

Where business comes to life

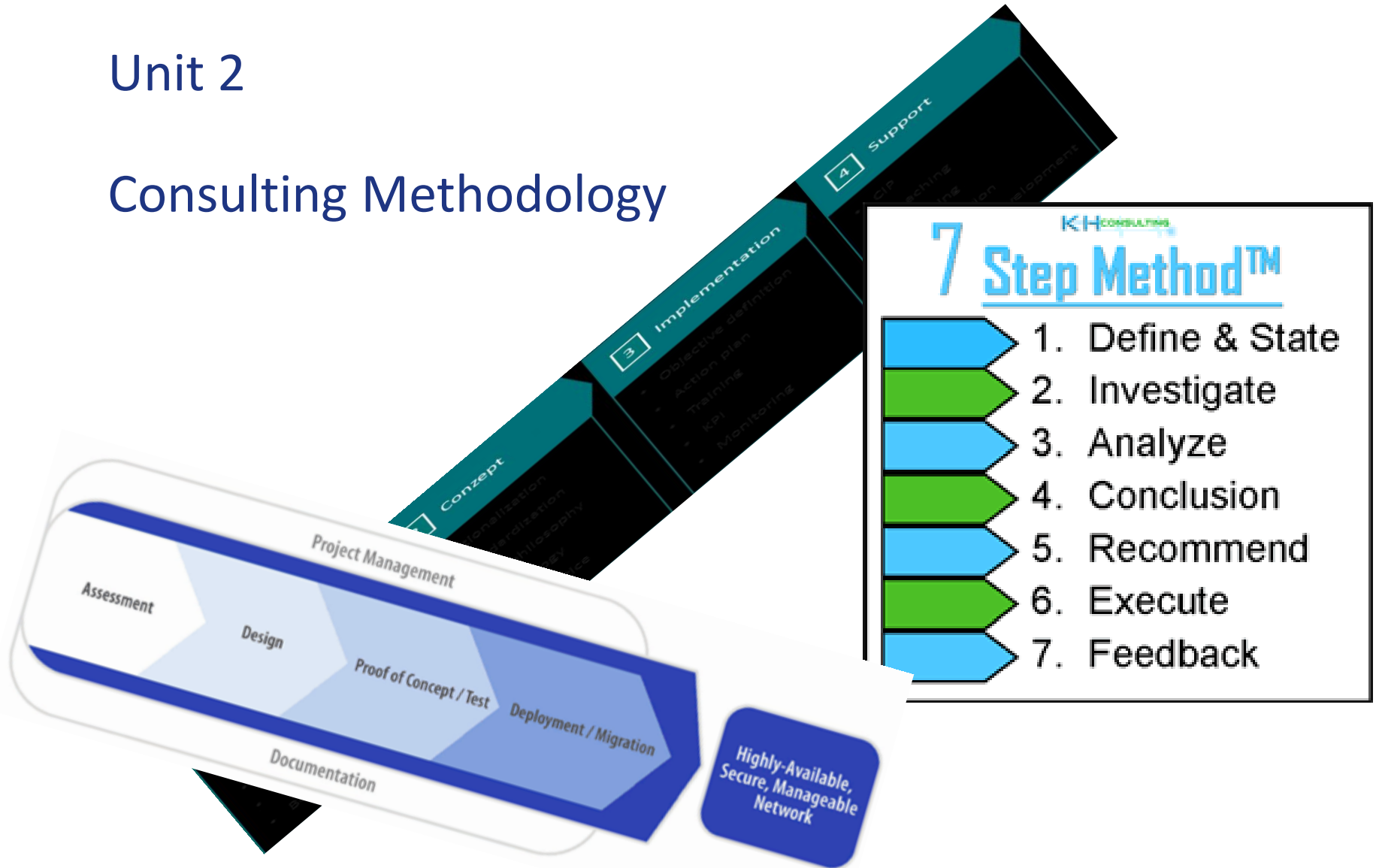
INMR86

Business Technology Consulting 2.0 Consulting Methodology

Dr V Michell

Unit 2

Consulting Methodology



Unit 2 - Content

- The 3 layer Model
- The engagement model
- The phase model
- The solution model
- Consulting in Practice - Capgemini

Learning Objectives

After completing this unit you should:

- Identify the different levels of consulting methodology and their application
- Appreciate engagement issues
- Understand client positioning
- Manage the client relationship
- Develop outline engagement plans
- Understand client issues

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Business Technology Consulting

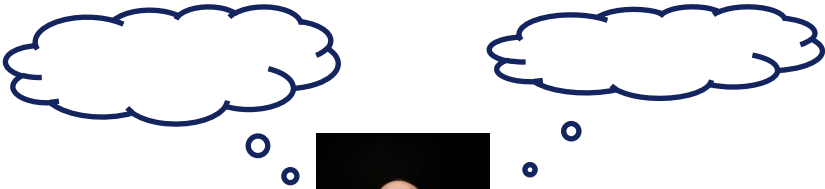
2.1 The 3 Layer Consulting Model

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2.1 The 3 Layer Model

Consulting: Managing and solving problems ... easy on the surface, but complex in practice!

