

IN SHORT

RECENTLY PUBLISHED & RECOMMENDED BOOKS ON CONSULTING

REVIEWED BY REES MORRISON CMC

Value Based Consulting

Fiona Czerniawska (*Palgrave Macmillan, NY; 2002; ISBN 0-333-97113-2*) \$37.50

This book is conceptual and challenging. Czerniawska, a consultant to consulting firms, has thoughtfully considered the evolution of consulting and boldly laid out the future for large consulting firms.

Her theme is that, in many respects, the objectives of clients and consultants differ, and sometimes they are diametrically opposed. So-called value-based consulting aims to reconcile the objectives of each side. The book explains many things clients want, contrasts that to what consulting firms want, and marks the path to reconciliation via value-based consulting.

Three elements of what clients value form the three parts of the book. Clients perceive value in a consulting firm when they (1) hire the right firm to (2) do the right project, and it is (3) delivered in the right way. I will summarize some of Czerniawska's points, but there is not space here to do full justice to this thoughtful book.

Regarding value generated when clients hire *the right firm*, Czerniawska sees these potential conflicts:

- Firms need to be more precise when they market their intellectual capital and capabilities. Yet precision undermines the ability to hop aboard trends, produce thoughtful position papers, and keep ahead while clients grow increasingly sophisticated.

- The right firm also has market intelligence, which is what it has invested in understanding its target clients and managing their accounts. Yet not all clients want the fruits of this effort, so sometimes the firm's investment is dissipated.

- The right firm has consistent brands. Yet brands vary in value depending on the forte of the consulting firm and what clients think they need and want.

- The more a firm innovates, the more brand-recognition it gets, and that helps to develop more business. Yet the more a firm implements well-known and well-practiced methodologies, the more value it may deliver to clients for the money they spend, and the more profit it may make on its assignments.

- A brand may corral the firm's consultants into standardized practices. Yet clients sometimes want creative mavericks.

Among other predictions and suggestions, Czerniawska thinks "consulting firms will have to switch from trying to build lasting brands to creating disposable brands" if they are to deliver maximum value.

The chapters on doing *the right project* address specialization, the integration of specialists, innovation, information and knowledge, structured methodologies, networks, and change management. Here are just a few ideas from these chapters.

Consulting firms favor generalists, but clients insist on specialists. This tension moves the dialectic toward

entrepreneurial flexibility within the firm. Consulting firms need "common glue" and a defined market to provide maximum value. However, "intervention by the corporate entity that is the firm" is inherently inefficient. Clients like new thinking, but consulting firms need the profits that come from using established and proven methodologies. Czerniawska predicts that value-based firms will deal with this last conflict by building innovation into the fabric of their firms.

When clients hire the right firm to do the right project, and it's done *the right way*, some of the causes are appropriate organization, value-chain integration, theory connected to practice, intellectual-capital management, automated consulting, and automated project management. Value-chain integration, for example, suggests a way to resolve the conflicting desires of clients for world-class skills and consulting firms for developing new capabilities while managing variable demand. Consulting firms could serve more as integrators of other firms in a value-chain that creates best value for both the participating firms and their clients. That would respond to Czerniawska's finding that "almost all clients . . . prefer to . . . assemble teams of genuine experts from different firms than cede this role to a firm that claims to offer everything." The chapter on integrating theory with practice illustrates the point with the example of using offshore programmers to create code so that firms connect their strategic advice (theory) with actual implementation (practice). Ernst &

Young's ERNIE is an example of automated consulting that adds value for clients. Automated project management tools enable firms to be more productive—systems to manage knowledge-capital exemplify that. These tools create value despite the tension between clients who want consulting firms to invest in technology that standardizes processes and consultants who want a goodly measure of autonomy.

This is a book for those who care about the strategic future of large consulting firms and are able and willing to think deeply about that. The book's 16 chapters include long quotes from principals at consulting firms such as Fjord, Scient, Bain, Marakon, PricewaterhouseCoopers, McKinsey, and several others that have worked hard to integrate client and consultant needs, and practice value-based consulting.

In sum, and putting words in Czerniawska's mouth, we might say, "Deal with these conflicts or die; here's a way to do it; and let's call it value-based consulting." Provocative stuff, for sure.

A New Brand of Expertise: How Independent Consultants, Free Agents, and Interim Managers Are Transforming the World of Work

*Marion McGovern and Dennis Russell
(Butterworth-Heinemann, Woburn, MA;
2001; ISBN 0-7506-7292-7) \$21.95*

McGovern runs a business that brokers independent consultants. She contends that independent consultants, free agents, and interim managers are transforming the world of work. Much of this is once over

lightly and replete with lists; but for those with a particular interest in finding work through a third-party broker, this book offers some value.

