A Few Words About Consultants’ Productivity
Commando Consulting Newsletter, November 2014

A Monthly Practice Management Newsletter
For Boutique Consultancies And Solo Consultants
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Blog entry

An old French proverb states, “It's all very well in practice, but it will never work in theory.”

Sadly, over the years consultants’ productivity is still measured by the same flawed standards that bogus management and productivity guru Frederick Winslow Taylor established in his “masterpiece”, Scientific Management.

The problem was that Taylor tried to apply his notorious motion studies to knowledge work as well.

Well, more accurately, it wasn’t Taylor himself, but some of his later zealots have tried to apply Taylor’s “One best method” approach to knowledge work, including consulting.

Imagine that a method Taylor developed for moving pig iron is now being used to measure the productivity of consulting.

The funny thing is that the whole taylorism has failed and Taylor has been branded as a fraud, many consulting firms are still marching to the beat of his drum in the form of billable hours, timesheets and amounts of deliverables.

Innovation and improvement seem to be irrelevant.

So, in this distorted light, we try to take a closer look at how to determine consultants’ productivity.

Emphasising Objectives

Many consultants are still more concerned with activities and billable hours than with reaching specific objectives.

They really work like union labourers: “You pay me because I show up.” What’s supposed to get done is somehow ignored.

Many consultants revel in busyness, even if it results in... nothing.

It reminds me of an old Chinese proverb...

“It makes no sense to go to bed early to save candles if the result is twins.”

Your people must be able to think in terms of outputs (ends), not inputs (means to ends).

Can you imagine a law firm where the senior partner instructs the lawyers: “Your task in court is to jump up every 10 minutes and shout ‘Objection, your honour’!”

Or...

“Your task is to spend as much time in your client’s company as possible, and to bill for every second!”

The hard part of getting the objectives from clients is that many clients see out consultants to implement clients’ their own solutions based on their own, usually flawed, self-diagnoses.

And when consultants try to get some information from them about the experienced symptoms to
find the root causes, many clients freak out by the “deep” questions.  
And this is where most consultants cave in and give clients what they want. Only the minority of consultants have the courage to tell clients that either they share some vital pieces of information or they can find another consultant.  
This may seem arrogant on the surface, but this is the only way to play the game.  
Just as patients can’t dictate to doctors what to do, clients shouldn’t dictate consultants how to do their jobs.  
And consultants should resist becoming their clients’ yes-people.

**More Than Being Accountable For Actions**

If your want to make your people to be accountable for their actions, you have to give them some creative latitude.

Unlike manual labourers, who get merely pissed off when micromanaged, in consulting, micromanagement can undermine a project overall success.

It may feel like a great ego trip for managers to pester consultants, but every inch of pestering creates a yard, or even a mile, of resentment in consultants for their managers, their clients and their projects.

Well, it’s rather hard to get good work out of a perpetually angry consultant who has two thoughts on his mind: 1) How to wire the manager’s car without getting caught and 2) where to start looking for a new job.

My observation over the years is that firm leaders and managers are very good at demanding results from associates, but are pathetically hopeless at helping associates to produce those results.

All it takes is a little shift in managers’ heads to realise that that they manage is not a manufacturing plant and not manual labourers. And they just have to change their attitudes about productivity.

**Perpetual Learning**

This is herder if you’re a general consultant, consulting with anyone on anything, but if you’re a boutique firm focusing on a niche, there are two major aspects of learning: Content and process.

So, for instance, if you have an IT consulting firm (No, not a computer repair firm), you must constantly improve your technical, business and people skills.

And I dare to say, technical skills are the least relevant.

This is why...  
Clients hire consultants when they have business problems. The cause can be a technical problem, like a crash-prone network, that has to be rebooted every three hours.
But the symptom that people experience is that everything takes much longer to do than normal. Somehow everything costs more and the bottom line suffers.

And one of the best learning methods is actually teaching. And one of the best ways of learning is teaching. This teaching can be gained through regular free prospecting seminars, during which you share valuable “How to...?” information with your audience.

**Focused On Quality Vs. Obsessed With Quantity**

In a way this decision is also a toss-up between effectiveness and efficiency.

Just think about the 100+ page proposals some consultancies send to their buyers. Or the massive list of “Deliverables” that are totally meaningless, thus useless, from the client’s perspective.