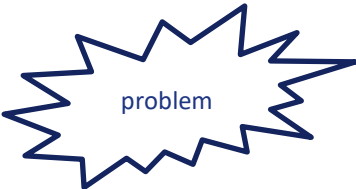
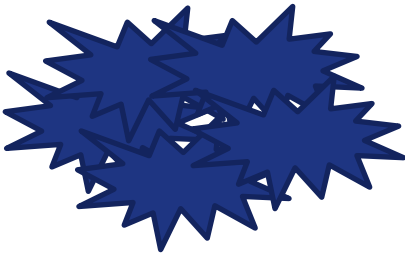
Problematique
(mix of problems, perspectives
emotions, history & experiences)



Choose a
Perspective



- Identify the problem
- Assess the situation
- Identify an approach or methodology to apply



- map the options & select depending on needs of stakeholders
- Steer clients

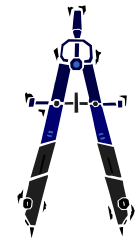
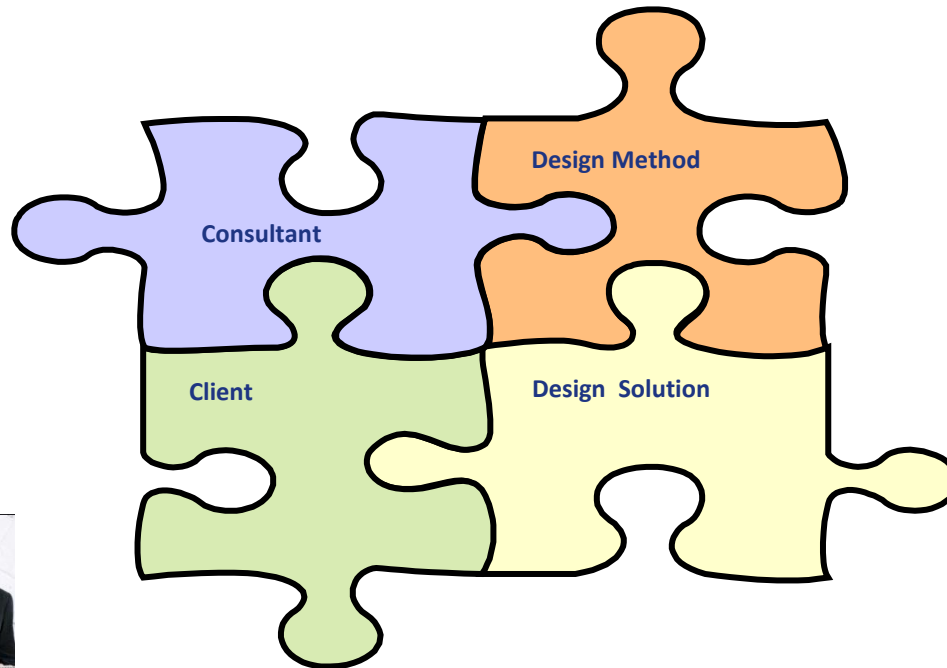
- Explore 'local' practices
le unwritten laws/activities etc
- Conduct interviews
- Explore mgmt commitment
- Select a 'strategy'



2.1 The 3 Layer Model (cont.)

Consulting: Fit between Variables

Vischer suggests there needs to be a good fit between:



Adapted from Vischer K. (2001) Design Methodology in Management Consulting

The 3 Layer Model (cont.)

For any consulting project there are three levels of client interaction

- The client culture/needs and expectations
 - **Managed via a client relationship manager role**
- The work and its management
 - **Managed via a project manager role**
- The specific domain and expert solution
 - **Managed via a consultant role (the expert)**



To provide the benefit of an organised and structured approach requires:

- A plan at each of these three levels to ensure deliverables
- A methodology based on best practice to guide the activities to the deliverables

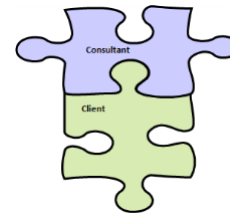
The 3 Layer Model (cont.)