Chapter 5, the strongest to that point, addresses such issues as having sufficient financial resources to embark on free agency, whether readers have the skills to succeed at that, and the challenge of being totally alone organizationally. A strong chapter follows on marketing one's brand of expertise, with especially good thoughts on the need to find one's own core beliefs in order to set up an individualized and personal brand. Chapter 8 compares employment status to independent contractor status and may concern clients more than consultants. Not incidentally, I can't find in her work a distinction between free agents, independent consultants, and interim managers. She seems to regard those as fungible, interchangeable terms, and that's a major omission in a book that uses those terms everywhere.

Chapter 9 on contract terms is superficial. Chapter 11 concerns her restatement yet again why companies use temporaries. The next four chapters focus on general pointers for clients who hire free agents. Overall, the book is mostly a lengthy praise of the benefits of working as an independent; it draws too heavily on her own company's experience; and it moves between advising consultants and clients in a somewhat disconcerting way. But, again, if you want to try to find consulting assignments through a broker, you may find some useful information here.

How to Be a Successful Internet Consultant, 2nd Edition

*Jessica Keyes (AMACOM, New York; 2002;
ISBN 0-8144-7139-0) \$22.95*

The first third of Keyes's book is insightful, and not simply for consultants who develop websites and advise on use of the Internet. That portion is direct, clear, and has a wealth of references to online resources. At the start, it covers the basics of what to charge, how to create a business plan, how to develop a mission statement, and methods of financing a consulting business. Chapter 3, for example, covers marketing, from developing a marketing plan on, and offers a plethora of ideas on how to pack more value into a website. Its 21 pages are quite meaty. A few examples struck me, beyond the pages of references and resources. She suggests that when we talk to prospects, especially on the phone, use short sentences. Also, providing a six-month or one-year follow-up gives clients a sense of continuation and long-term interest. As for venturing into unfamiliar services, she says, "if you never accept an assignment that calls for doing something you'd never done before, you'll never earn significant amounts of money."

Chapter 4, on marketing literature, contains a wealth of online links and many ways to learn more. She has useful advice on publishing a newsletter and highly recommends www.newsletter-clearinghouse.com. Chapter 5 has depth and utility on advertising, as does Chapter 6, on sales. One of her recommendations is to do mailings in threes—for example, send a sales letter this month, a newsletter three

months from now, and a postcard several months after that. The chapter on publicity offers even more ideas, sources of learning and opportunity, and lists of down-to-earth suggestions. For example, at an event where you are meeting people, wear your business card instead of the name tag, don't try to sell, just try to meet, and get in touch afterwards with everyone you met.

So, the first 116 pages are packed with useful information for any consultant. Nearly all the remaining 300 pages concentrate on technical information for consultants who create websites. We'll leave that to an information technology journal to review. For us, the first third of this book got our attention and is worth the price.

Consult Yourself: The NLP Guide to Being a Management Consultant

*Carol Harris (Crown House, Wales; 2001;
ISBN 1-89983655-1) US\$37.50; £25*

In this book, Harris, who is a consultant and proselytizer of neuro-linguistic programming (NLP), has overlaid some bland comments about consulting with a somewhat fuzzy explanation of NLP and its applications in consulting work. Yet there's some value that's worth teasing out.

Here's a quick walk-through. Chapter 1 covers an array of information about the breadth, number, and types of consultants, while the next chapter considers whether consulting is right for the reader. For those who have never been a consultant, this provides a modest framework for what it's like. Chapter 3, on becoming a consultant, glides lightly over 13 elements

of setting up a consulting business, such as a business plan, office, marketing plan, and membership in organizations. Chapter 4 offers some ideas on defining and establishing a consulting business, in part by having a mission, vision, and strategy, and is followed by a chapter on planning and financial guidance. Her list of marketing topics is abstract and not practical. Chapter 6, on enhancing a business, goes on about project management, monitoring results, getting feedback, and personal development.

Chapter 7 talks about consulting techniques. Although many of its ideas are stated too abstractly, I appreciated the list of problems that can often be diagnosed in organizations—dysfunctional structure, poor financial controls, interpersonal conflict, lack of quality control, weak management, low client satisfaction, poor communications, tactical misjudgment, lack of vision, failure to adapt or adopt technology, insularity, and fear of change.

