

GETTING *it* RIGHT

How to buy the right process improvement
consultancy services for your business

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SMARTSPEED

Welcome to this guide

Thanks for downloading this free guide. I decided to write it, and make it freely available, because of the number of misconceptions I hear (and read) about consultancy. The area of consultancy I work in is that of 'process improvement' and this guide is to help you navigate your way through the purchasing of this type of business support.

I offer these comments as my own, I cannot guarantee any results for you, only to share some of my experiences of being on both sides of the table...

Before I worked as a business consultant I worked in a variety of engineering and management roles in manufacturing businesses. Sometimes I employed the services of consultants, and other times my superiors would arrange their contracts. Sometimes the projects went really well and other times... well you can guess!

Over the last ten years, whilst I have been a consultant, I have heard many of the traditional jokes about consultants, and whilst they are all based on truisms these situations can be avoided. That is the purpose of this guide.

I want you to be able to:

- Clarify what a consultant can and can't do.
- Spend the right amount of money on buying consultancy services.
- Find the right person (or team) to help your business.
- Decide how best to manage a consultancy project for your business.

And, although this guide is aimed at businesses working with smaller consultancy firms, the same ideas can be applied to working with larger consultancy ones.

I hope you enjoy this short guide and that it helps you to make the right decisions going forward.

About Giles Johnston

To put this guide into context, let me tell you a little bit about myself.

My background is in manufacturing. I am a Chartered Engineer and have worked in a variety of engineering and management roles in industry.

After successfully transforming the performance of several business operations I got thinking about what my next challenge would be. One day I saw a job advert for a 'Senior Engineering Consultant' at a local university. The job looked great, but I was put off by the title 'consultant'. I had met too many consultants who hadn't delivered what they had promised, and didn't want to be tarred with the same brush.

Letting this sink in I had the flash of the blinding obvious that not all consultants can be the same. I had also dealt with some really good ones and why wouldn't I want to do what I loved to do, but for lots of different businesses, rather than just one?

I applied for the job and got it. A year later, and too many good offers to ignore, I started working for myself, under the business name of 'Smartspeed'.

So, that's how I set off on my personal journey of helping businesses to improve.

A decade later, I still encounter the same prejudices that I once had about consultants. The same issues and concerns that I had when I first saw that job advert still exist. However, businesses can really be missing a trick if they let these fears prevent them from buying in consultancy services; consultants can really help a business to improve, if the right one is chosen and their services are purchased and managed in the right way.

That is the point of this guide.

The guide is broken down into the following sections:

- Why does consultancy have a bad name? Some common myths about consultants.
- What fears people have about working with consultants, that stop good projects from happening?
- What the benefits are from using external consultants.
- A checklist to help you get the most out of your business improvement consultant.

Let's start.

Why does consultancy have a bad name? Some common myths about consultants.

Consultants often have a bad name. There are loads of jokes about consultants... and jokes are based on real life. In this section I will look at five common myths about consultants and suggest some ways to ensure these myths don't become a reality for you.

Myth 1: Consultants tell you the time with your watch

One of the first jokes I heard about consulting was to do with a consultant telling you the time, with your watch.

Unfortunately this can be an experience for many people and does reflect part of the nature of consulting. When a consultant is trying to find out what is going on within a business it is very likely that they will come across members of staff who have views, ideas and insights about the issue being reviewed. It is natural to include this information, but a lot of consultants have gained a bad name by using this as their only strategy.

When you select a consultant it really helps to know who exactly will be doing the work for you. I have heard stories of consultancy firms sending in their junior staff to probe the minds of the middle management team, to repackage it and submit these 'results' to the top management team. There is something to be said for external validation of ideas, but if you want to avoid this situation directly then finding out who will be doing the work is paramount.

Ensuring that your teams have had a chance to share their ideas with the business, via line managers or a continuous improvement framework can help you to get your own ideas out of your staff, before you engage with a consultant, again helping to avoid this particular issue.

