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## Choosing the Right Consultant for the Job

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Companies invest significant time and resources working with consultants. Understanding the two most common consulting models in the marketplace (and a hybrid at their intersection) can help consumers of consulting services better select the right partners to maximize their investment to achieve better business outcomes.

## Problem Statement

Have you ever felt like you didn't get a full return on investment from your consulting spend? Maybe you and your team spent a lot of time and energy working with an external consultant and the implementation and execution of their expert recommendations fell short of expectations?

I have personally seen this scenario from a variety of perspectives: as a consultant with a big firm, as an *internal employee* consultant in several organizations, as an external independent consultant, and as an internal *consumer* of consulting services. From these vantage points, I've seen several situations where opportunities to drive business value were missed. Often the determining factor was the match between what consulting services were needed and the expertise of the consultants to drive clearly defined outcomes.

Business leaders utilize a variety of consultants. In this article, two core models are described (i.e., *Process Consulting* and *Strategy Consulting*), along with a *hybrid approach* that leverages the strengths of both models.

Knowing your needs and having a clear understanding of the fundamental distinction between these service models will enable you to better select and partner with consultants, and ultimately achieve the value you envision.

## Scope

**In Scope:** *Business Strategy/Operating Model Consulting* (e.g., to support new/modified strategic planning, operating models, redesigning an organization to reflect changing business/market dynamics).

**Out of Scope:** *Functional Expert Consulting* (e.g., executive coaching consultants, brand marketing experts, manufacturing/lean consultants, soft-skill training consultants, quality control experts, etc.).

## Two Consulting Models: Strategy vs Process

Strategy consultants have deep industry expertise; they offer an informed, thorough analysis and point of view to directly shape core business strategy and operations. They generally approach their work and interface with clients as content experts. Based on their business acumen, they advise, recommend, and generally *tell* the client.

Process consultants have a facilitation-based approach that is relatively business agnostic. They work on business issues by creating the process to frame problem statements, brainstorm and explore possible solutions, and enable implementation and execution. They *ask*, facilitate, and guide the client to uncover key challenges and solutions.

Strategy Consulting	Process Consulting
Deep Industry Knowledge	Business Agnostic
Point of View & Tell	Facilitate, Guide & Ask

**Strategy Consulting.** Strategy consulting first emerged in the marketplace in the 1890s. Early firms offered their technical and analytical services to drive greater efficiencies (e.g., manufacturing efficiency). Strategy consultants bring deep industry expertise and offer a path forward for how the client ought to shape the business or address a business challenge. Their core value proposition is to clarify key drivers of competitive advantage and economic value through rigorous analytics and deep understanding of the external and competitive landscape. These consultants typically come from top-tier business schools and have an orientation toward understanding the fundamentals of value creation and business management. Firms often develop expertise (e.g., pricing/economic models, competitive landscape, business models, etc.) *within* industry verticals. These firms offer market analytics, business model innovation, pricing models, M&A and divestitures, and post-merger integration services, to name a few. There are a several global firms and many boutique firms with more focused areas of expertise and specialization.

Strategy consultants are most valuable when the client has relatively less internal expertise, when they need additional insight into current or past industry trends, or when leaders have had less experience with competitors and similar organizations. These consultants help their clients *quickly* become very well-informed. They spend their time and effort developing an expert point of view on the industry, the market, the competitive landscape, and the pros and cons of the various business models that operate within the vertical. However, their core expertise and service offering *does not rest upon* understanding individual, organizational, and cultural factors that often determine whether a strategy or operating model “will work here.”

### Process Consulting

- Limited Industry Knowledge
- Business Agnostic
- Ask

### Strategy Consulting

- Deep Industry Knowledge
- Point of View
- Tell

**Process Consulting.** Some argue that process consulting emerged as early as the 1920s, however the field is more widely believed to have begun in the 1960s when academics from Harvard and MIT leveraged research on group dynamics, applying theory to “real world” settings. These academics-turned-entrepreneurs were studying individual drivers of motivation, the impact of leadership style on behavior, and various business environmental factors that might impact the performance of organizations or work groups.

Process consultants offer an industry-agnostic process with facilitation as their core skill set; they focus on implementation and execution from a people and work process perspective. They often think from a “systems” perspective offering a holistic organizational view to a problem. They typically come from Ph.D. programs in organizational behavior. Their core area of expertise are organization systems, team dynamics, culture, leadership, and motivation. Core services include large-scale or transformational change efforts, strategic planning and problem solving, and organization structure design. Process firms generally are smaller, typically boutique/network-based firms, or consultants who operate independently.

A central assumption of the process approach is that the client has the knowledge and insight needed to make key strategic business decisions. The essential service is ensuring the entire organization is fully aligned, thereby enabling the implementation and execution of strategy. We have seen many situations where process consultants have followed the work of strategy consultants, helping to implement the strategies they outlined and recommended. It was *this observation* that led to the central thesis and the core purpose of this paper.