Effectiveness is all about focusing on the contractually agreed outputs (objectives NOT results) and how to achieve them using the least amount of resources (TEM = Time, effort and materials).

I believe consulting is about collaborating with clients and their key people to make certain to implement the necessary changes that lead to improvement in the client’s condition. And to orchestrate that change, one consultant is perfectly enough for a project.

All right, two.

One acts as an advisor to the implementing team’s leader and the other is the back-up.

No, she is not the team leader. The team leader must be an insider who stays after the project and lives with the consequences.

It would create a silly team dynamic when an outsider leads a team of insiders.

I fully disagree with the behemoth “billing machine” consulting model in which 200 freshly minted MBA’s descend on the client’s company and start fiddling around at obscenely inflated hourly rates. Well, basically start learning the craft on the client’s dime.

And at the end of the project, no one knows for sure what’s got improved. But the time has passed, so the consultants have to be paid for the elapsed hours.

The whole model reminds me of self-help guru Werner Erhard’s comment, referring to his own personal development seminars (EST - Erhard Seminars Training)...

“He *preach independence but breed dependence.*”

Since many consulting firms, including many marketing consulting firms, look down on sales and marketing, in order to avoid further marketing, they just drag out their clients’ problems, so they can sell more hours.

It’s really relevant here what E.L. Kersten, the founder of www.despair.com has to say about consulting...

“If you're not a part of the solution, there's good money to be made in prolonging the problem.”

Just think of the Y2K thingy a few years ago. Consultants got rich by prolonging their clients’
problems.

**Treating People As Human Beings**

There is an interesting question in Marcus Buckingham’s book, *First, Break All The Rules...*

> “You have two managers. One has the best talent for management you have ever seen. The other is mediocre. There are two openings available: the first is a high-performing territory, the second is a territory that is struggling. Neither territory has yet reached its potential. Where would you recommend the excellent manager be placed? Why?”

According to Marcus’ survey through the Gallup Organisation, most managers would put the highly talented manager to the weak territory, thinking that any idiot can succeed in the strong territory, but it takes a genius to make something of the weak territory.

In reality though, the less talented manager can never bring up the strong territory to full fruition. And the talented manager gets pissed off for being handed the proverbial latrine duty, and soon quits.

So, you end up with two dead territories and a lost highly talented manager.

Unlike in other forms of business, in consulting firms we don’t have superiors and subordinates. If you do, there is a good chance that your firm is seriously underperforming.

Running a consulting firm is real team effort, which also implies that people are treated as equals, and have the authority to make decisions without having to run to the big boss for permission to do even something trivial.

Without this authority, the situation is similar to telling skydivers to open their emergency chutes if and only they have permission from their superiors on the ground. By the time the permission comes, you may be as dead as a dodo.

I’ve been jumping since 1977, but have never been reprimanded for opening or not opening my emergency chute. It’s always been my decision.

It is accepted practice that only the person “who is there” really knows what to do.

So, as a manger, what can you do?

So, the key is to develop a human-friendly business atmosphere, so your people can enjoy both the work they do but also the people they do it with.

**Turn Invention Into Innovation**

There is a pretty drastic difference between “invention” and “innovation.”

Invention is really an idea, which we all have many during most days.

But innovation is invention applied.

One big problem is that very often when associates come up with new ideas (invention), they
often get shot down in flames by their practice leaders, saying things are done differently around there.

New and ambitious associates try this a few more time, and then they get tired, give up and start circulating their resumes to find new employers.

And the sad part is that this is how many consulting firms lose their best people and keep the mediocre ho-hum associates.

The irony of the situation is that the more new ideas management kills in a firm and the more ambitious associates they chase away from the firm, the more loudly the same managers scream, “Our people are our number one assets.”

Of course. How about the photocopier and the company car?

“Our people are our number one assets.” Just like a pig is an asset for a farmer.

**Self-Renewal**

I know many firms talk about constant renewal and that’s a great idea.

The problem is that they’re talking about the firm’s renewal, but not about their own personal renewal.

But what is the firm? A legal entity representing a group of people.

So the firm’s renewal is really its members’ personal renewal.

Any commitment the firm makes must be made by its partners and associates on a personal level.

