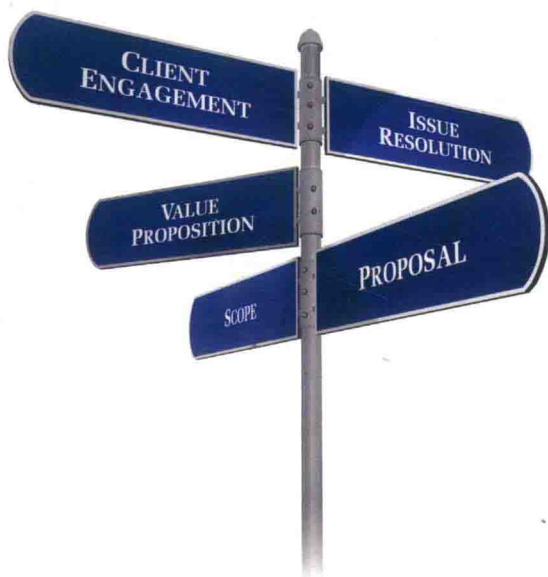


THE CONSULTANT'S HANDBOOK

A PRACTICAL GUIDE TO DELIVERING
HIGH-VALUE AND DIFFERENTIATED SERVICES
IN A COMPETITIVE MARKETPLACE



SAMIR PARIKH

WILEY

THE CONSULTANT'S HANDBOOK

A PRACTICAL GUIDE TO DELIVERING HIGH-VALUE
AND DIFFERENTIATED SERVICES IN A COMPETITIVE
MARKETPLACE

SAMIR PARIKH

WILEY

This edition first published 2015

© 2015 Samir Parikh

Registered office

John Wiley and Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, United Kingdom

For details of our global editorial offices, for customer services and for information about how to apply for permission to reuse the copyright material in this book please see our website at www.wiley.com.

The right of the author to be identified as the author of this work has been asserted in accordance with the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs and Patents Act 1988, without the prior permission of the publisher.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit www.wiley.com.

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book and on its cover are trade names, service marks, trademarks or registered trademarks of their respective owners. The publisher and the book are not associated with any product or vendor mentioned in this book. None of the companies referenced within the book have endorsed the book.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. It is sold on the understanding that the publisher is not engaged in rendering professional services and neither the publisher nor the author shall be liable for damages arising herefrom. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

Library of Congress Cataloging-in-Publication Data
Parikh, Samir, 1970-

The consultant's handbook : a practical guide to delivering high-value and differentiated services in a competitive marketplace / Samir Parikh.

pages cm

Includes index.

ISBN 978-1-119-10620-3 (cloth)

1. Business consultants. 2. Consulting firms--Management. I. Title.

HD69.C6P276 2015

001-dc23

2015009041

A catalogue record for this book is available from the British Library.

ISBN 978-1-119-10620-3 (hardback)

ISBN 978-1-119-10621-0 (ePub) ISBN 978-1-119-10619-7 (ePDF)

Cover design: Wiley

Cover Image: © Andreas Rodriguez/iStockphoto

Set in 12/14 of Minion Pro Regular by SPi-Global, Chennai, India

Printed in Great Britain by TJ International Ltd, Padstow, Cornwall, UK

THE CONSULTANT'S HANDBOOK

ABOUT THE AUTHOR

Samir Parikh is a British-born consultant with over 20 years of industry experience. He began his career in the UK consulting towards the aerospace industry and then later joined a large international consulting firm where he participated in pan-European projects in the information technology, financial services and pharmaceuticals industries.

In early 2000 Samir founded SPConsulting, a global management consulting firm based in Stockholm, Sweden, specializing in organizational strategy and change management. With many of its clients being multi-national corporations, SPConsulting has conducted assignments in more than 50 countries.

The firm works closely with companies that are transforming into consulting-based organizations delivering solutions and professional services in their own areas of specialization and in highly competitive environments. Samir and his team have been responsible for helping clients to define strategies to succeed in their markets, creating new capabilities at various organizational levels and implementing maturity programmes to ensure continuous development and the maintenance of competitive advantage.

In addition to his active role as a practitioner, Samir has often been a speaker on the topic of consulting, addressing senior audiences in different industry segments as well as appearing as a guest speaker to undergraduates at leading universities and business schools.

TABLE OF CONTENTS

ABOUT THE AUTHOR.....vii

INTRODUCTION 1

PART I – CONSULTING FUNDAMENTALS 3

CHAPTER 1: What is Consulting?5

CHAPTER 2: Preparing to Consult.....25

CHAPTER 3: Establishing Credibility37

CHAPTER 4: Managing Client Meetings47

PART II – CASE STUDIES 61

CASE STUDY 1:
Exploring a New Consulting Opportunity63

CASE STUDY 2:
Presenting a Solution Approach.....85

CASE STUDY 3:
Scoping a Study 101

PART III – ADDITIONAL TOPICS..... 117

CHAPTER 5: Proposing a Consulting Service 119

CHAPTER 6: Delivering a Consulting Service 133

CHAPTER 7: Client Interactions and
Related Obstacles 173

CHAPTER 8: The Skill of Advising 193

INTRODUCTION

The objective of this book is to provide a practical context as well as tips and actionable guidelines to those working with or interested in consulting.