## A Hybrid Model

We believe that unique value comes from those who operate in both modes; those who offer support at the **intersection** of process and strategy consulting, utilizing the core skills from each approach, offering clients the best from both approaches and areas of expertise.



This hybrid model is ideally suited for situations that call for innovative solutions to complex organization and business challenges. These practitioners understand both consulting models and

bring the right balance of analytics and insight, with an equally strong focus on organization dynamics and conditions for successful implementation. They have the skills to create the right process and environment for leadership to collectively solve a business problem. They also bring industry knowledge to the work or they will bring in additional experts who can help answer specific questions about trends, competitor strengths, or customer/market requirements.

This approach can be particularly powerful and fruitful because it can help generate new business insights, while dramatically increasing alignment and the ability to execute. The strength of this approach rests upon industry-knowledge to frame the problem/opportunity, strong facilitation skills to enable rigorous evaluation, outlining the collective responsibility of all stakeholders for successful implementation and execution. These consultants deploy a question-based approach, creating meaningful models or frameworks that stimulate important dialogue and decision making. Additionally, and not insignificantly, these consultants are often well-positioned to withstand the pressure to resolve questions too quickly, encouraging clients to push through difficult topics and moments.

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## Choosing the Right Consulting Partner

As a consumer of consulting services, it's important to choose consultants that match the situation you are facing. Knowing what you need is essential in determining the right kind of consulting support. Here are four factors to help you evaluate:

**In-house Knowledge:** This is the degree to which you have sufficient industry or functional knowledge within your organization about the issue or topic under consideration. The more you have in-house expertise and experience relative to the problem statement at hand, the less you need external support to understand trends, competitors, customers, or the overall landscape. Conversely, if you have less in-house expertise, you might be best served by deeply knowledgeable strategy consultants.



**Internal Collective/Shared Solutions versus Critical Few Decide:** This is the extent to which you would like the solution to be determined by a wide range of internal stakeholders, rather than be determined by external experts, or a smaller group of senior leaders. Because of the value they place on change management, hybrid- and process-oriented consultants will advocate for a more participative process. This factor is often based on the amount of time that leadership is willing and able to spend engaged in the diagnosis and decision-making phases. Process and hybrid consultants require more time from leaders for diagnosis and decision-making (e.g., working sessions to create a shared view of the problem/opportunity statement and considering the pros and cons of various solutions).

**Immediate Need for Strategic Change.** When there is significant pressure to change the business quickly (e.g., to address a negative trend), strategy consultants are most valuable. They can move relatively quickly with rigorous analysis to provide recommendations based on sound market/competitor judgment. If there is no immediate need to implement changes to the business model, then a more process or hybrid approach may be beneficial. For example, you may want to outline the direction for a longer-term strategic shift or plan. This is clearly a judgment call because even in situations that require speed and effective implementation, an argument can be made to “go slow to go fast.” There is a tendency to want to move exceedingly fast and short-change process, but the hybrid approach can be effective when you not only want to ensure you have the right strategy, but also want to increase the likelihood that you can execute it effectively and efficiently.

**Need for Change and Implementation.** Consider the degree to which the change is necessary for the business to continue to perform and grow. If you are looking for more significant change to your operating model that requires a larger amount of alignment to minimize the risk of limited or no implementation, then a hybrid or process-oriented approach might be necessary. However, if speed to execution is critical and if you are willing to drive adoption top-down, then strategy consulting may be best. Our assumption is that if there is not an overwhelmingly clear and immediate market-driven rationale compelling the organization to adjust, it’s more likely to continue in the direction momentum is currently moving.

## Questions to Ask Prospective Consultants

With this understanding of consulting service models and a clear assessment of what you need from the engagement, here are questions you can ask consultants when evaluating fit:



**How often do you see strategy work actually implemented?** This can help you understand their experience, but more importantly the extent to which they think about both strategy creation and implementation. A person who plays in the middle of the continuum will roughly spend an equal amount of time discussing both these issues, working from a facilitation *and* expert point of view.



***What are the trends in my industry (e.g., technology disruptions, innovations, etc.)? How are expectations of my customers or stakeholders changing?*** These questions test for understanding of value drivers. Depending on the nature of the engagement, it may be important that your consultant is familiar with these trends, requiring either a basic or deep understanding of this knowledge.



***What are the typical barriers to implementation and execution?*** There are several common barriers, and they are often a combination of core capability, technical/functional, organizational, and/or leadership capability gaps. Someone who can speak fluidly across these topics can likely better help you with transformational changes to your business.

## In Conclusion

There are many consultants and firms that offer strategic planning, scenario planning, and strategic decision-making services. Consulting firms have varying levels of expertise with both models. Some can deploy experts in both areas; however, I have found that firms with true expertise in both areas is rare. Both consulting models offer compelling value propositions and consultants who can operate at the center offer a unique set of services. Understanding your needs and your ability to partner helps choose the right consultant to address the right issues, thereby increasing the likelihood of achieving your fundamental objectives.

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