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*Insider Secrets:*

**Getting the  
Most from Your  
Consulting  
Investment**

**Top 10 Do's &  
Don'ts for  
Expert  
Consultants**

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**Consulting Secrets  
by Judy Ann Michael**

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## Consulting Secrets: Getting the most from your Consulting Investment

*“We’re bleeding money – and I don’t know why!”*

*“Our competition is killing us. How can we get ahead of them?”*

*“We need some new lifeblood around here. We’re stale.”*

*“We don’t have the expertise to take us to the next level. What do we do?”*

*“If I can’t implement these initiatives by the end of the quarter, I’m through!”*

If you don’t have the time, money, or expertise to improve your business, you may need a consultant. But if you’re not careful, you can quickly waste your company’s resources on an expensive mistake. What do you do?

You are probably ready for some outside expertise, but there’s lots to consider. Here are the Top 10 Things Insider Secrets to hiring a consultant:

### Top 10 Do’s and Don’ts for Expert Consultants

1. **Pick the RIGHT Consultant for YOUR Problem** – Interview several consultants, not just the one that that was recommended to you. Do they know your INDUSTRY? What is their SPECIALTY? Are they a good fit with your company CULTURE? What is your consulting BUDGET? Do your due diligence before you hire them.
2. **Manage the Engagement** – if you don’t set expectations, the consultant(s) will. What is the scope of the project? What is your definition of success? Have some very defined outcomes for the engagement – and make sure they meet them in a timely manner.
  - a. **Keep in Close Contact** – As a business leader, or Project Sponsor, you will need to spend time with the Consultant and/or Team. You can’t expect to hire them, send them off in a corner, and not hear from them until the

- end of the project. You and your team will have to spend time with the consultant to discuss problems, data, solutions, your staff, and your industry so they can get up to speed in a short period of time. Plan on weekly updates (or more) while they are working with you.
- b. **Ensure there are No Surprises** – There should be **no surprises** during presentations. Executives should ALWAYS know what is going to be said PRIOR to the presentation. Make time for frequent meetings to ensure you know what is going on.
  3. **Communicate their purpose to your Staff** – Your staff may be frantic by the thought of an outsider on the premises and uncertainty will abound. Are we going to lose our jobs? Is the company in trouble? Your staff doesn't know why you hired them. Communicate to your staff so they get to know and understand what value they bring and why you hired them.
  4. **Watch Your Billing** – Consultants are not altruistic. Watch for lunches, dinners, casual conversations – it's all billable time. Review their bills and ask for supporting information.
    - a. **Additional Expenses** – Will they need software, equipment, space that you don't currently have? Discuss these expenses as soon as possible so your consulting budget doesn't explode.
    - b. **Staffing Levels** – Did you expect to have senior consultants every day and ended up with nothing but newly-graduated MBA's onsite? Engagements usually start with senior people, then lower priced associated may collect data, and the senior staffers show up intermittently. Make sure the levels of staffing match your expectations and your bills.
  5. **Monitor Intellectual Property** – I have been in situations where consulting firms billed the client for software development that the consulting firm would later use for their other clients. A consulting firm may develop things software or processes that they don't use now but they will ask you to foot the bill for something they will use later. Software, procedures, templates – it happens. Make sure your contract includes provisions on Intellectual Property development.