Suitable audiences include soon-to-be graduates interested in the consulting profession, consultants aiming to accelerate their careers through the acquisition of new ideas, and experienced practitioners wishing to complement their own experience with that of others.

Beyond the realm of consulting, the topics presented in this book could also be applied by a wide range of professionals whose roles involve frequent interactions with internal or external stakeholders, in order to improve their effectiveness and to navigate around common obstacles.

This book is designed to be easy to read, as too many consulting-related books are not. The content presented should be easy to absorb and to connect with one's own experience. The very practical approach adopted as well as a rich variety of examples are intended to make the concepts discussed easy to implement with immediate benefit in a wide range of daily situations, irrespective of the reader's experience level. The content has been organized to take the reader on a logical journey through some of the most important considerations in the practical world of consulting. Each chapter will provide a foundation for the ideas presented in the next. It is therefore recommended that the chapters are read in sequence.

Part I, *Consulting Fundamentals*, introduces some of the underlying principles that apply to any consulting-based approach. Those beginning a career in consulting should give these topics particular consideration. Mastering them with high proficiency can immediately improve the outcomes of your consulting engagements. Experienced practitioners may consider these topics as something of a review but may wish to reflect on the examples that illustrate approaches that have worked well and not so well in the past.

Part II, *Case Studies*, demonstrates how these principles can be applied successfully in consulting engagements. Three different case studies based on real industry situations are presented, providing the reader with an insight into typical daily life in consulting. The case studies are illustrated with additional content that is better presented in context than in isolation.

Part III, *Additional Topics*, explores a range of other topics that should be understood in order to gain a solid foundation of consulting knowledge. These topics include the delivery of consulting projects, the management of client-related obstacles and the skill of advising.

PART I

CONSULTING
FUNDAMENTALS

WHAT IS CONSULTING?

What is a consultant? Today many people call themselves consultants: corporations formulate their strategies with the support of management consultants; a graduate employed by an information technology (IT) company developing software is called a software development consultant; travel agencies are manned by travel consultants; gardeners call themselves landscaping consultants; and a person selling double-glazing introduces himself as a sales consultant. All of these people have quite different roles and skills. On another note, many young graduates freshly employed by companies in the consulting industry are proud of the title 'consultant' on their business card but struggle to explain to their friends and relatives from a holistic perspective exactly what it is that they do for a living.

To be successful in consulting you will need to understand its essence: What consulting is, and what it is not. This is particularly important today due to the abundant use of the consultant title. Many of the people bearing the title may not be consultants at all, or at least consulting may only constitute a small part of what they do. The unravelling of consulting and its complexities is not trivial. Consulting is a diverse activity delivered in many different contexts. We will therefore use an incremental approach to reveal the cornerstones of a consulting service as well as the obstacles and conflicts that can be associated with it.

CONSULTING: THE BASIC PROPOSITION

To begin our journey into the world of consulting, consider the following statement:

| *Consulting is a helping relationship provided based upon expertise and experience.*

Consulting is, indeed, a helping relationship and a consultant's primary focus is to help his or her client to achieve a desired objective or outcome. Helping a client may involve many different activities, according to the need and context. Advising, conducting analysis, formulating strategies, designing processes and implementing technology-based solutions are some of the most common examples of consulting help today.

The statement also suggests that the help provided by consultants is based upon two key ingredients: Expertise and experience. Together these form the basis of what we will refer to as the *basic consulting proposition*.

Consider the following example.

A client plans to build a new house and decides to employ the services of an architect. For the purposes of our discussion an architect could be considered as a type of consultant with specialist knowledge in the design and construction of buildings. Charging on an hourly basis, the architect inspects the client's plot of land and helps her to design her house. His advice is based firstly upon the expertise that he acquired in a school of architecture, and secondly upon the experience that he brings from having designed many similar buildings over the last ten years. In effect, it is the product of these two components that defines his consulting proposition: The *value* that he can deliver, and in essence the value that the client is getting for her money.

The balance of expertise and experience that forms a consultant's individual proposition can vary tremendously. A graduate new to the consulting business will usually add value based largely upon expertise or skill, such as being educated and certified in a particular business, technology-related or scientific domain. The proposition of a senior consultant, on the other hand, is more likely to be experience weighted, drawing upon the handling of diverse business situations, participation in complex projects or the findings of research accrued over a number of years. Irrespective of the balance, we have introduced the two most important variables that define a consultant's proposition, expertise and experience, which if applied effectively can result in a powerful and high-value service.

If you are working as a consultant it is important that you clearly understand your proposition as an individual. You will

need to articulate it to clients and then apply it with accuracy to a variety of problems and situations. Today clients have high expectations of consultants and may challenge you, putting your proposition to the test with questions such as ‘What industry certification do you have enabling you to consult in this area?’ or ‘How long have you worked in this solution domain? Can you give an example of a similar case that you have worked with, and the outcome?’ These are fair and reasonable questions from a client, and a good consultant should be able to answer them clearly and professionally. In Chapter 3, *Establishing Credibility*, the skill of articulating the consulting proposition will be explored with a view to building a credible consultant–client relationship.

