to growth</b>	<p>Finding, attracting, cultivating, driving, and culling door-openers</p> <p>Size of each door-openers network</p> <p>How hard it is for door-opener to learn what to sell</p>	<p>It takes a long time to find and attract or to develop partners</p> <p>Partners are expensive, have high egos and are hard to deal with</p> <p>Little synergy between partners</p>	<p>Number of niches to pursue--one is too risky and more than three will be too diffuse and expensive</p> <p>Requires some investment up front to select and prepare to launch a Play</p> <p>Can grow to be thousands of people all doing much the same thing but for different clients</p>

# Advantages of each approach

- Salesmen-led
  - Relentless focus on short-term revenue
  - Easy to understand
  - Faster start and appears to be easier to execute in the short-run
  - Consistent with Sapient approach
  - Only needs a sales manager to run it, not a BU manager
  - Can be an effective sales channel for corporate competencies
- Partner-led
  - Traditional
  - Not hard to understand
- Play-led
  - Scalable faster
  - Not dependent on personalities
  - More leverage
  - Potential size is bigger
  - Three plays in five years could generate \$200 M in revenue
  - Dominate in a niche
  - Lower cost of sales
  - More differentiation

# Disadvantages of each approach

- Salesmen-led
  - Personality-based
  - Hard to find and harder to grow your own
  - Expensive
  - Each person has a finite maximum benefit and a limited life
  - More churn in staff
  - Hard to find a sales manager capable of driving this kind of model; Steve Lynott is a good example of one.
- Partner-led
  - Personality-based
  - Very Expensive
  - Culturally disruptive
  - Scale slowly
- Play-led
  - Takes some investment up-front
  - Needs a BU leader (broader than a sales manager)
  - Need to invest in training and development of junior people

# Appendix

**The following slides contain additional tips and guidelines that may be useful in the discussion section and as a resource to be reviewed later.**

# How to Assure Client Satisfaction

**Success = Results - Expectations**

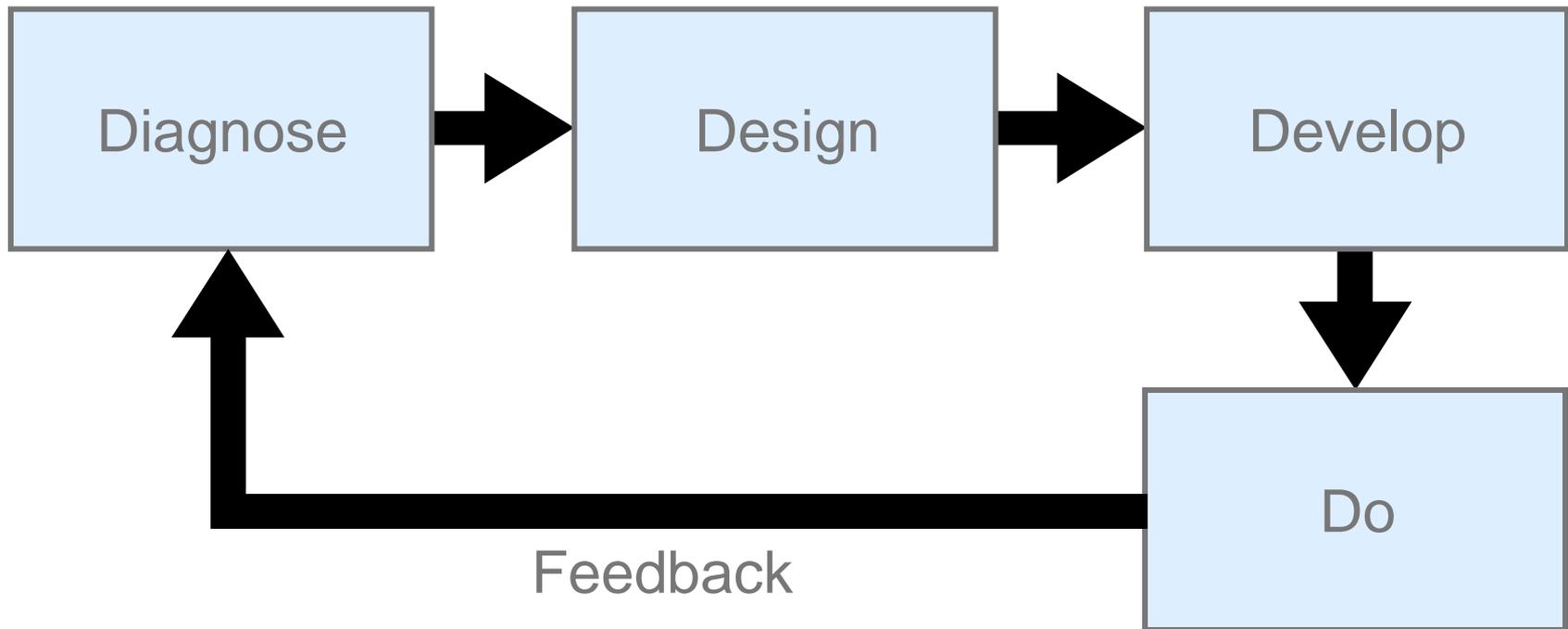
**We need to manage both!**

Great work may not be appreciated if expectations are not set first

Source: David Maister, *Managing the Professional Service Firm*, The Free Press, 1993