For large projects and engagements

- We can consider there are three levels of methodology
- Each deals with a different aspect of working with the client

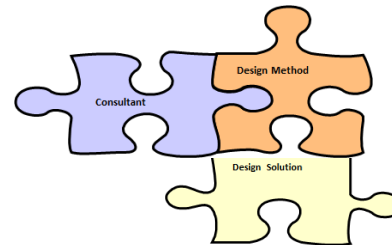
The Engagement Level

- Engagement Methods Identifying client needs



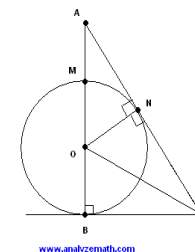
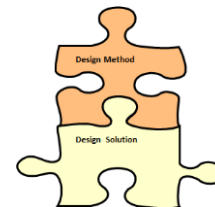
The Phase Level Phase Methods

- Identifying/managing the work



The Solution Level Solution Methods

- Identifying/managing the solution



2.1 Consulting Activity at Three Levels

Consulting Activities

The three levels:

Engagement (oversight) Level



Solution Level (delivery)

Phase Level (project management)

Source: V Michell

Exercise 2.1

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2.2 The Consulting Engagement Level

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2.2 Engagement Methodology: The Engagement Level

Objective

- Understand the customer and their initial needs
- Manage client service levels start to finish
- Ensure accurate and timely response to needs



Benefits of separation

- Focuses the interpersonal issues
- Enables key contacts to develop
- Enables the right type of client to be engaged
- Ensures resources meet needs
- Ensures feasibility of the work
- Ensures alignment with consulting strategy
- Supports business growth

CLIENT
MANAGEMENT

2.2 Consultancy Engagement

Establishing a legal agreement to provide services to a client

...Is about winning business and managing the client

Specifying

- The objective of the work
- The work place
- The duties of the consultant
- The period of the work
- Termination arrangements (either party)
- Sub contracting
- Fees and method of payment
- PIR/Confidentiality
- Dispute management
- The law applying



... it is concerned with the relationship to the client

... it is also a common term for the period of work for the client

Consultancy Engagement

Please view and reflect on the following perspective:

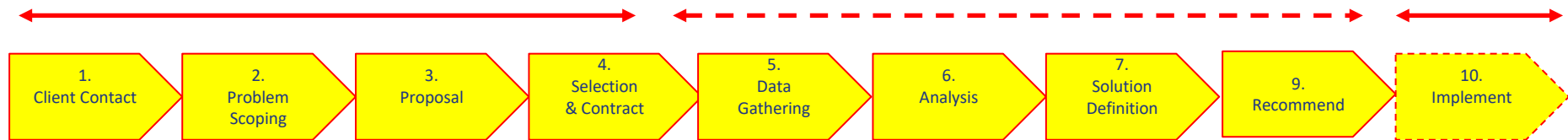
5 Steps of a Consulting Engagement

<https://www.youtube.com/watch?v=-ZkydCB53uQ>



The Engagement Process

The engagement level is the oversight/coordination level for the work
...with interfaces to the lower levels