If only one person refuses, the firm’s commitment becomes useless.

Also, many firms are obsessed with solving their problems to the level they used to be, but they fail to put in that little extra that could lead to innovation; that would go beyond status quo restoration.

Why?

Maybe because some partners are just a few years away from retirement, and don’t want to rock the boat.

Running a ho-hum billing machine, including working a small army of junior associates to the ground, keeps them wealthy, so there is no reason to change.

Yes, it’s a bit more complex, but not much more.

What’s happening in these firms is nicely expressed in direct marketing expert, Dan Kennedy’s presentation.

**Sales and Marketing "Incest"**

*I'm interested in stuff that works. But I get to do something you don't get to do. During the last three years, through my consulting practice, I've worked with clients in 136 different product, service business, and professional categories.*
Your situation, whatever business you're in, is probably a lot more "myopic." Does the following scenario describe you? You belong to a national association, totally made up of people in your business. You belong to a state or local association, totally populated by people in your same business.

You go to conventions, meetings, and conferences that are all organized by, put on for, and attended by people in your same business. If you go to a strange town, you look at the yellow pages in your section to see what everybody else in your business is doing.

You read books written by people in your business. We have a technical term for this. It's called "marketing incest," because it works just like real incest.

In a short period of time everybody seems to get dumber and dumber and dumber and dumber until the whole thing just grinds to a creaking halt. All great advancements in businesses come from outside the box thinking, not inside the box thinking.

As a consultant, I get to go over and work with industry "A." And while I'm over there, I notice something they're doing that's phenomenally effective. I see that hardly anybody else outside their business is doing it, but they could be doing it, so I borrow it from industry A and I take it over and I teach it to Industry "B."

And while I'm over with my Industry B client, I notice something they're doing that hardly anybody else is doing (but could be doing), and so I borrow from industry B and I take it back and I teach it to industry A.”

Consulting firms could borrow lots of successful practices from other industries, but somehow they have this “our business is different” notion, so, they look only at other consulting firms.

**Summary**

We all know that what good buyers buy from consultants is their consulting intensity...

Consulting Intensity (CI) or Engagement Intensity (EI) or Value Density (VD) is a blend of access level, accountability, attention, challenge, commitment, devotion to excellence, discipline, effectiveness, energy, engagement level, enthusiasm, expertise level, interest, precision, responsiveness, use of resources plus probably some other invisible factors.

But definitely NOT number of hours of manual labour or poundage of deliverables.

That’s what dumb buyers buy. They develop their own solutions, usually based on their experienced symptoms, then based on that solution they put together RFPs, and then present the RFPs to the wide wild world...

"Hello world. We’re seeking the cheapest loser on the planet who can do ABC for us."

What is ABC?

Well, it’s a list of rigidly defined tasks that have to be performed by the consultant, as prescribed
by, using medical lingo, the patient.
Instead of trying to be productive by blindly performing tasks and billing for the elapsed time, consultants should re-evaluate their productivity on their own terms.
What really matters is what objectives the client wants to achieve with your help, how you judge and discern, not merely measure, progress and what value does the accomplishment of the objectives mean to the client?
Once you have these pieces of information, you can help your clients to achieve them using as little of your time and energy as humanly possible.
If personal trainers worked the way many consultants work, a conversation between a client and a personal trainer would sound like this...

Client: “I want to lose 15 lbs by the summer, so I can look amazing on the beach.”

Trainer: “Well, then we sit down and plan out a comprehensive exercise and nutrition plan for you, and if needed, I stay with you to implement the plan.”

Client: “You see, I’m rather busy, so you have to do the work and pass the weight loss on to me.”

Trainer: “How?”

Client: “I don’t know. And I don’t care. You’re the trainer, so you have to figure it out. I don’t have time to do the work and certainly have no intention to diet. But for my money, I have the right to demand the results. So, you have to do it without me. Or I’ll sue you.”

And guess what. In the US and more and more often in Canada too, personal trainers get sued because clients had failed to lose a certain amount of bodyweight.
And if you take on bad clients, the same fate can wait for you too.
So, the best bet is to clarify upfront what you do and what you don’t do.
Hope it helps a bit.

With victory on high...

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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.dil-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.dil-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.dil-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.dil-squad.com).