A good consultant will add value to your business, not just tell you the time with your own watch!

Myth 2: You can't manage a consulting project

This is an interesting misconception and I think it has to do with time. I have seen projects, and experienced my own projects, where as soon as the project has been awarded the client gets tied up with something else. A gap can form between the consultant and the commissioner of the project and the client can be left wondering what is going on with the project. A little bit of time elapses and 'suddenly' the client feels out of control with the project.

Also, as there is no official line management of consultancy staff it can be interesting to manage a consultancy project from the client perspective, but it can be done. Planning in milestones (related or unrelated to the deliverables), review meetings and project phases, when defining the project at the outset, are all ways of doing this which will be explored further in the last section of this guide.

Consultancy projects can throw up all kinds of unforeseen issues and problems, but through proper planning, management and communication these can be handled appropriately and both the working relationship (between consultant and client) and the project can turn out fine (or even great!).

Myth 3: You can't tell if someone is an expert

There are very few barriers to becoming a consultant. I have met all kinds of people delivering consultancy services, with all kinds of experience and qualifications. I am not aware of any official requirements to becoming a consultant, and from my review on the Internet this certainly appears to be the case.

So where does that leave us?

In my opinion that leaves us looking for consultants like we would for any other job we would be trying to fill; experience, qualifications / professional accreditations and soft skills.

Experience is double pronged, of course. You are looking for experience in both the area of support you required and experience in delivering projects of this nature (working as an external person, alongside the business).

Qualifications and professional accreditations only give you clues. Just because someone has a degree in a particular subject it doesn't mean that they can do the job you need doing. But, it does give you a clue that they have some aptitude in that area.

The soft skills that the person / team brings to your organisation is one of the most important areas to consider. Will they get on with your team? Can they manage multiple projects? Can they present themselves well? Can they handle pressure? Can they think on their feet? How do they manage their time? Good questions, but ones that you probably can't find out unless you meet them.

Being formal about meeting with consultants and effectively interviewing them is what I consider to be the best strategy of finding the person, or team, that can help your business. Preparing meaningful questions, as you would do with a typical job interview, is part of this process and I would encourage you to do this if you are going to meet with consultants.

If you ask the right questions, you will find your expert.

Myth 4: You need to make all the changes now

When it becomes time to look for a consultant you might have built up a number of 'issues' within your business that you want help with. It can feel like being in a sweet shop when initiating projects. There are so many benefits to achieve, and problems to eradicate, that it is natural that you might want everything now. Just as with any other project, the timing has to be right in order for the project to work out well.

I delivered a project for a large corporation the other year. As I came to the end of the assignment I could see their project team getting excited by the results. Their motivation was clear and they started to scope out a wide number of additional projects, in a variety of areas of operation within the business. During the wash up meeting I asked them about these other projects (they didn't require my skill set, so I felt happy to discuss their approach with them). I stated that I was concerned that they were going to launch too many projects at once and not be able to resource them (and provide the necessary focus) adequately. They justified their actions; they needed all of the results last week(!). I got a phone call from the client a few months later; all of their projects had fallen over and they wanted to know if I had any insights as to why this might be. And, if a large corporation can't cope with this approach how do you think a small business might fare?

If you want results from a consultancy based project, or any other project, you need to know the timing and resourcing requirements of each project. Prioritisation is key and doing everything at once is usually a recipe for disaster. Doing one project correctly, sustainably, and then moving on to the next project is a better approach.

Even if you do use an external consultant there will be some time required by the business to work with them; this time needs to be factored into your plans.

It is your choice; don't be talked into doing more than you need to be doing, and don't kid yourself about how many projects you can juggle at once.

Myth 5: Using a consultant means that you're doing a bad job

Many people think that using a consultant is a direct criticism of them. It is understandable that people feel this way, and if a consultant is foisted upon you then it feels particularly pointed towards one's abilities.