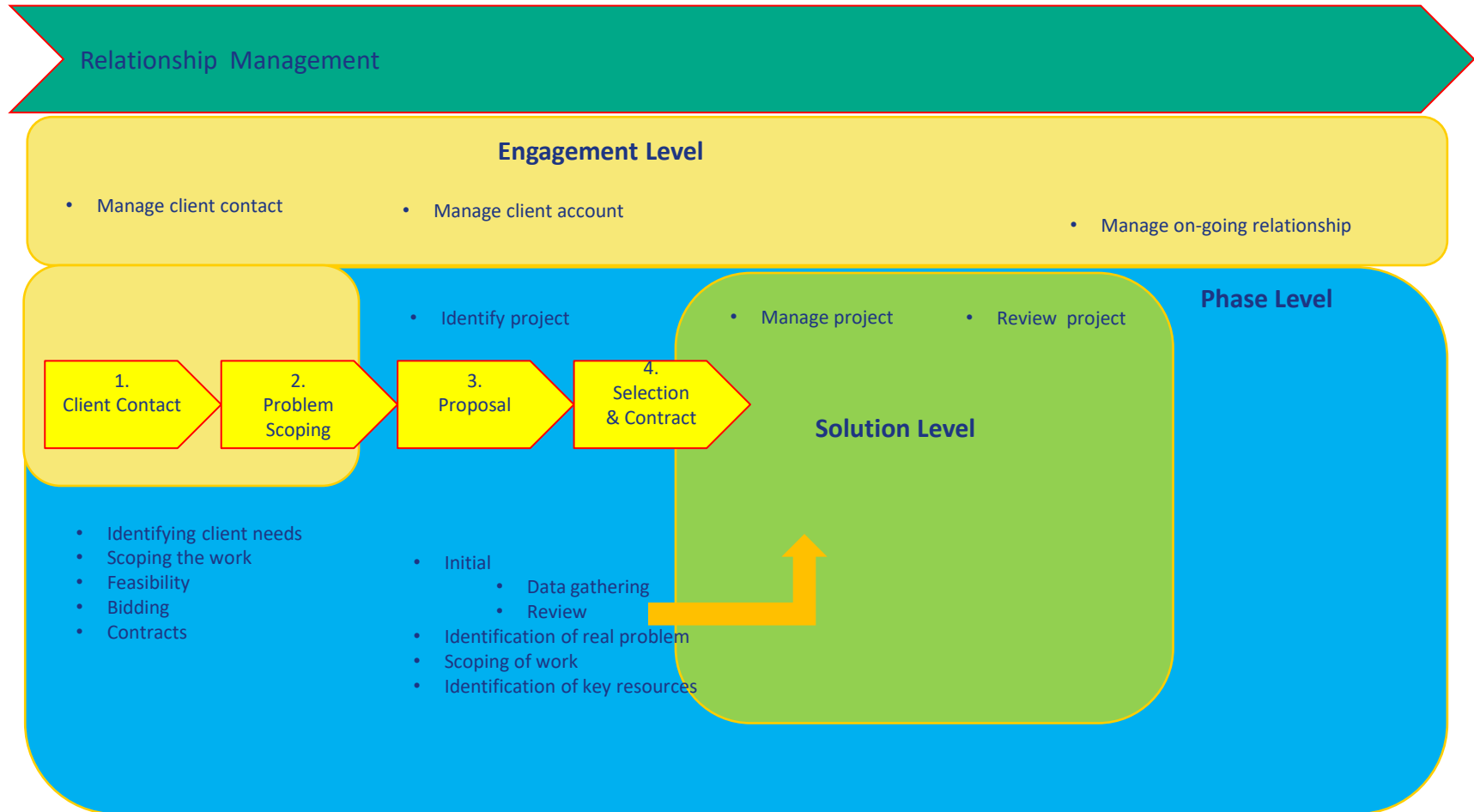


The engagement level is normally managed by an engagement manager who:

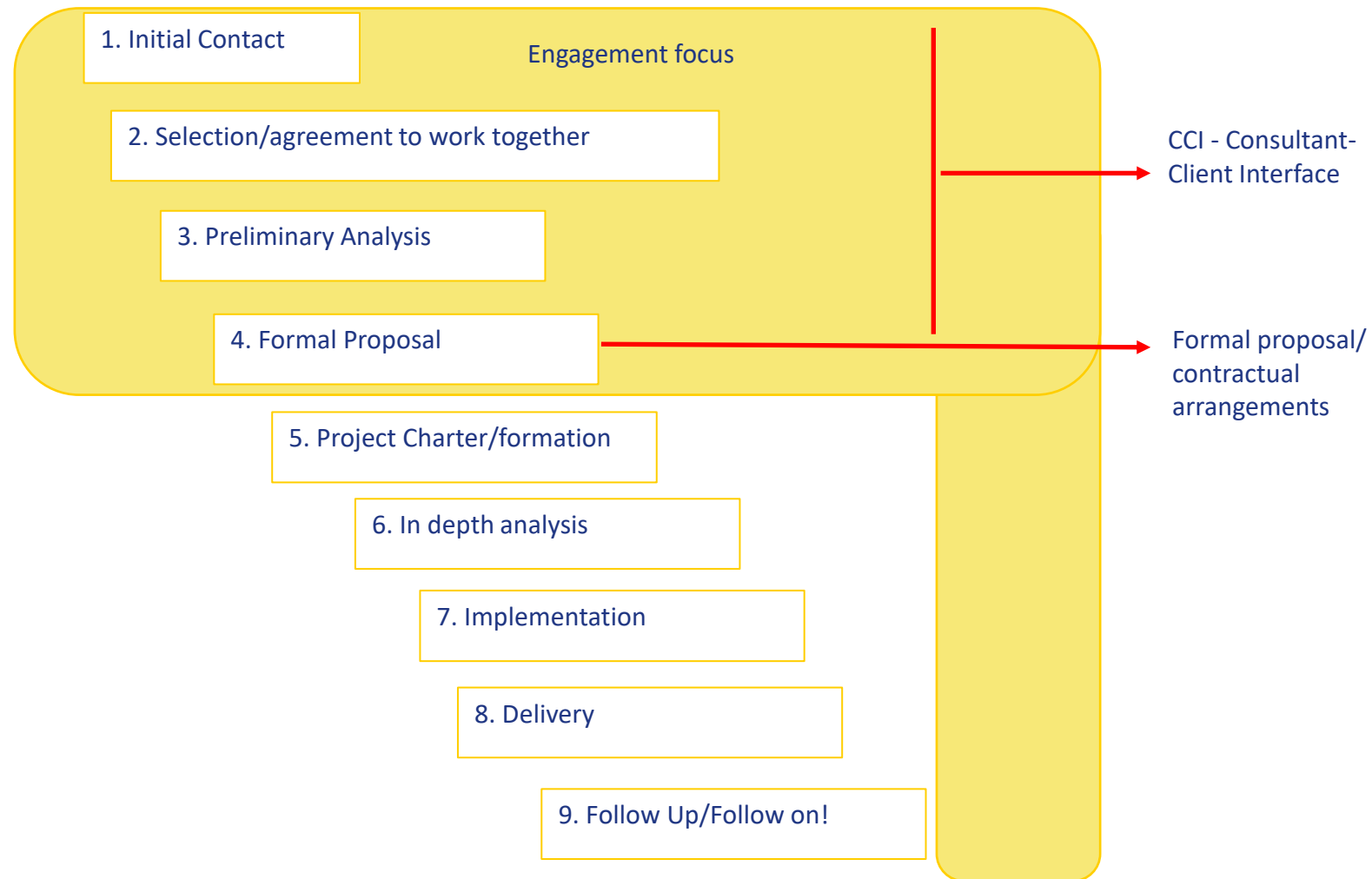
- Identifies the opportunity
- Develops the opportunity into a proposal
- Manages the clients expectations
- Is ultimately responsible for delivery vs. expected
- Co-ordinates
 - the phase manager eg project manager
 - The solution manager eg expert/architect

Source: V Michell

Engagement Lifecycle



Flow of Consulting Activities



Engagement Management

The consultant- client interface is critical to manage



Initial Contact

- Understand the client situation
- Understand the client need or view of the problem
- Understand the constraints
- Evaluate business opportunities

Request for Proposal (RFP) *(before or after initial contact)*

- Formal request for a bid for specific work or problem solving
- The client may have specific formats for the bid
- The bid will be in competition with other suppliers

Problem Approach

- To determine how the assignment will be conducted by the two parties
- To differentiate between the technical and human dimension of change
- To create and maintain a true collaborative relationship
(a golden rule of consulting!)

The Engagement Pipeline

1.
Client Contact

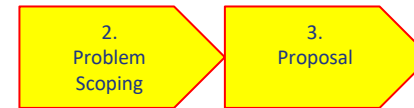


<https://professionalparaplanner.co.uk/paraplanner-pointers-client-meeting/#---text=30%20January%202018>

Typical steps in the consulting sales process

- Getting a meeting/appointment (cold calling is difficult/have you reached the decision maker?)
- First meeting – a chance to uncover/discuss any business problems in outline
- Technical meeting – scope, content, approach, facts and knowledge,
- Proposal submission (based on technical success, but usually in competition with others)
- Contract development – legal roles, responsibilities and deliverables and default management
- Signature – legal commitment to work and deliver

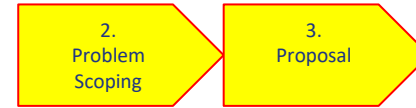
Types of Engagement



Marketing	Presenting company solution approaches/products & identifying client problem needs and preferences	'design Based'
Pre-Sales	Preparing client offers, meeting RFP needs and positioning vs. the competition	'design Based'
Commercial	Managing work to a defined contract	'Solution Based'
Investment	Managing work free of charge to the client	'Solution Based'

Terms of Reference (ToR)

Sets out the scope, deliverables and agreements of the work

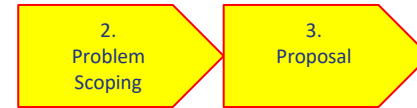


ToR should include:

- Objectives of the work
- Scope of work
 - Key Elements
 - Main issues/problems to address
 - Alternatives to be considered
 - Other
 - Definitions/constraints
 - Special requirements
 - Language/measurements to be used (if necessary)
 - Quality requirements
- Activities to be performed
- Relevant responsibilities
- Expected deliverables
 - Eg a schedule of deliverables
- Key contacts (to work with/reply to)

Adapted from: CO8.59 Worldbank (2002) The Consulting Services Manual - A Comprehensive Guide to Selection of Consultants

Formal Proposal



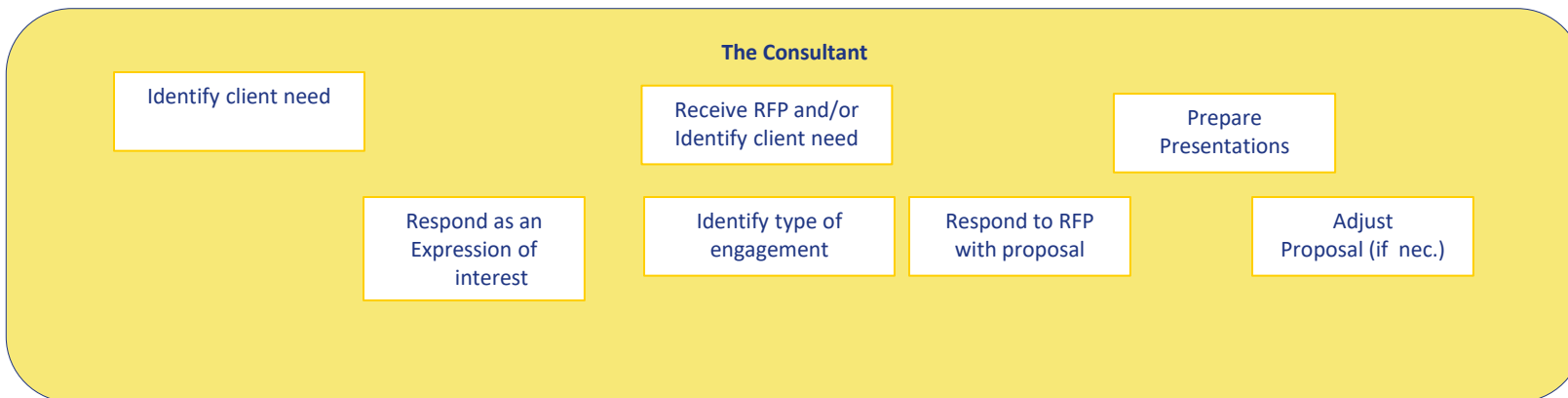
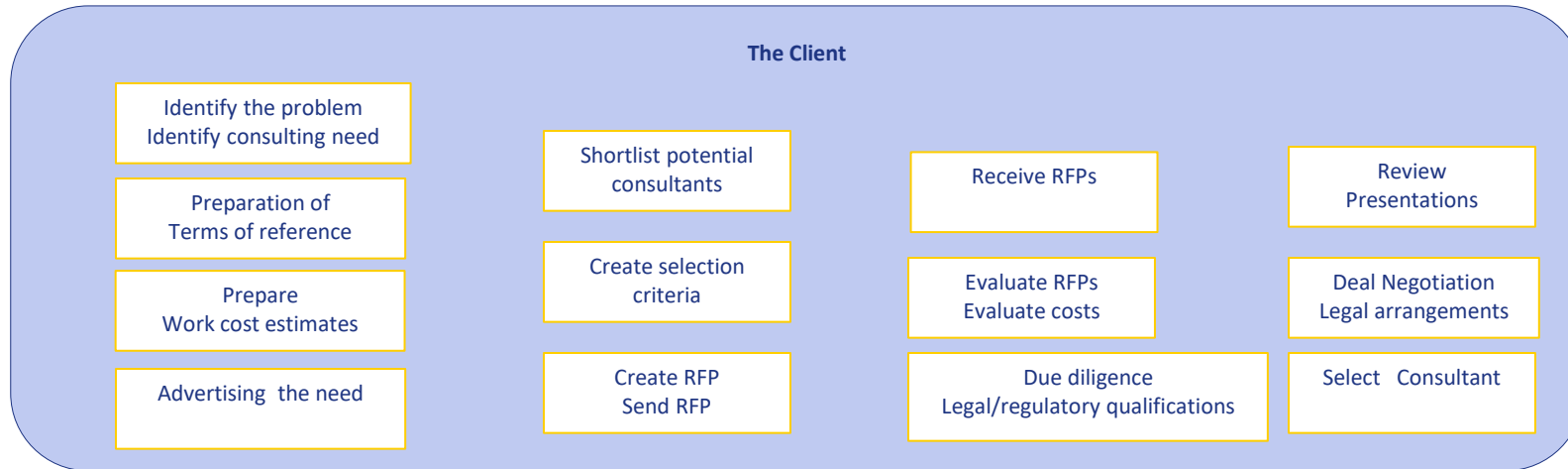
The formal proposal represents the consultants statement of what they can achieve

