11 Reasons To Interrupt Ongoing Consulting Engagements And Walk Away From Them
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Blog entry

Did you know that in Arizona (USA) it’s illegal to manufacture imitation cocaine? It seems it’s perfectly all right to manufacture real cocaine.

But imitation cocaine! That’s preposterous.

I mention this electrifying factoid because it should be equally illegal to “manufacture” imitation consulting engagements to lure consultants into, and then once they signed contracts, NDAs, etc., the real nature of engagements can be revealed to them...

- The real budget is only half of what we’ve agreed upon.
- The final deadline is what the half-way point was in the original plans.

Sadly it happens quite often.

So, after reviewing last month when to walk away from consulting opportunities, this month we look into when to interrupt and walk away from ongoing consulting engagements.

Yes, we may have to refund some money, and it may be hard, but in the long run it can be even harder to sink with an engagement that’s been condemned to destruction by internal politics, power struggle or other factors.

Here we look into 11 factors, but I know there are more.

Also, we all have different “walk-away” factors. Yours may not be the same as mine.

The important point is to know yours and walking away whenever they raise their ugly heads.

1. When You’ve Lost Bragging Rights On The Engagement

This may look childish on the surface, but we all love bragging about our achievements.

Maybe not in the same obnoxious way internet marketing gurus do it on their websites, sporting their Ferraris, yachts and other things they’ve piled up over the years, but we all like telling our parents and closest friends who are business owners what we’ve done.

That’s normal.

And that also happens to be probably the biggest psychological payoff of good engagements.

Besides, good engagements lead to even better engagements.

So, whenever you feel that you could no longer brag about the engagement you’re working on, either re-evaluate what’s gone wrong or just refund your fee and step out.

Yes, you lose the money, but at premium consulting level how you earn your money is much more important than how much you earn.

You could make good money as a deep sea welder, contract killer or drug trafficker, but would you do it?

I wouldn’t.

I rather do something that earns less but I actually enjoy doing it and enjoy the company of people I’m doing it with.
2. When The Client Randomly Disappears And Leaves You And The Engagement On The Lurch

When you start the engagement, project team members are happy and eager to cut their teeth – well, or dentures – into the new engagement.

They know the scope of the work, they know what resources they have available to complete the engagement and they know the deadline.

Then the project team leader, that shouldn’t be the consultant, vanishes like a golden watch. It may be because there is another bright shiny opportunity or can be other reasons.

In the meantime workload is increasing but, due to loss of direction, morale and the team’s confidence level drops lower than the bottom of the Marina Trench.\(^1\)

The problem is when workload goes up too high, maybe due scope creep or scope seep (self-inflicted scope creep) - and team members’ confidence level comes down.

Many clients want to quit the engagement (Q) before you can reinstate the workload-confidence equilibrium.

But if you feel you’re prevented from reinstating the workload-confidence equilibrium, then you should don your hat and walk away.

But if your engagement is not important enough to complete, then you have no reason to stay either.

You can try to raise the client via email or phone, and if it fails, you can try to communicate with the client’s superiors, but if it all fails, just walk away.

\(^1\) At a depth of 10.911 km at the Challenger Deep, the Marina Trench is the deepest part of the world’s oceans.
3. When You’re Dragged Into Organisational Politics

While company politics is not size-dependent, larger corporations tend to be more political than smaller entrepreneurial companies.

However...

There are more than enough owners of smaller companies that can be overly political and legal. They cite a broad range of legalities and political issues to make sure you comply with their requirements... or rather, blatant demands.

Some forms of politics is tolerating sacred cows on project teams and compromising the project’s success or insisting on doing things in a “we’ve always done it that way” fashion. Also watch out who goes political on you. There is a good chance that it’s not a top dog but a self-important flunky suffering from delusion of grandeur, an ill-tempered secretary or other miscellaneous earthlings who shouldn’t poke their dirty little noses into the project.