There are two good reasons to use a consultant; lack of expertise / experience in a specific area, and lack of time due to current workload. There may be many other reasons that you can think of, but it is likely that these other reasons are covering cracks in the business that probably should be dealt with without consultancy support.

Like most of the previous points, if you work in partnership with a consultant, and make it clear to your staff how and why you are using an external body (time, different point of view etc...) then the level of acceptance should be higher when it comes to actually working with a consultant.

Using a consultant should never be seen as a criticism of staff ability, it should be seen as an accelerator, or Sherpa, at one specific point in time. Making this distinction clear at the outset of any project (or the thought of a project) can make life a lot easier for all concerned. Putting the onus on the person working with the consultant to get the most out of them is a good way to flip this situation and improve the results of the project.

Summary

- Find out who is going to do the work for you.
- Agree on how you will communicate during the life of the project.
- Interview your potential consultants and find out if their experiences and skills match your needs.
- Schedule your improvement projects so that you can properly complete them.
- Ensure your team don't think that using a consultant is a criticism and give them the challenge of getting the most out of them during the project.

What fears stop good projects from happening?

The prevalence of myths about consultants are enough in themselves to stop good projects from happening as they put people off buying in external support. However, there are a whole host of other fears about working with consultants that prevent projects from getting started too. Let's take a look at some of the most common ones.

Fear of a lack of results

This has got to be one of the fears I hear about most often. Time gets spent and project milestones are achieved, but real results aren't achieved. A well planned project will be done in partnership. The results that can be achieved will be understood and agreed upfront by both you and the consultant.

If you are clear about what can be delivered by the consultant, and you know how that translates into your business then you have a good chance of knowing what results you will get at the end.

If the benefits of those results aren't strong enough don't do the project.

Fear of paying too much

If you know what the tangible benefits are expected to be from the project (see the point above) then you will have some idea of how much money is worth investing in order to achieve the result. Voila, you now have some kind of budget to determine how many days / what calibre of consultant you can afford.

Having agreements with consultants that are ambiguous can lead to paying and paying, without seeing results.

If you have an agreed plan, with a work schedule and an agreed fee, then you should be in control of this issue a lot more.

Having regular update meetings with your consultant will help you make sure that you are on track from a results perspective.

Fear of being worse off than when you began

Being worse off than when you began usually means one of two things; you've spent too much and not got any results, or, the advice / support has damaged your business.

The first two points in this section should have dealt with the financial aspect.

The issue of damaging your business is a double edged sword. You are paying for experience and advice; it is up to you whether to take it. Diligence is required, your internal team need to consider the work and understand (with the consultant) its implications. Don't just take the advice on blind faith, apply your knowledge of the business, and your common sense, before committing on a course of action.

To protect yourself further it is a good practice to check that the consultant you are going to use has insurance. Professional indemnity insurance will hopefully not be needed, but it is worth checking before you start to make sure they have it. It also gives you another indication that the consultant is professional in their conduct (if they don't have it - think twice).

Fear of not knowing what you are going to get at the end

This last fear is really a combination of the previous three, and I still hear it a lot.

If you have determined that the project is worth doing you should have some idea of what the end result will be.

A common term used by consultants (and anyone involved with projects generally) is 'deliverables'. A deliverable is usually something tangible that you get to keep at the end of the project.

As an engineer by training, I am keen on the 'cause and effect' logic that is prevalent in business. If I am undertaking a project there are certain things that I can control and certain things that I cannot. I can write reports, update systems, create process maps and make recommendations. I can spend my time implementing the changes with my client's staff members, but I cannot force them to work as I am not their line manager - that is my client's responsibility.

Being clear on what responsibility is whose and what is realistic as a deliverable is a debate that needs to take place before you start.

Results from using the deliverable is a consideration that you will need to take.

Debating with the consultant whether the deliverable is useable (or, 'fit for purpose') is a straightforward conversation to have. Debating a final result can be ambiguous, unless they agreed to a final result of course.

