

# CEO

Chief Executive Officer

Best-practice solutions for business leaders worldwide



resultancy<sup>®</sup>

bringing *LIFE* to strategy

[www.resultancy.com](http://www.resultancy.com)

# Resultsmanship

The How in Ethical Consultancy Know-How

# RESULTS ARE ALL THAT COUNT

The only way to get results and accountability from management consultants is for CEOs to demand a better service. Dr Matthew Barekat, founder and managing partner of Resultancy, explains how to put the onus back on the consultants.

**T**he recent news that Scottish & Newcastle is suing PricewaterhouseCoopers over management consultancy advice has put the critical spotlight back on the management consultancy firms. Apparently, S&N alleges that PWC's plan to reorganise the company's distribution cost a fortune, did not work and had to be abandoned after much pain and anguish. PWC is contesting the suit.

MORI's Captains of Industry trend data shows the overall opinion or impression of management consultancies is on a downward trend. The assertion that the instinct in most corporate boardrooms will be to sympathise with the brewers is not far off the mark.

Our own findings also support the contention that there can be few company directors who have not felt short changed as the high-powered, highly paid team of external consultants reveals its findings.

I would disagree strongly, however, with the current crop of critics if they think management consultants do not recognise the need to do something to restore the tarnished reputation of their profession. Admittedly, most dissatisfied clients and disillusioned consultants have chosen to keep quiet because of a widely held belief that to do so would change nothing and may in fact harm their own careers.

I believe, however, we have reached a cultural tipping point and the collective purchasing power of clients could catalyse consultancy firms to take a fresh look at the way management consultancy services are conceived, priced and delivered.

## KNOWLEDGE IS POWER

The current crop of cyclical bad press for management consultants differs from the past. This time, the angry chorus of detractors has been bolstered by a credible insider-turned-whistleblower (David Glass, alias David Craig), who has published two books of insider evidence.

His books chronicle the increasing loss of professional integrity and the growing importance of salesmanship as the dominant feature of the consultancy corporate culture. The clichéd consultancy jokes, far from exaggerating reality, have been shown to reflect clients' everyday experiences.

Could this be the knockout punch that will trigger the long-desired renaissance of integrity-driven management consultancy? Maybe – though it has to be said that the consultancy reactions to the current situation are remarkably similar to the 'this too shall pass' approach to previous cycles that succeeded in preserving the status quo by not engaging in any discourse with the critics. The

omens for shaming consultancies to undergo an inside-out culture change therefore would not seem to be good.

For a number of years now, unbiased measures of overall opinion and impressions of the management consultancy profession have been on a downward trend. Yet the cumulative evidence of client mistrust and the occasional lawsuit have not brought about a material culture change.

The problem with the critics throwing in everything but the kitchen sink and the consultancy firms putting up a banal non-defence is that the clever PR strategy has had the unintended consequence of successfully preserving the status quo instead of promoting the fact that not all management consultants are culprits in a mass client deception ring.

---

## "Effective management consultants 'walk in their clients' shoes'."

---

Speaking publicly against malpractice carries career-damaging risks. And corporate malfeasance can always be whitewashed through rebranding and metaphor-laden advertising. That is why, on the whole, professional management consultants who are unhappy have opted to leave quietly to more wholesome corporate pastures.

## WHO IS ACCOUNTABLE?

At its heart, the issue that most infuriates clients and armchair critics centres on the profession's lack of accountability. If we can resolve this core deficiency, a great many ancillary sources of annoyance, such as arrogance, incompetence and malfeasance, will also disappear.

Lack of accountability started out innocently enough, as seemingly sensible contractual small print at the birth of strategy-consultancy practice. It was rightly argued that to preserve the independence of the nascent profession, consultants should never promise to deliver anything that they could not fully control.

Thus it was deemed professional to say that consultants stand by the accuracy of their analyses and the academic / statistical soundness of any conclusions extrapolated from them because this was under their control.

The consultant's quality of service would therefore be measured by the thoroughness of his strategy report; the value was in the analyses and conclusions. The addition of further small-print disclaimers reinforced consultants' immunity from

the adverse consequences of companies actually attempting to follow their recommendations.