Key functions of a proposal

- Concise & efficient means of communicating objectives
- Guides *and focuses* the analysis
- Provides a focus for the consulting team
- Provides a fixed point of reference if the project is drifting
- Can be used to manage the expectations of the client

Consulting Selection Process

4.
Selection
& Contract



Consulting Selection Process (cont.)

4.
Selection
& Contract

- The process should be **fair** to all parties
 - Shared questions
 - Equal information to all respondents
 - No unfair access to information/favours
- Selection process should be **transparent**
 - Known selection criteria
 - Equal opportunity to bid
 - Rejection reasons given
- Relevant information should be **confidential**
 - Ie different consulting bids should be kept separate
 - Relevant parties should only have access to specific and fair information



<https://www.agencynewbusiness.com/self-selection/#~:text=The%20Art%20of%20Self-Selection>

The Client Selection Viewpoint

4.
Selection
& Contract

General

- Are the objectives understood?
- Was it responsive?
- Is the response complete?

Technical Approach & Methodology

- Is the approach and methodology relevant?
- Is the approach and methodology suitable?
- How flexible/adaptable is it



<https://www.agencynewbusiness.com/self-selection/#~:text=The%20Art%20of%20Self-Selection>

Work Plan

- Are the deliverables clear?
- Is the work plan efficient ?
- Do the deliverables meet the specification/ToR (effectiveness)?
- Do they resolve the problem?
- Is the plan realistic?
- Is the plan achievable?
- Is the plan flexible

Consulting Selection Methods

- On quality – i.e. match to RFP/Terms of reference specifications
 - The quality of solution is critical to the project
- On cost vs. client budget
 - The best match to the existing budget is critical
- On consultant qualifications
 - Prior experience/expertise
 - Previous engagements/references
 - Known entity
- On commercial practices/culture fit
- On least cost



<https://www.agencynewbusiness.com/self-selection/#text=The%20act%20of%20self-selection>

...or a combination

A consultant will be judged by the client on some, or all of these!

Types of Consulting Contracts

Master Consulting Agreement

- Overall client-consultant relationship
- Restrictions on poaching/hiring and intellectual property

Work Order/Statement of Work

- Time limited terms of engagement (eg project deadlines and roles/deliverables)
- Agreed hourly rates and billing process
- Agreed specification and quality of deliverables

Non-Disclosure Agreement

- Restrictions on talking about, using, copying intellectual property/trade secrets

Letter of Intent

- Agreement of an intention to have a consultancy arrangement
- Lacks legal protection, but denotes interest to work together



<https://www.agencynewbusiness.com/self-selection/?text=The%20arts%2021%20self-selection>

See Erickson 2009 pp67

Types of Consulting Contracts



Negotiating Contract Terms

Variations in proposal may occur => will it alter risks/issues?

- Identify costs/fees
- Confirm the scope of work
 - will additional work cost more?
 - have limitations of the scope/reasons been understood by the client?
- Timescale
- Are the technical risks understood/reasonable?
 - Do reduced timescales/scope changes alter technical risk
 - Will innovative approaches deliver?
- Deliverables
 - Is the content clear/specific?
 - Are progress, risk/issue, change report content/frequency understood

Exercise 2.2

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2.3 Managing the Client and the Engagement

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2.3 Managing the Client & Engagement



The engagement manager owns the senior client interaction

The engagement manager manages the client relationship source Erickson 2009 pp73

and is responsible for multiple projects for a specific client source Erickson 2009 pp209

- Understands the business activities
- Understands the strategy of the client's business
- Understands the business context and drivers
 - eg merger, takeover, competitive change, problem resolution etc
- Ensures the quality of the engagement (and the engagement team)
- Resolves key decisions and issues
- Manages the politics
- Manages the client in the bigger picture:
 - Further engagements
 - Strategic sales (eg no cost bids, prototype work, joint ventures etc)
- Manages changes in direction/scope/deliverables/cost
- Delivers to the contract

The engagement manager is like the 'project management board' reporting to the client