If that happens, go to the real buyer and explain the situation. There is a good chance the buyer, desiring to complete the project with success and getting a good ROI on your services, puts these self-important minions back into their places and the project can continue.

But if the buyer too gets political on you, you’d better walk away, because this behaviour raises a question about the project’s importance.

Let’s remember that as you work on the project as an outsider, some people may perceive you as a threat to their jobs’ security. They are worried that you convince the top dogs to terminate some positions and lay off some people.

I suppose Al Chainsaw Dunlap’s ² horrific deeds are still pretty vivid in many people’s memories.

4. When Payment Terms Get More And More Disadvantageous To You

Imagine you start the project after getting your down payment. The payment details are clarified in your agreement, so you’re not worried.

Then as the next payment comes up, the client comes to you with a modified agreement in which, at his lawyer’s or accountant’s advice, he’s changed the payment terms from “payable upon receipt” to net “90 net” or even “net 180”.

In my experience, there is no point in arguing with them. They won’t undo the deed. The best thing you can do is walk away with the money you’ve already been paid. You don’t have to repay a penny because the client one-sidedly changed the agreement in the middle of the project.

² Al “Chainsaw” Dunlap spent his career as a corporate turnaround artist hopping from company to company. His chief weapon of “curing” corporations’ underperformance was laying off large percentages of companies’ workforce. He used a broad range of “black hat” and even illegal means to achieve his ends. As a result of Dunlap’s machinations, in 2001 Sunbeam was forced to file for bankruptcy.
The other payment problem...
There are some clients that insist that you get your final payment upon completion of the project. The problem is that you agree to it, the client goes on an extended vacation to the far end of the universe somewhere behind the Horsehead Nebula, about 10 gazillion light years from Earth. The project is suspended, no one knows for sure when it resumes, and you have no idea when you get your final payment. If ever. Well, in most such cases, it’s pretty much never.
What you can do is that you require a 50% down payment to start the project and the second 50% 45 days later regardless of the status of the project. And leave nothing to completion because the project’s completion is not under your control.
Just think about it. You have to pay for your driving lessons way before you take your driving test.
When in doubt, just walk out.

5. When The Client Joins The “Dark Side” During The Project
To get better results faster and with less work, some of your clients may decide to join the “dark side” and engage in unethical and or illegal practices.
And this is a fine line.
Illegal practices are clear, but how about unethical practices.
You just have to go by your ethics.
What do you do when your client starts laying people off in order to beautify shareholder value?
Or what about using manipulative sales tricks to get new clients?
Or what about when your client has an extramarital affair with his secretary?
Do you tolerate that kind of behaviour?
Of course, your moral code differs from mine, although I reckon there are some overlaps.
Nevertheless, you have to clarify with yourself what you accept and what you reject.
You have to create your Dark Side, and when you notice that your client has joined it, you either call him on it or just quit the engagement.

6. When You Detect Intentional One-Sided Scope Creep
Some clients are notorious for signing agreements with consultants, and then coming back to the negotiation table with extra requests for some “small favours”. Of course the fee remains the same.
But it turns out that those favours are hardly ever small. Actually some of them can be pretty significant and require you to change the whole engagement.
Some people may say that if you work for an hourly fee, it doesn’t matter because you get paid for your time regardless.
While this is technically true, working for hourly fees, you get almost always underpaid by definition because you’re regarded as a contract labourer.

When you cite a value-based fixed fee, as most clients expect you to do, you’re entitled to have a fixed scope of work.

If your client wants to change some parameters, then you need a change request. Just as it’s on this picture: The little dingy is called “Original contract” and the yacht is called “Change Order”.

And although in project management it’s called change order, I prefer change request.

I don’t mind clients requesting changes from me, but I wouldn’t tolerate their ordering me around and demanding changes. In my view the words “order” and “demand” are a bit too close. “Request” is more civilised between collaborators.

Tell clients upfront or even put it into your agreement that every required change is subject to the submission of a change request. Then you have to approve that change request, so you can authorise the work.