# Organization Development Model

Most start to Develop and Do much too soon



# Skill areas for success as a consultant

- **Domain competence**
  - Industry (e.g., federal government)
  - Methodology (e.g., process engineering; project management)
  - Technology (e.g., facilitation, vision mapping, conversation mapping)
- **Business competence**
  - Business cases
  - Alternatives generation and analysis
  - Analysis
- **Organization Development**
  - Getting diverse people to work together
  - Team building
  - Change management
  - Coaching and personal development assistance

# How to Guarantee Success

- Understand what you want to accomplish. Be sure you think you can accomplish it and that you want to
- Communicate what you are trying to accomplish and get agreement with key stakeholders including economic buyer
- Make a plan to accomplish it
- Identify and enlist/secure resources required to accomplish it (people, time, funding, equipment, space, training, etc.)
- Determine what to watch to know when you have accomplished it
- Execute against the plan
- Track and report on progress, problems, lessons learned, and next steps
- Raise issues and get help well in advance
- Anticipate what can go wrong and implement mitigation strategies and contingency plans if necessary

# Professional Conduct Guidelines

## Etiquette

- Show up--be mentally and physically present
- Be early, leave late
- Smile, shake hands, and learn, remember, and use names
- Listen and draw out
- Say “please” and “thank you”
- Find and develop areas of common interest

## Attitude

- Pay attention
- Be open
- Have a can-do attitude
- Adopt an “us” attitude
- Believe your client is special
- Stay in analytical, problem-solving mode

## Social Interaction

- Participate
- Seek and explore common ground
- Develop and share point of view
- Impact thinking
- Find reasons to meet again



**Do**



**Don't**

- Agree falsely
- Laugh at or tell inappropriate jokes

- Be arrogant
- Drift off
- Impose preconceived judgments
- Adopt and defend a position prematurely
- Speak disparagingly of anyone

- Attend social outings that make you uncomfortable
- Spend extravagantly
- Grandstand
- Dominate

# How to show up

- **Dress** : Follow the client's dress code if you are at a client site.
- **Phone**
  - **at our site:** Always answer the phone as if it is an important client calling, even if you see that it is from an internal station
  - **at the client site:** Assume the client can hear everything you are saying; avoid loud conversations, particularly about personal matters
- **E-Mail** : Assume anything you write, even a short e-mail, makes a statement about you, e.g., whether you are professional, neat, precise, clear, to the point, care about your work, ... or not, and that it might find its way into the Washington Post or New York Times.
- **Set up:** Allow more than enough time to make copies, set up for meetings, get where you need to go; assume that something will go wrong.

**The way we show up speaks volumes about who we are**

# Communications Guidelines

## Interviews

- 
- Prepare
  - Listen
  - Use intuition
  - Shift gears when necessary
  - Observe confidentiality
  - Get good information
  - Follow up

## Meetings

- Know the agenda before the session
- Know and respect time constraints

## Written Documents

- Develop points in a logical manner
- Use simple words and sentence structure
- Eliminate all errors
- Show work to fresh eyes before delivering
- Note sources
- Present facts

## Oral Presentations

- Rehearse several times in front of others to get their feedback
- Limit use of notes
- Allow interaction
- Ask for feedback

## Day to Day

- Provide timely progress reports
- Document work activities
- Relay findings
- Be on time
- Engage others for assistance



## Don't

- Wing it
- Ask leading questions
- Lie about your role or objectives

- Assume discussions are low risk
- Tune out
- Present without listening

- Data dump
- Be overly complex
- Use jargon
- Express opinions
- Draw conclusions beyond your data

- Wing-it
- Try to look brilliant
- Be overly didactic
- Be a one-person show
- Act superior

- Lack structure
- Assume anything is off the record
- Pretend to be someone you are not
- Keep bad news to yourself

# Client Management Guidelines

## Team Alignment

- Get clear on what you are doing and why
- Gain top-down support
- Listen, understand, and question
- Be accessible and open to input
- Form a core-group

- Fail to respect other's sensitivities
- Fail to respect hierarchy
- Instill casual sense of superiority
- Pretend you have the answers

## Responding to Work Requests

- Act efficiently
- Follow through
- Be clear
- Be flexible
- Meet all deadlines
- Honor all commitments

- Accept work at any price
- Allow for random fire drills
- Say yes unless you can deliver

## Politics

- Observe protocols
- Tune in
- Be truthful

- Allow politics to overrun work or deliverables
- Take sides in an intra-client issue
- Complain about your colleagues
- Reveal internal issues

**Do**

**Don't**