Guidance on engaging and managing consultants

Guidance

The purpose of this guidance is to provide you with useful insights and practical tips to enable you to better engage and manage consultants. The following points essentially follow the 'procurement lifecycle' commencing with handling initial sales contact through to closing a project.

- When approached by a consultancy, be forthright with them! If you are certain your organisation will never need their services, simply tell them that you will not be requiring their services and ask them not to contact you again. If, however, there is a possibility (no matter how remote) that your organisation may need their support in the future, do keep their details on file and agree any follow-up contact.
- Before engaging consultants, consider using internal resources and/or interim resources. Where internal resources cannot undertake the entire project, they should form part of the project team. Associated benefits can include lower cost, more rapid and robust results, greater skills transfer, and highly motivated personnel.
- Depending on your requirement, also consider interim resources. Generally, however, interim resource is more suited to maintaining 'business as usual'. In contrast, a consultant is an accomplished expert in their field, who can liaise at all levels, accurately assess the problem, apply original thinking and external best practice, and create the best solution for you.
- In deciding whether you need interim resources or a consultant, the key point to remember is that in most instances a consultant will be able to undertake an interim role, but an interim is unlikely to be able to undertake a consultancy role. Do not pay for a consultant if what you really need is an interim.
- Having established the need for consultancy support, do not approach the market until you have, or are confident of securing the necessary funding.
- In reviewing the market consider the number of resources and the geographical coverage needed. Do you need one person, or 50-100 people at different locations? This will help decide the size of consultancy required. Also, consider how much you are prepared to pay.
- Do not assume 'bigger is better', indeed a lot of genuine experts work for themselves. Depending on your requirement it is recommended that a mixture of large, medium, and small consultancies is shortlisted.
- Assuming the project and deliverables are reasonably definable, a fixed fee contract is usually preferable for both parties – with payment against clear deliverables. 'No win no fee' gain share models are generally not recommended due to the possible downsides, e.g. disputes over what constitutes savings, damaged supplier relationships, minimal skills transfer, even litigation. Day rates are seldom the most suitable

contracting model (from the client's perspective) – and should only be used where the scope/deliverables genuinely cannot be defined).

- Key factors in selecting a consultancy include; their experience and track record in the area you wish to engage them, their 'cultural fit', approach, tools, and techniques, etc. Fundamentally, however, it is their proposed consultants' relevant experience, expertise, and consulting style.
- When assessing proposals, probe, question and clarify, i.e. exactly who is going to do what, when, how, and why? Challenge bidders' stated assumptions – can your internal team deliver the inputs within the stated timescales, is one document review realistic? Additionally, carefully review the CVs of the proposed consultants, and be aware that consultants usually refine their CVs for each assignment. What was their actual role on that project?
- As part of the selection process, you should insist on meeting the actual consultants who would be undertaking the work. Yes, the Partner selling the team will be highly credible, but you need to be confident that the individuals proposed to undertake the work are technically proficient, that they can liaise with senior management, and that their consulting style is appropriate. Most of all, however, you need to feel you can trust them and work with them. If you don't feel you can, choose another consultancy/ consultant!
- Be mindful of abnormally low rates being bid to secure the work, and then the consultancy 'landing and expanding', i.e. additional consultants being needed, and possibly at higher rates!
- Do not be afraid to negotiate and/or request a Best and Final Offer (BAFO). Most consultancies, when pushed, do give discounts/additional value adds. Be careful, however, not to push too hard and compromise the quality of the deliverables.
- Where appropriate, clarify what is meant by 'per day' (but as outlined above, using day rates are generally not recommended). Some consultancies have been known to quote based on a 7-hour day and then charge you for the 'extra' hours worked. It is generally accepted practice, however, that a consultant will do a professional day consisting of at least 8 hours' work.
- It is usual to reimburse reasonable expenses, but consultants do not have to stay in 5-star hotels and travel first class – but these should be minimal as most consultancy work can be undertaken remotely, via MS Teams, etc. Consultants should mirror your organisation's expense policy, and, where practical, avail of any preferential agreements your organisation has in place to minimise the cost. Additionally, travel and subsistence should not be charged for consultants who live or work close to the area where the work is being undertaken.
- Given the time and effort associated with expenses, sometimes it can be in everyone's interest to have an agreed amount for expenses or all-inclusive fees.

- It recommended that a contract specifically developed (by your organisation) for engaging consultants is used. The contract should include appropriate confidentially undertakings, and 'no-poaching' and termination clauses. It should also ensure that your organisation owns, or has a perpetual licence on, the Intellectual Property created.
- Do issue a PO – and insist that a full invoice breakdown is provided. It can be helpful to agree the invoice breakdown prior to the invoice being formally raised.
- Consultants should be assessed on the quality of their work, not on how many hours they spend on-site. It is imperative, however, that you are provided with regular written updates and have scheduled project review meetings – at least fortnightly.
- Do not use consultants essentially as support staff doing minutes, etc – it is a waste of your budget! To get the most from consultants, treat them well, and remember consultants also need a work-life balance.
- As the project progresses, electronic copies of all deliverables and key working papers should be provided to you.
- Skills and knowledge transfer to your staff should be an integral part of any consultancy project.
- As the project nears completion, a 'project close' meeting should be undertaken, whereby constructive feedback is provided in terms of what went well and what could have been better. This is also an opportune time to discuss testimonials, possible future work, and how best to keep in contact going forward.

- We trust you found this guidance useful and would ask that you consider Intelligent Buying Ltd for any procurement, contract management or bid related projects. You can contact us via:
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- www.intelligentbuying.co.uk

Thank you.