

What to look for in a Consultant and Consulting Company White Paper

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Suggestions on how to Select a Consultant or Consulting Company

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Preface

Companies hire consultants for many reasons. Sometimes there is a knowledge gap with a product or technology that can be quickly filled with a **consultant** (which we define as being an expert with both specific depth of knowledge in a few areas, and an overall breadth of knowledge that allows them to see the “big picture”) or **contractor** (i.e., someone with skills or expertise in one area and less overall breadth who may cost less and be more appropriate for staff augmentation work). Sometimes there is the need for more capacity. There are many reasons, each with different requirements and goals. What is common is that you are paying a premium over a staff resource and demand results to justify that premium.

Your choice of the right consultant or consulting company can mean the difference between “success” or “failure” (defined many ways by many people) of your project. This white paper will suggest ideas to consider when going through this process.

Overview

The following are a few tips on the selection of a consultant or consulting company. A good consultant can add a significant amount of value to a project and is well worth their fee. Conversely, selecting the wrong consultants can cost a lot of money, may lead you in the wrong direction, could alienate your team members, and may not help you achieve your overall goals. We believe the ultimate goal for good consultants is to work themselves out of a job (or at least finish the job at hand and begin the next major project or task).

Many consultants and contractors look at an engagement as “their next job”, and not “a set of tasks that needs to be completed.” The difference in mindset will make a big difference in their performance and approach. For example, documentation, training, and knowledge transfer are all areas that help position a company to handle things on their own once the consultant leaves. A good consultant realizes that companies will recognize this, and there will likely be additional work for this person or company at a later time.

What do you need?

When looking for a consultant, the first step is to determine what your most important criteria are in selecting a consultant for the project or work you need to have done. Is cost / budget the primary concern? Is there a deadline (time) that must be met? Is there a particular functionality, technology, or product (scope) that is required? In project management terms these are the “triple constraints.” These goals need to be prioritized. If there are budgetary constraints, a low hourly rate may appear to be the most important consideration. If there is a tight deadline, having multiple people might be the most important consideration. If it is a difficult and/or high visibility project, having a true expert help might be most important. While all of these aspects are important, one will usually be the driving factor for selection.

The next step is to determine what type of person is needed to achieve your goal, based on what is important. Maybe a call to vendor Technical Support would suffice (it's almost free and if they can solve your problem, this is a good value). Maybe a contract programmer (who is limited in breadth, but good at what you need done and is reasonably priced) is all that is required. Maybe a top-notch expert is required. Will the person be required to speak to upper management or to a large group of people? If so, presentation skills are important. Being able to identify the type of resource required will assist in finding the ideal help.

Look for recent accomplishments (maybe over the past 2-3 years) and references (which should always be checked). Also, look at white papers and case studies from the consulting company. We truly believe this is a simple and effective way to determine a baseline level of competence within an organization.

While you always want to find the best consultant to suit your needs, it is important to look at the consulting firm as well. Are you investing in a single person, or in a team? Having a strong team that stands behind your consultant can make all of the difference in the world on difficult projects. Even on easy assignments, it helps when the consultant has assistance for doing things like background research to offload some of the workload.

Finally, when you start dealing with a consultant, it is important to let them know what type of timeframe you are looking at. If the prospective client asks for the world and says it has to be done in a week, a good consultant will let them know the request is probably not reasonable. Conversely, if a prospective client lists a few simple tasks and says they think it will take 6 months, a good consultant will let them know if that seems too long. A good consultant has as much honesty and integrity as they do skill.

Value

What a client needs to look for is overall value relative to their goals. An experienced consultant (i.e., not just someone who became a consultant because they have been using a product for several years, but one who has worked in many environments, under various circumstances, for several years) will *generally* deliver higher quality services in less time, than a less experienced consultant.

Is the consultant skilled with the tools you will expect them to use? If not, they will probably learn to use those tools at your expense. This is not always bad, as long as you are aware it is happening. Does the consultant have a vested interest in recommending a product that may not be in your best interest? It is hard to determine the true cost of a consultant (not hourly rate) due to these types of issues. A low rate for an inexperienced consultant can be much more costly in the long run, than having a more experienced consultant complete the project in less time (and probably with better quality). Choosing a consultant based on lowest daily/hourly rate is generally not the best way to go.

Some companies may initially have a prospective client speak with a senior person, bid at a low rate, and then send in a junior person (bait & switch). Resumes are also not a good way to select consultants. There are too many consultants who have a Ph.D., 15 years "industry experience", or something else just as impressive, who turned out to be less than ideal consultants. By the same token, we have seen many resumes that appeared to be less than impressive, but the Consultant was very impressive when being interviewed. Technical interviews are helpful when screening consultants – just like they are helpful when screening a potential employee. Always insist the consultants being presented and/or interviewed, be the ones working on your project.