6. **Monitor the Learning Curve** – Are you hiring a consultant because they know a PROCESS you need or because they are experts in your INDUSTRY? They will need some time to understand your company, but should learn it quickly. Look for firms that have experience in your industry, or you will be teaching them AND paying for study time at the same time.
7. **Appeal from a Higher Authority** – The first thing I was taught as a consultant was to “go talk to the employees”. That is where much of the knowledge is. All too often, I have seen employees make recommendations to management that go unnoticed, but when a consultant recommends it, the executives immediately act upon it. It is a phenomenon called “appealing to a higher authority” – the consultant has a higher status than the employee, so they are listened to. You might want to talk to your employees prior to a consulting engagement to see if they have any million dollar ideas. ☺
8. **Does the Consultant Provide Value?** – The single biggest reason for hiring a consultant is that they know more than you do. They need to stay ahead of the curve by studying industry knowledge and learning from customers like you. For a successful engagement, make sure you got more value than you anticipated and you came away knowing more than you did when you started.
9. **Upsell the Client**– Once you are a current customer, chance are the consultant or consulting firm will sell you on more services. That’s how consultants get promoted within their organization. Business development is a key part of their advancement. Be prepared. You may need their services, or not. Just be prepared.
10. **End the Engagement** – After you work closely with someone for a few weeks or months, you grow attached to them and enjoy their input. You may even call them for advice in the future. But at some point you have to say “The Project is Done” and move on. You may consider them your friend, your confidante, but unless you want to hire them as permanent staff members, you’ll have to say goodbye at some point.

**And finally, - Archive Their Knowledge and Contact Information!** When a consultant leaves, they may take your information with them. You may also become attached not only to the consulting firm, but to the consultant you worked closely with. Make sure to get their contact information. Make sure that someone in your firm “owns” their documents and understands the findings, reports, or

plans they made from you. I guarantee that 6 months later you're going to say, "Hey whatever happened to...."!!!

What's the difference between a good and bad consulting engagement? Here are two examples.

### *Great Consulting Project*

*The Exacta Company* is worried because their customers aren't getting their shipments on time. They've checked their records and the shipments go out on time, and their delivery drivers verify that everything gets delivered. But how can the customer say that they don't get deliveries on time, but the company records and employees say that they do? Exacta's President is concerned that their customers will leave them for a competitor, even though they have a unique product that is hard to find.

The Exacta President asked peers in his network for a reputable consultant, Ann, who visited them. She asked the management to outline Exacta's perception of the problem, determined the scope of the engagement, and agreed upon a fee schedule. The consultant asked for permission to interview all staff members. The executive team contacted their key customers to let them know the consultant would be observing the shipping operations to improve Exacta's service.

Ann reviewed all the shipping paperwork, which appeared to be correct. She then interviewed customers who showed proof that they didn't get their deliveries. Ann asked Exacta's General Manager if she could see the warehouse on an early Sunday morning when the staff wasn't present. To their amazement, Ann and the general manager found undelivered goods sitting in the warehouse.

It turned out the drivers and customers were both right. The drivers were delivering the goods – just not all of them! They couldn't fit all of the delivery on the truck because the truck was too small, so the customers were not getting a full order. The delivery drivers, who only spoke Spanish, couldn't tell the General Manager the extent of the problem. The General Manager, with Ann's help, could now fix both the language barrier issue and re-arrange the loading schedule to make sure Exacta's customers got the correct shipments.

Exacta's problem was resolved because they were open to new ideas, worked closely with the consultant, acted quickly to resolve the problem, and keep their customers first.

## *A Not So Great Consulting Project*

George, the Vice President of We Ship Shoes, Inc., proudly pointed out his carving of a Neanderthal Man to Ann, the consultant hired by the Board of Directors. Ann sensed the project was off to a rocky start.

Two weeks ago, the Board President told George to expect Jerry and his team of consultants. George was determined to be not only unhelpful, but eager to sabotage the consulting project.

After a week of cajoling George into helping his team, Jerry took a firm stance. “You can either give us the information now, or I can call your President, who will call you, and demand that you give me what I need. Which would you prefer?”

After 3 weeks of daily harassment, Jerry’s first recommendation to the Board of Directors was a simple solution. The Neanderthal Man, and his management style, had to go. His approach created a culture of sarcasm and sabotage, which affected over 60 employees and the entire sales region.

Due to George’s delay tactics, the consulting team was unable to complete the entire project in a timely fashion. We Ship Shoes received a bill for over \$50,000 for Jerry’s team efforts, even though they could not complete all the project deliverables.

The project failed because the staff was not aligned with the Board of Directors, and there were no consequences for their actions. Setting the tone to all employees about the intent of the project and the need for cooperation is vital. If you are already losing money, paying consultants to be sabotaged is an extra expense you don’t need.