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The SAC® Release

Consultants Highlight Three 2012 Business Trends

The Society for the Advancement of Consulting® has asked its global members to highlight the wisdom (or lack thereof) of turning to external, expert resources. “We, as consultants, are often those resources,” says SAC® CEO Alan Weiss, PhD. “but even we believe that there are times to use us times not to.”

“Many blind spots in your business are known or foreseeable internally yet require an outsider to shine the torchlight,” says Gary W. Patterson, the FiscalDoctor® www.FiscalDoctor.com, an enterprise risk management expert in Atlanta, GA.

This occurs because your executives know the issue exists and should be addressed, but want someone else to address it because (a) they do not have the bandwidth (overworked executives), (b) feel others would blame them for not highlighting this issue earlier (Social Security), or (c) the cost of ignoring an issue (Penn State).

David A. Fields, Managing Director of the Ascendant Consortium, advises companies on this very issue, as well as how to maximize the value of experts when you do decide to outsource. According to Fields, you need to answer two questions: “*Can we achieve our desired outcome on our own?*” and “*Should we achieve our desired outcome on our own?*” The classic reasons for turning to consultants—capability and capacity—both fall under Fields’ *Can we?* question. Efficiency, criticality, source of competitive advantage, and similar considerations help you answer *Should we?*

Fields takes a position not heard by many consultants, explaining, “It’s surprisingly common for senior executives to turn to the outside when they can and should utilize inside resources. Often they can achieve success much faster and more efficiently by using the smart, experienced personnel on the payroll.” He cites the example of a small, West Coast retailer that asked him to help restructure their buying organization. After listening to their situation, Fields gave them a few pointers and told them they would be perfectly fine doing it themselves.

Unsurprisingly, Fields also sees situations where braggadocio, overconfidence, and ego have led executives to stiff-arm outside experts while running headlong into mediocrity or disaster. “Show me a company that has plateaued and I’ll show you a management team that has not invested well in outside expertise,” he claims. A whitepaper including models and checklists for when to use a consultant is available from Fields at <http://www.ascendantconsortium.com/in-or-out.htm>.

Dr. Maynard Brusman is a San Francisco Bay Area consulting psychologist and executive coach and member of the Society of Industrial and Organizational Psychology. He is the president of Working Resources, a boutique strategic talent management consulting firm. www.workingresources.com He offers a few insights:

“When your organization is faced with problems that won't go away, engaging external resources may be your answer. In the long run, you can save time and

money by finding and funding the right assistance to help you overcome a current obstacle or avoid costly mistakes in the future. A good consultant, looking at your situation objectively, should be able to identify and implement the solution to your problems and help you improve your condition more quickly and efficiently than you or your staff.”

Dr. Brusman further notes, “It’s critical to engage an outside resource when you need an objective point of view. When you are very close to a situation, there is often a tendency to favor a predetermined rather than a creative solution. Engage outside help when your organization is facing a major crisis, or when it seems to be operating in a crisis-management mode. Seek professional assistance when the problem requires special expertise, such as knowing how to buy a computer system, manage accounting or address legal issues. In these lean times, when your organization's financial situation is not favorable toward hiring permanent staff with all the consequential financial obligations consider hiring people on a project basis. If your situation fits into any or all of these scenarios, a consultant's services or possible other appropriate external resources are quite likely a worthwhile investment.”

“There are three situations when organizations should bring in external resources,” said Linda Popky, president of Redwood City, CA-based strategic marketing firm Leverage2Market Associates. “First, when they need specialized skills or competencies that are not available with their current staff. Second, when they need to supplement existing internal resources to meet project requirements or handle peak demand. And, third, when the internal team needs to get a fresh perspective or new ideas on how to handle a tough, ingrained problem.

“In all cases, it’s important to set up the process so that the internal team understands the additional resources engaged are there to help. Consultants and contractors are successful only when their client team succeeds. Setting up an us-vs.-them scenario isn’t useful for anyone,” she said.

“Consultants who take on any project,” says Weiss, “regardless of the client’s potential to do it better, faster, and more inexpensively internally, don’t help, and we’re educating our members constantly on how to help a client by not helping when it’s not in the client’s best interests.”

“If you don’t know whether you need outside help, you probably do,” says Ann Latham, president of Uncommon Clarity, Inc. (www.uncommonclarity.com), a consulting firm in Massachusetts. “As soon as you step outside your core strengths, you are experimenting. If you have the time to play around, or the matter is quite unimportant, external resources may not be worth the investment. On the flip side, there is no substitute for knowing what you are doing. Most companies cannot afford to play around, take the slow route, or waste time heading down the wrong path.”

SAC is an international association of consulting professionals who subscribe to an industry code of ethics and have provided evidence of significant consulting results among their clients. For more information, please go to <http://www.consultingsociety.com>, write to info@summitconsulting.com, or call 800/825-6153 (401/886-4097).

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