2.3 Managing the Client & Engagement

Key Client Communication Arrangements

- Obtain and maintain clients/'partners' buy-in
- Include communication plan and contact points in the Project Definition Document
- Set and maintain client expectations
- Ensure clients fully appreciate project risks
- Have frequent client progress reports
- Agree a well defined change control process defined with the client
- Ensure client physical sign-off's are obtained for each deliverable
- Provide a consistent message to clients (+ single point of contact)
- Maintain client awareness of changes and progress
- Document version control for all clients/partners



2.3 Managing the Client & Engagement



- Share organisation charts, and agree clear communications lines between companies:-
 - Establish commercial relationships
 - Ensure your expectations are simply stated and documented
 - Ensure vendor expectations are simply stated and documented
- Develop regular person-to-person contact
- Develop a clear method for either party to raise issues, and an escalation path
- Develop inter-personal networks and build trust

Communicating with Clients



Identify the Lead Consultant and Team

Best practice – based on organisational theory:

- Contractual rules to allocate risks between consultants and clients
 - *Eg availability, key person risk, quality of results etc*
- Identify a trustworthy consultant with long term relationship opportunities
 - *Ensure diplomatic and client suitable candidate*
- Sell the consultant reputation
 - *Identify previous successful engagements, press/papers/CV to support*
- Align consultancy style and policy
 - *Eg detail vs.. high level, background discipline, political skills etc*

Communicating with Clients (cont.)

Building Trust

Best practice – based on organisational theory:

- Consultants should build a strong client/user network
 - *Eg explore client staff knowledge and context, understand the business*
- Ensure contractual arrangements are managed and fulfilled
 - *Ensure the contract and project needs are met*
- Own up to and fix mistakes
 - *Raise and deal with issues, resolve problems*
- Ensure follow on opportunities
 - *Eg concern for remaining or new issues and raising to engagement level*



Managing Client and Expectations

Critical Success factors in client-consultant relationship

- Professional behaviour (client first, focused on need)
- Understanding of client urgency
- Understanding of the client's motivation & readiness
- Good consultant communications with the client
- Client defined specific results/deliverables for the client
- Consultant clearly defined the changes
- Management expectations were clear
- Clear division of responsibility: client/consultant



Managing Budgets & Finance

Pricing the Work

Cost estimates should include:

- Consulting costs – at day rates
- Travel
- Out of pocket expenses
- Daily expenses (if allowed)
- Communications (eg phone bills if appropriate)
- Equipment
- Taxes/fees
- Training (often borne by the consultant unless client specific)
- Contingencies
- Profit margin



Managing Budgets & Finance (cont.)



Payment Schedules

- The client needs to pay the consultant
- Client and consultant need to manage respective risks

A payment schedule encourages payment for risk reduction by receipt of deliverables

Example

- Contract signing
- Stage payment 1 detailed problem definition
- Stage payment 2 analysis
- Stage payment 3 solution proposal
- Full payment Detailed report/solution implementation

...Does the schedule reflect a balance of risk/reward?

Exercise 2.3



APPENDIX 1

INMR86 Business Technology Consulting Overview vs. Module Units



Aims:

This module aims to allow students to be able to identify current and future issues affecting the client organizations, use the key knowledge areas for business technology consulting such as service oriented architecture, business architecture, information technology architecture, and formulate a most effective strategy to communicate to the board members to push the proposed strategies for business technology.

Outline content:

The key content covered in this module includes:

- ☐ Business technology consulting concepts and principles based on the theory on organisations and Information Systems; (units 1, 2)
- ☐ Business analysis methods for representing business context, business activities and IT activities, alignment of business performance and IT enabling; (units 3,4))
- ☐ Business consulting methods for analysing the business capabilities, stakeholders' influences, and predicted achievements; (units 3, 4)
- ☐ Business consulting methods for formulating business technology strategies for achieving the business objectives; (units 5, 6, 7)
- ☐ Valuation methods for evaluating tangible and intangible benefits if the recommended business technology strategy is implemented. (units 5, 6, 7)

Assessable outcomes

On the completion of the course, the students will be able to:

- ☐ Construct highly persuasive arguments that resonate with boardroom-level stakeholders;
- ☐ Establish a holistic view of an organisation, in particular IT systems creating business value and/or preventing business sustainability;
- ☐ Apply the consulting methodology (using quantitative and qualitative methods) to conduct an analysis of the business strategy, performance, constraints, and benefit to and impact on the stakeholders;
- ☐ Produce a set of requirements which assist decision makers to formulate business technology (i.e. IT systems) strategies for the business sustainability;
- ☐ Evaluate the consulting results and use the feedback to maintain on-going and long-term improvements.