WHO IS QUALIFIED TO BE A CONSULTANT?

We have already highlighted the broad use of the consultant title. Consulting is a largely unregulated profession and, with the exception of certain specific regulated disciplines, there are usually no minimum qualifications attached to the title. Anyone who chooses to brand themselves as a consultant therefore becomes a consultant, and anyone whom a consulting company chooses to hire, albeit according to their own selection criteria, becomes a consultant. The resultant diversity of people acting in a consultant role brings with it many consequences.

Compare consulting with a strictly regulated profession, for example the accounting profession. If you want to call yourself a chartered accountant and print the title on a business card there are a number of professional exams that you must pass, even after completing a university degree. The title is protected. If you were to go to a local copy shop, print business cards bearing the title and start practising without attaining the mandatory

qualifications, sooner or later the regulatory agency governing the accounting profession in your country would come along and sue you. The same principle applies to other regulated professions such as medicine. You cannot just call yourself a doctor and start practising on people. The implications would be disastrous.

In consulting there are generally no such regulations. Due to its diversity, consulting is more difficult to regulate than certain other professions and as a result a wide variety of firms and individuals present themselves to corporations as consultants. The performance of these people is generally mixed. Some may be very good, some mediocre and others may perform very badly, unable to deliver to their promises, and consequently rarely earning the opportunity to work for the same client more than once.

Consider now the impact of this dilemma from the client perspective. For clients there is a risk associated with engaging a consulting firm for the first time. The consultants may bring impressive references and present interesting proposals, but until you have seen them perform and produce results you never know exactly what you are going to get. When a client hires a chartered accountant they can be guaranteed of a basic level of skill and performance. Consulting is much more subjective, and the reputation and demonstrated track record of a consultant are therefore key to his or her success. Most well-seasoned clients can refer to at least one occasion when they had a less than satisfactory experience dealing with a consultant. In extreme cases you may encounter organizations that do not like consultants at all. If you face this situation you are likely to encounter *resistance* from client personnel based upon their scars from the past. The example below highlights one such case.

Some years ago I was flying from Newark International Airport in the United States to Stockholm, Sweden. The flight was approximately eight hours in duration and departed Newark in the early evening. The gentleman sitting next to me on the aeroplane was smartly dressed in a suit with the appearance of a senior executive. As we arrived at our seats we exchanged courtesies. During the first hours of the flight we both focused on our work, until the crew appeared to serve a meal. We placed our computers aside and engaged in light conversation over dinner. I rarely talk much about my work in such situations and generally steer towards lighter social topics of conversation.

The gentleman turned out to be a senior manager for an automotive company, based in Michigan. For many years his key area of specialization had been the design and production of heavy-duty gearboxes, a subject that he clearly relished to talk about. During the course of the next 20 minutes I learned a lot about gearboxes – everything from sensor technology to industrial lubricants and their response to different temperature gradients. My travel companion was pleasant, enthusiastic and told an interesting, although somewhat technically detailed, story.

At a certain point in the discussion the gentleman changed the subject and asked what I did for a living. I responded without hesitation, 'I am a senior consultant, working with an international firm'. The mood of our conversation changed immediately. 'Oh – a consultant!' he exclaimed with a pronounced sigh. For a moment I paused, but as usual my curiosity got the better of me. I was keen to discover what had happened to this gentleman in the not so distant past that had provoked such a reaction. 'I sense that you have some experience working with consultants', I said. 'Would you care to share it?'

His response to this question was a passionate one: 'We had some consultants working in my organization several months ago. They came in wearing dark suits. They upset all of my people doing everything their way, according to their fancy consulting methodologies. It was like an invasion. They changed a lot of things, cost us a lot of money and left us in a mess. There will definitely be no more consultants in my organization for a very long time.'

It suffices to say that the next team of consultants who engage with the organization concerned will not be welcomed with open arms by the people working there. Clients may indeed be wary regarding the value that consultants will deliver, regarding the way that they will engage, and may be haunted by past experiences. Consultants must therefore be skilled in handling negative perceptions and the obstacles associated with them. We will explore these ideas in Chapter 7, *Client Interactions and Related Obstacles*. During longer-term consulting engagements an additional client concern may relate to the consistency with which an assignment can be delivered. This is of particular relevance to larger consulting firms that may be forced periodically to rotate the resources assigned to their projects. Consider the following example.

A client engaged a team of consultants from a large, well-known firm. The consultants worked efficiently, were a pleasure to have in-house and exceeded expectations in the output that they produced. The client was delighted with the result and communicated this openly at project conclusion. The following year when another assignment was initiated, the client had no hesitation in engaging the same consulting company based upon his former experience. The second assignment was, however, carried out by a different team from the consulting company. The second team performed well but not as well, in the eyes of the client, as the first team. Although the assignment was completed successfully the client reported a lower level of satisfaction.