Specific Traits and Goals

Discovery, Assessment, and Identification

A good consultant need have the technical prowess and business savvy to understand the environment; identify broad issues; isolate specific issues; and get a realistic view of where things are and what is needed. From there the consultant should quickly assess the situation and identify several possible solutions to meet the specific goals, requirements, and limitations for this client or project. This is where the client benefits from the IT consulting firm's experience, exposure to various environments and technologies, and ability to collaborate to identify creative yet viable options.

Each of these three areas presents their own set of challenges and requires specific expertise. Each area is also key to providing a true solution to a problem, or making the best recommendations. Individual expertise and team collaboration are two ways consultants can add value for their clients.

Recommendation

A common problem is that some consultants will tend to recommend things they know, regardless of whether or not it is the best solution for that project or problem. Or worse yet, they will recommend something that does not meet the required business and technical objectives, or is impossible to implement.

Our approach comes from long experience showing there is usually more than just "one right answer" to a problem. Each, however, presents different risks and benefits. We determine, and present to you, the *best* solution for your specific issues and environment – the solution that balances both current and future needs, carefully accounting for, and mitigating risk. *A solution is only comprehensive if it accomplishes all of these goals.*

Implementation

A good consulting firm can manage a project end-to-end. People typically think of the design and development aspects of a project, but often forget about testing, integration, and complete implementation (rollout) of the project. When the project is complete, the consultant should be able to "walk away", leaving the client in a position where they can easily support their own environment. Job security and repeat business comes from doing a good job, not from being the only person who understands a system!

Certification

This is an interesting and sometimes controversial topic. We have seen the best and worst of both worlds. The presence of certification does not ensure that person will be good or qualified, and the absence of certification does not mean that the person will be unqualified. It can be an indicator – but not much more.

The value that a consultant adds depends on their ability to “see the big picture” and understand how technology relates to business, their organizational skills, their ability to logically decompose and analyze a problem in a quick and efficient manner, etc. What do they know? Can they actually apply what they know in a way that will help you achieve your goals? Can they take data and information, and turn it into knowledge, specific recommendations, or a plan? Can they communicate this effectively and convincingly?

When asking a consultant questions about their experience, drill down into their specific role and involvement. Ask questions about problems, milestones, and decision points. Take the answer and ask for more detail. If they are being honest and can really understand the process, they should be able to quickly and effectively convey the relevant points. Provide a complex scenario and see how they approach it. That will provide insight into their thought process.

Contract

Once you have selected a consulting company and consultant, spelled out the goals and deliverables, and agreed to terms and conditions, it is time to begin work. It is also good to monitor the progress of a consultant on at least a weekly basis. If the consultant is not accomplishing the stated goals or is not working up to expectations; be prepared to send the person home. While it is always better to select the best consultant for the job the first time, it is almost as important to know when to "cut your losses" and look for someone better. It is far better to lose a few weeks than to go six months before finding out there are problems. If you are happy with a company then stick with them. There is nothing better for either a client, or a consulting company, than a mutually beneficial ongoing relationship.

Be very specific in the Statement of Work as to what the agreement is, relative to tasks and deliverables. Some companies will list very vague tasks and deliverables, but have a very specific period of performance (in effect they are just selling days of consulting, not results and deliverables based on specific tasks). Make sure you know what you are getting from your IT consulting dollars. Look for a satisfaction guarantee and review the stated remedy. Everyone benefits from a clear understanding of the problem, expectations, and goals!

Travel Costs

A hidden cost of Consulting is travel and living expenses. A lot of consulting work can be performed remotely, thus saving the Client money without sacrificing results. This should always be investigated, if appropriate for the particular need and/or problem. Always try to quantify the costs and contain them as much as reasonably possible (e.g., Why stay at a \$200/night hotel when a \$99/night hotel is across the street?).

Does this mean you should only look for local consultants? No! The best consultant for your project may live across the country, or even across the ocean. While travel and living costs may be required, the goal is to keep them as reasonable as possible, while maintaining reasonable living conditions and a reasonable travel schedule.

Summary

These are a few key areas to address when selecting a new consultant or consulting company. When things go right everyone is happy at the *investment* that was made. When things go wrong people question the value of consultants altogether. By setting expectations early and then monitoring the progress and results of the consultant, your chances for success are higher. And, if it turns out that the person selection was not the best choice don't hesitate to replace them. Ultimately, what matters most is your own success.

About the Author

Chip Nickolett, MBA, PMP is the President of Comprehensive Solutions. He has been a consultant (Technical and Management Consulting) since 1994, and started Comprehensive Solutions in 1999. He understands the ways that consultants can add value for an organization, and also is aware of the many pitfalls that companies can encounter when using consultants.

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