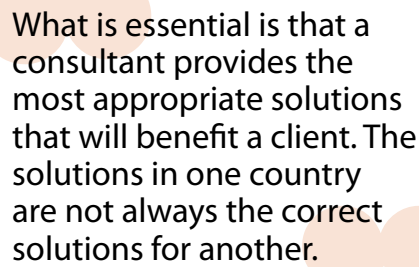




CONSULTANT SELECTION

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IMPORTANT CONSIDERATIONS
TO MAKE WHEN SELECTING
A CONSULTANT.



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Introduction

People's experiences of consultants can be mixed - from extremely favourable, where the consultant has truly added value for the services that it has provided, to extremely poor, where the customer has simply had his/her views and information repackaged and returned in a glossy report.

A quick internet search came up with the following quotes about consultants:

- "All too many consultants, when asked, 'What is 2 and 2?' respond, 'What do you have in mind?'"
- "A consultant is someone who saves his client almost enough to pay his fee."
- "A consultant is someone who borrows your watch to tell you what time it is, and then charges you for it."

So why is there such a range of feelings towards consultants and what is it that would cause people to produce the statements above? The aim of this article is to try to identify why good and bad experiences occur so that companies can select the right consultant for the right task.

What is a consultant?

One definition of 'consultant' found was: "An individual who possesses special knowledge or skills and provides that expertise to a client for a fee". This, broken down into more basic elements, includes the possession of specialist knowledge and skills as a prerequisite. Most of the time this knowledge is built up with experience gained from working within a particular industry. For this reason, many consultants are approaching the end of their working life and, in fact, many clients expect their consultant to have grey hair! Experience is essential in consulting and credibility is gained even before the work has started if the consultant can demonstrate the different roles that he/she has held during his/her career. For example, if a consultant has moved through the ranks from engineering into production, followed by plant management and an executive role, the client should have confidence that the consultant has a broad perspective and vision of the industry.

The next challenge is to apply the expertise to the particular situation. This may be a particular area where some of the disappointment is felt when employing consultants. What is essential is that a consultant provides the most appropriate solutions that will benefit a client. The solutions in one country are not always the correct solutions for another. For example, recommending an alternative fuels programme in a country where cheap fuel

is abundant is a sure way for the client to be disappointed. Therefore, international experience is often another good prerequisite for a consultant to have. Not only will this allow for appropriate recommendation and solutions to be proposed, but the consultant will also have an understanding of "how things work" within a particular country. This can be especially important when it comes to issues with manning levels and union laws.

The final part from the definition is the fee. Consultants are considered a costly expense, especially as no physical goods are delivered. When a company invests in a piece of equipment they can see what they are getting for their money. When engaging a service provider, the goods are not visible and therefore it is often more difficult for the client to justify the expenditure. Furthermore, when companies spend money on equipment it is normally done through capital expenditure and not from the operational budget. When a consultant is employed, the cost is normally taken from the plant operating budget and thus comes off the plant profitability. The company therefore must have confidence that the return on investment is at least going to cover the expenditure and gap in the budgeted profitability. It must be remembered, however, that a consultant is selling experience that is not easily gained and is putting a value on the experience that he/she feels is justified.

Matching expectations

Regardless of the product or service that is being sold or purchased, satisfaction or dissatisfaction is achieved by meeting the expectations of the purchaser. When people pay very little for a product, their expectation level is generally fairly low and they are typically unsurprised when the product fails after a relatively short amount of time. At the other end of the scale, when a purchaser pays a high price, the expectation level is equally high. It is therefore critical that these expectation levels are set correctly and agreed in advance. In this way, all parties are clear on what should be delivered for the fee. Some suggested areas that should be covered in setting these expectations are given below.

Get the right person for the job

Consideration should be given as to whether a specialist or a generalist consultant should be selected. For example, the failure of a mill gearbox requires specialist knowledge, whereas a review of plant operations would be more suited to a consultant who has had roles in engineering, production and plant management, who can visit the plant and quickly identify how well procedures and practices are implemented. Furthermore, it is important to decide whether the consultant has experience within the business and whether this is a prerequisite. Obviously, for the case of the mill gearbox, the consultant must have experience of that type of equipment; however, for the plant operations review all types of consultant may be considered – from cement specific consultants to any of the major international consultancies. There may be benefit in using a non-cement consultancy, but care must be taken that the consultant understands the business that they are coming into and that the recommendations that they make can actually be implemented. Furthermore, when using a consultant from outside the industry, the client has to spend some time actually educating the consultant about the industry. Obviously, this time will be chargeable and is probably

responsible for the previously mentioned quote referring to the consultant borrowing the client's watch.

Decide how to measure success

If all parties are clear what the outcomes are at the start of the project then it should be much easier to judge whether the work has been successful or not. In many cases this should be relatively easy to gauge if the project is related to increasing output or reducing fuel consumption. However, with projects relating to items such as training, it is important to devise a way to demonstrate to the client that value has been added. Perhaps, in this situation, testing the participants before and after the training would be suitable. From the consultant's point of view, projects are sometimes not judged to have been a success, but this can be due to the client not implementing the recommendations that have been made. This can be for any number of reasons, e.g., lack of resource or lack of capital. Therefore, the client needs to make the consultant aware of any such restrictions at the start of the project so that realistic recommendations can be made - perhaps by setting short, medium and long term targets.

Payment terms

Consideration should be given to how much the company is prepared to pay for the services and how the consultant is to be paid. Should the consultant be paid by results - perhaps per tonne of additional clinker - or by improvement in run-time? Often, consultants and clients are unwilling to work on this basis for different reasons. From the consultant's point of view, it is dependent upon all of his/her recommendations

being implemented which, as mentioned above, is not always possible. From the client's point of view, payment by results might lead the consultant to lose focus on the specific task in the quest to hit their target. Also, the method by which the target is achieved can be difficult to quantify and add to the workload of those on the plant, e.g., monthly way-offs of clinker to assess increases in output.

What does the consultant require?

At the start of the project it is extremely important that the requirements of the consultant, as well as the client, are identified. It may well be the case that the consultant will require resources from the plant during the visit, such as one of the engineers to review shutdown plans or a team of process engineers to assist in plant measurements. The consultant will normally require access to the plant records relating to production, reliability and quality to assess plant performance and valuable time can be lost on a plant visit if this information is not available in advance.

Summary

It is clear that if the results meet the expectations then all parties will be satisfied. Therefore, the key element is setting the right expectations. Successful consultancy companies are so because of the results that they have achieved and the reputation that those results have given them. Consultants tend to gain more work through word of mouth recommendations from satisfied customers, so it is in their interest to deliver the results every time with the aim of building a long term, mutually beneficial relationship. 🌐