I found nothing useful in Chapter 8 on self-management. Chapter 9 on managing work effectively presents a few skills that would be advantageous for anyone, such as enhancing memory, managing time, and avoiding stress. Chapter 10 collects bland tidbits on building effective relationships. Chapter 11 concerns facilitating change to influence clients. Chapter 12 offers very basic material with lists of things to do, such as how to be effective in meetings. The closing chapters address developing others' potential, facilitation and coaching, and business writing, including newsletters, resumes, books, and articles.

Neuro-linguistic programming, she says, posits that performance is competency-based and that, by analyzing the elements of performance (objectives, behavior, thoughts, feelings, and

belief), it is possible both to enhance one's own skills and to transfer skills from one person to another.

Harris introduces many NLP techniques, including cause-and-effect chains, chunking, internal dialogue, submodality changes, time lines, well-formed outcomes, perceptual positions, mind mapping, Venn diagrams, scenario planning, force-field analysis, network diagrams, and meta-model questioning (a three-level questioning of facts, feelings and meanings, and values).

So you can get some sense of them, here's just a bit of detail on four of the techniques she discusses. *Meta-planning* creates opportunities for groups to assess and improve their ideas by getting them together and embellishing them in collaboration. *The Delphi Technique* assembles experts or sends them questionnaires in order to get good outside counsel. *The Critical Incident Technique* used in interviews or surveys can cut through the clutter of information and get to the essential issues. And *Morphological Analysis* breaks issues into their parts and considers all the possible recombinations. These techniques are not unique to NLP. They all can be useful to consultants in many situations; and that alone may justify wading through this uneven and somewhat disorganized book.

Management Consulting: A Complete Guide to the Industry, 2nd Edition

*Sugata Biswas and Daryl Twitchell (Wiley,
New York; 2002; ISBN 0-471-44401-4)
\$39.95*

This book is mistitled in that its aim is in fact to tell aspiring consultants

how to be hired by a large consulting firm. The first four chapters describe the industry to help readers decide whether management consulting is an attractive career for them. Then there are 17 essays in six categories, each by a senior practitioner in a major consulting firm. For example, partners from Booz Allen and McKinsey offer their observations about the consulting profession, three more experienced pros offer ideas on alternative approaches to consulting, and five others share their views on consulting specialties.

Chapters 5 and 6 discuss how to get in the door and interview successfully at a firm. Both stress being adept at responding to questions about case studies. Chapter 7 teaches how to negotiate an offer.

The main text is 208 pages long, but another 30 pages describe 15 business frameworks intended to help aspiring consultants survive the case-study interviews. These include the growth-share matrix, break-even analysis, and the McKinsey Seven S framework. Another 60 pages include 100 case-study questions and sample answers. The book closes with a 25-page listing of 100 major consulting firms and their addresses. For those considering a career in management consulting, this book is worthwhile, though by no means a complete guide to the

industry, as the subtitle pretends. For experienced consultants, there's not much of value except the 15 thumbnail sketches of crucial business concepts, which is a handy reference.

Value-Based Fees: How to Charge—and Get— What You're Worth

Alan Weiss (Jossey-Bass/Pfeiffer, San Francisco; 2002; ISBN 0-7879-5511-6) \$40

The premise of Weiss's book is that consultants should focus on the value they deliver to clients and price their services accordingly. He argues that the number of hours it takes to do a consulting job bears little or no relationship to the value delivered to the client. Thus, he contends, we should focus on the results clients get, not the activities we undertake, and especially not the so-called deliverables we provide. As he says, clients want improvement, not time sheets or PowerPoint slides.

Like Weiss's other publications, this book reads easily, has memorable vignettes, and gives advice that rings true. Chapters 3, 4, and 5 explain, in order, value-based fees compared to billing for time, how to set those fees (establish objectives, agree to metrics, and determine the value), and how to

convert existing clients to value-based billing. Weiss campaigns tirelessly in his many books and presentations for giving clients a cascade of options, what he calls a "choice of yeses." He makes solid arguments for retainers in Chapter 6. Chapter 7 has an idiosyncratic style of its own, because Weiss pours out 60 ways to raise fees or increase profitability. Everyone reading this chapter will underline several of the techniques. One of the best chapters is the eighth, where Weiss raises the most common objections to fees and proffers ways to rebut those objections.

Chapter 9 embodies activities other than consulting that Weiss himself has undertaken to make money—keynote speeches, books, audiocassettes, and remote coaching. For many consultants, these ways of making money are unattainable, but for everyone the ideas should provoke rethinking how they do business. Even if you don't agree with Weiss's premise, there's more than enough here for us to recommend the book to you.

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