For example:

- A workshop can be a deliverable. It is up to the line manager to make sure that the people taking part in the workshop use the new information.
- A report can be a deliverable. The way that the report is used is up to the company.

There is usually a disconnect between what a consultant can do, and what is still the responsibility of the business. A well thought out project between the consultant and the business bridges this gap to make the project a worthwhile, cost effective and practical option for both parties.

Summary

- Clarify the benefits of undertaking an improvement project and determine if it is worth doing in the first place.
- Work backwards from the benefits you think you can gain from the project and determine an appropriate budget for your project.
- Take advice from a consultant and decide what to do with it. It has to make sense to you, and your business, before you use it.
- Be clear on the difference between results and deliverables. Agree the deliverables with the consultant and recognise that you are still responsible for your results.

What are the benefits of using external consultants?

I've covered a range of myths and fears about process improvement consultancy that stop many projects from happening at all. Now that you know how to avoid these myths and fears becoming realities, I thought it would be worthwhile reminding you of some of the reasons why it is beneficial to undertake this kind of change within your business. Having a strong 'why' is essential to any project, whether you use a consultant or not.

Increased on time delivery performance

This is usually taken as a given when working with a business, that they will deliver their products and services on time. When you have a degree of complexity in your business this isn't always the easiest thing to do. Process improvement projects are a great way to improve delivery performance and can improve profitability and reduce day to day headaches. A good consultant should be able to bring new perspectives to this area of improvement, along with their toolbox of methods, to help you get your improved delivery performance achieved faster.

Increased productivity

By understanding your processes, and improving them, you can get more out of your working day with the same levels of resources. This is the phrase 'work smarter not harder' put into practice. I have seen teams double their outputs without increasing staff levels, or purchasing additional equipment through having better processes. An experienced consultant should help you to shortcut the learning required so that you can have increased levels of productivity quicker.

Shorter lead times

When you take the unnecessary activity out of a business process you will find that the time taken to carry out a process will decrease, enabling you to respond more quickly to your customers. The time saved can be used for a whole range of other benefits such as re-deploying staff efforts (reducing the process' costs) or winning business (from improved responsiveness and flexibility). One team I worked with slashed their lead time from 10 days to 45 minutes; making their lives a lot easier in the process, whilst giving a better level of service. An effective consultant will help you to navigate the conversations you need to have in order to achieve these benefits.

Improved control over business processes

A regular 'headache' I talk about with my clients is regaining a sense of control over business processes. Joining up processes properly, and putting in an appropriate management approach, can be all that is required to do this. The sense of control and not having things appear 'out of the blue' really helps when it comes to working on the bigger, more strategic, tasks that we need to engage with if we want our businesses to grow. A focused consultant will help you to map out what you need to do and guide you through your journey to improving the control you have in your business.

Increased turnover

I have seen many businesses win new business from existing customers on the back of their improved business processes. Apart from being low cost to acquire, this additional work is a sign that your efforts really are starting to pay off. Faster service, better delivery performance, better information about order status; these things all count and are expected in our ever improving world. For many businesses this is one of the main drivers for undertaking change in the first place, especially if the additional sales can be converted into profit! A consultant should be able to use their expertise to help you find the quick wins within your business and help you to quickly convert them into benefits, so that your business can gather momentum as you and your team transform the rest of the opportunities.

Better utilisation of business systems

Many businesses use computerised business systems to help them drive their business operations. I specialise in an area called MRPII (Manufacturing Resources Planning) and I see many other businesses using other types of system, such as CRM (Customer Relationship Management). When you undertake a process improvement project, increasing the utilisation of these systems makes a lot of sense. For starters, the system probably isn't cheap, and getting the most out of the system usually helps to improve the productivity within the business. An informed consultant will help you to get the most out of your system, through their knowledge, experience and interpersonal skills.