And, of course, every change request is priced separately from the main engagement.

Now it’s no longer scope creep but an accepted change.

7. When You Notice Obscenely High Project Team Member Attrition

Rock music is not the only industry in which band member attrition is a good indicator of a band’s long-term success.
Bands like Metallica, Iron Maiden or AC/DC has had almost the same members since the beginning of times. It’s not surprising they are still going strong.

And just as high member attrition can kill rock bands, high team member attrition can kill businesses and project teams faster than a turbo-charged speeding bullet on steroids that had a race horse for breakfast.

Granted, when team members are replaced for incompetence, that’s fine, but when highly competent team members are mysteriously taken out of projects because they are “needed” somewhere else, that’s a bad sign.

On any consulting project, you need hard-working and reliable plough horses and draught horses, not temperamental parade horses with chronic prima donna syndromes.

And here you can have problems with business school grads whom their schooling has trained to be competitive individualists. So, very often, they end up competing with their own team mates for personal glory even at the expense of the overall project.

Good exceptions are business school grads with military service behind them.

So what can you to competitive individualist prima donnas?

Not much. They are on the team because the company has a competitive individualist culture. And that can work against you forever.

As the saying goes, it impossible to herd cats.

Well, I’ve never tried cats, but in the late 70s, at a rock festival with P. Mobil, Beatrice, Hobo Blues Band and some other of Hungary’s blacklisted rock bands, I entered a goose-herding contest.

Although I came in fourth, I can tell you it was pretty hard.

And your projects shouldn’t feel like goose-herding contests. Every team member should pull the proverbial cart in the same direction without extensive herding.

And it’s not you who should do the herding. If the client fails to keep the team, basically his employees, moving in the same direction, then you’d better walk away.

As an outsider, you have no authority to discipline misbehaving team members. Not to mention misbehaving cats.

8. When You Notice Shrinking Deadlines

Has it ever happened to you that your proposal with milestones and deadlines is accepted, you start a project and then the buyer comes down on you that XYZ milestone must be reached 2-4 weeks before the documented deadline?

You ask why and the buyer tells you something like, “We have to speed up this project due to other initiatives.”

The way I see it, if those initiatives are so vital, then this project should be killed, the consultant can go home and the project team members can get on with other initiatives.
What usually also comes with shrinking deadlines is longer response times to your requests. Decision-makers keep disappearing to handle other so-called “more important” issues. The problem is that if decision-makers vanish, important decisions get delayed, and so does completion. And if the project overruns, rest assured, it’s you who gets blamed for it. In this case contact the buyer and let her know that the project is stuck due to lack of decisions. She is likely to take care of vanishing person. And if this doesn’t help either, then pack up and leave. You can’t shepherd unfocused, unmotivated people.

9. When Project Team Members Get Disorganized And Unfocused

Sooner or later you too come across, or may already have, engagements that are poorly staffed, because, although the client wants to do the project, somehow quality people are always needed elsewhere. So, the engagement gets staffed with second-rate people. You do your level best to make sure everything gets done in within budget and within deadlines in high quality, but slowly and surely the problems start showing. Team members are spread too thin, so their focus is all over the place and they desperately try to do well on multiple fronts. And they may manage to pull it off for a while, but in the long run they might undermine your project’s success. Again, just as in so many consulting situations before, you have your responsibilities without authority. And, again, there is not much you can do. It’s up to you how much of your precious energy and sanity you’re willing to expend to shape and shape up the project team.