There are many good reasons to undertake a process improvement project. Being clear about what you expect it to do for your business, and understanding that benefit in financial terms, is vital before you start a course of improvement. Couple these benefits with the ability to avoid the pitfalls of using an external consultant and you have the makings of a really good project.

A checklist to help you get the most out of your business improvement consultant

To help you get the most out of this free guide, use this checklist help shape your thinking when considering an improvement project with an external consultant. It will help you to get good projects off the ground, completed and delivering results.

Before you begin

Clarify what you want - core business benefits and their financial rewards.

Have some idea of budget - how much can you afford to spend in order to achieve the benefits?

Decide what deliverables you want - know what good looks like and what you can tangibly receive from the consultant.

Know how you can convert the deliverables into results for your business.

Know your team's skills and strengths, where do you need support?

Be aware of your diary of events re: other projects. Have you worked out the right time to do this project (or the least worst time!)?

Contact the consultants. Find out who to contact through business directories, Internet searches and recommendations etc...

Prepare your questions. What do you need to ask them to feel comfortable that you have contacted an expert in this field?

Consider, and score, the proposals once you have met the consultants and reviewed your project requirements.

Award the contract and issue a purchase order.

At project commencement

Put dates in the diary, make sure the project is scheduled.

Agree on communication frequency and methods for the duration of the project.

Agree on the baseline of performance; know where you are starting from so that you can measure the improvement.

Agree on quick wins - the easy to complete elements that can give the project momentum.

Support the delivery of the project adequately with internal resource, as agreed at the outset.

Ensure embedding takes place, that the project is not being done in isolation to the normal business activities (unless required).

After the project

Hold a wash up meeting with the consultant to ensure that all deliverables have been handed over and review how the project fared.

Hold an internal post project review with your staff to pull out any learning points from the project and determine how you will improve your future projects.

Smartspeed Consulting Limited's Services

To put some of this free guide into context it would make sense to explain what I do.

I work primarily with manufacturing businesses to re-engineer business processes and improve how MRPII systems are used. Most of my clients want improved delivery performance and less day to day headaches. Thankfully, I am a Chartered Engineer and have a background in both manufacturing engineering and operations management, so I am equipped to support these types of projects.

I work primarily in the North of England, although with brilliant Internet services such as Skype, I also find myself working further afield, albeit not physically.

And, importantly, I offer a guarantee to my clients. Simply put, I won't invoice for a project if I can't deliver the results agreed. I believe in what I have written in this guide and that helps avoid these kinds of situations.

Here's what some of my clients say about my services:

"I am delighted to be able to recommend Giles as he has been a great help for our business. We have recently engaged his services to help us look at some of the processes involved in our service delivery. When we first started talking to him we had some ideas about the areas we wanted to focus on but Giles also helped us to realise some other priorities we had not considered. What I particularly liked was the fact that Giles engaged with all of our team and helped to communicate what we were trying to achieve, which was helpful. He also provides the added value of being able to benchmark with other organisations he has worked with and he clearly has a wealth of experience. Giles has a charming leadership style which makes people feel comfortable but he knows how to apply a bit of pressure to encourage you to achieve results. I believe our organisation is better for having met Giles and we have gained a set of ideas and tools that will help us achieve our objectives for growth."

Ian Gott, **Managing Director**, Gott Technical Services

"Giles from Smartspeed grasped what we were trying to do from the first meeting, the methodical approach, structure and mentoring that he brought to our project allowed our Improvement Engineer to complete the tasks quickly and effectively."

Gary Thirlwell, **Managing Director**, Express Engineering Ltd

Thank You

Thanks for taking the time to download this guide and I hope it helps you to take the steps required to use an external consultant when the time comes.

Good luck with your process improvement projects (although you shouldn't need luck!) and if I can be of any further help to you and your business please let me know.

All the best,

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P.S. You can sign up for my newsletter and download a FREE guide on **improving on time delivery performance**, by visiting www.smartspeed.co.uk.