An army may be an army by name, but I would be rather hesitant to participate in a military manoeuvre with the Salvation Army or even with the once pretty famous Baker Gurvitz Army. Keep an eye on disorganisation right from the very beginning of engagements. In order to successfully complete engagement you have to work WITH people not FOR them. Also, people have to feel that they are on the hook if something goes wrong. The problem is that very often engagements are set up in such a way that consultants become whipping boys if something fails to go according to plans. If you detect disorganisation or turf wars, bring them to your buyer for remedy. Also, document everything that you possibly can, so instead of telling the buyer, you can actually show the

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3 BGA was an English rock band between 1974 and 1976, with Ginger Baker on drums, Adrian Gurvitz on guitar and vocals and his brother, Paul Gurvitz, on bass guitar and backing vocals.
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evidence to her.
It’s much more than merely telling her about incidents.
Then when the situation blows up, no one can blame you for these unknown events.
And if nothing helps, then walk away from the project altogether.

10. When You Sense Personal Conflicts

This is similar to the previous point, but is much more serious.
It’s one thing to lose focus (unintentional act of sabotage) but it’s totally different to engage in personal conflicts (semi-intentional act of sabotage). I call it semi-intentional because sabotage is not the objective of the exercise, but an incidental outcome.
Yet, it has to be controlled in the best possible way.
Conflicts can be either disagreements on the project or power struggles.
Disagreements on the project should be facilitated to be resolved, so the whole team can march to the drum of the selected solution.
But power struggles must be destroyed, and some head may have to roll.
That is, people who ignore the project and focus on pushing their personal agendas should be booted out of the team before they can cause serious problems.
And if you notice that the buyer protects conflict-creating people, then you’d better step out because something nasty is about to happen.

Summary

We’ve covered a few situations from which you’d better walk away.
Some of the points we’ve discussed here may be even as illuminating as a firefly wearing a trench coat.
I’m sure there are more, and we all have different situations that we absolutely don’t tolerate, but hopefully these 10 situations make you think and clarify your personal walk-away situations.
Your willingness to walk away also opens your clients’ eyes to the fact that they can’t be fooled and you’re not desperate to hang in to see what happens.
After reading about these 10 (Sorry, it was supposed to be eleven, but I’ve lost my lead thread and ended up only with 10) walk-away reasons, you may even contemplate going into manufacturing imitation cocaine.
Don’t do it!
It’s illegal in Arizona, and it may be problematic elsewhere too.
So, you’re better off figuring out this walk-away thingy.
What do you think?
Additional Knowledge Products to Build Your Consulting Firm

Here are some knowledge products on a broad range of areas as they apply to running a boutique consulting firms or solo consultancies. These products are sort of workbooks. They explain what is what, then walk you through the "how to..." part of the process. As you read the books, you do the exercises, and by the time you finish reading, all the relevant bits and bobs are in front of you on paper applied to your own unique situation.
I hope you find them valuable.

**Consulting Retainer Engagement Toolkit**: A comprehensive home study programme on the ins and outs of setting up consulting retainer engagements in which your clients receive great value and you are compensated for the value you bring to your clients' tables by making your brainpower available to your clients. For details see [Consulting Retainer Engagement Toolkit](http://www.di-squad.com).

**It's All About Your Value: Consultants' Guide to Setting, Raising and Safeguarding Fees**: How to price consulting engagements based on buyers' perception of the value the consultant brings to the table regardless of time, materials and other retarded but commonly used factors. This booklet covers a step-by-step process of establishing the value of your contribution and how to get paid for that value. For details see [It's All About Your Value](http://www.di-squad.com).

**Mastering the Consulting Proposal Process**: For many consultants proposal writing is a "hope-and-pray" game. They sit down with prospects, chat for a while and then volunteer to "submit a proposal" without knowing the full specifications of the intended project. But some, usually false, buyers are just collecting free information for in-house implementation. A proposal, just like a marriage certificate, is a short document, but it is silly to offer it unless the other party has already made a commitment to go ahead. This e-book walks you through the maze of developing your proposal and presenting it to buyers. [Mastering the Proposal Process](http://www.di-squad.com).

**Dynamic Duo Mentor Programme**: If you're a solo consultant, my Dynamic Duo Mentor Programme may be a solution for you to have access to a second opinion on both strategic and tactical issues you’re about to put into action. For details see [Dynamic Duo Mentor Programme](http://www.di-squad.com).