As companies struggled, went bust or lost money trying to piece together these strategic master plans, absence of accountability ensured that this lucrative and high-powered profession could not be held accountable for anything other than the soundness of its analysis.

As the strategy consultants' defence tended to put the blame on clients for not executing their plans as intelligently as they had conceived them, the seeds of the next bugbear, 'open-ended charging', were soon sown.

Again, it started out with the best of professional intentions. Companies clearly lacked the requisite management competences to put these brilliant strategies into action. There was therefore a need for operationally competent consultants to help companies successfully implement strategy.

But the strategy consultant's small print was also inserted into these functional and operational consultants' contracts. Clearly even these experts with real-world management experience could not be held accountable for delivering on their promises because they did not have the requisite control over the actions of clients' management.

And since there were too many factors outside of their control, it was also difficult to be too precise about how long each project would take to complete. But it was possible to fix the chargeable hourly rates. As many clients have discovered,

## **"We must cull the cult of 'say-whatever-it-takes-to-get-the-assignment' salesmanship."**

signing such contacts is equivalent to handing over your company chequebook and saying 'please let me know when you have had enough'.

### **CHANGING THE CHANGE-MERCHANTS**

Management consultancy also operates in a demand and supply ecosystem. CEOs and boardroom directors can and should leverage their considerable purchasing powers to change the change-merchants. 'Go re-engineer yourself' should be the blunt message. What the management consultancy sector needs is a demand-side shock.

The unpalatable truth is that the slick salesmanship at work during the consultancy selection beauty-parades often bears little resemblance to what clients will actually experience after signing up. The answer is to cull the cult of 'say-whatever-it-takes-to-get-the-assignment' salesmanship.

In its place, companies should judge consultants and their firm's corporate culture on their compliance with the principles of 'resultsmanship'. Resultsmanship is the antidote to irresponsible salesmanship and is the intuitive behaviour of integrity-driven management consultants, many of whom,

alas, have had to play second fiddle to the brazen breed of professional fees chasers who currently hold sway.

CEOs who are hooked on the belief that management consultants are the cure for every corporate ill, are inadvertently perpetuating a subtle form of corporate inferiority complex.

It has done wonders to boost the egos of MBAs without any business experience to see themselves as natural management consultants, but what has this belief done to the morale of your employees?

At its core, resultsmanship is about aligning clients' interests with those of management consultants. It achieves this through a simple reframing of what constitutes value-add in any given assignment. By shifting the value delivery focus from paying for quality input to that of paying for quality outcomes, all the boastful salesmanship and abuse of trust malpractices cease to be income generating.

Resultsmanship institutionalises accountability for consultancy assignments' outcomes. It achieves this by training management consultants in the art of consultancy effectiveness. And effectiveness is a quantitative measure of delivering or exceeding clients' expectations as measured by clients only.

It may sound like the value statements you read on consultancy brochures – words like 'we aim to exceed / surpass client's expectations' – but similar things are not the same things. People who aim to do things often miss their target. Consultants are either effective or they are not. If they are effective, they deliver on their promises and get paid accordingly. If they are not, they do not get paid.

Resultsmanship principles make consultants focus on and comprehend the unique characteristics of each client, and build solutions around their strengths. This means they do not sell consultancy processes, methodologies or products. Instead, they bring the precise skills required to help companies move from where they are now to where they need to get to, and they are rewarded on the basis of what they achieve.

Effective consultants start with the assumption that the answers to every corporate challenge already exist. They simply need to help uncover them. This approach enlivens corporate cultures instead of demoralising them.

Because effectiveness necessitates a relentless focus on achieving the desired outcomes as soon as possible, the incentive to procrastinate because it increases their chargeable hours is removed. By paying consultants only for delivering whole strategic outcomes, you help put an end to assignment outcome lottery. Warren Buffett prefers executives who 'walk in their shareholders' shoes'. Effective management consultants in turn walk in their clients' shoes. ■



**Dr Matthew Barekat**



Resultancy Limited  
One Cornhill  
London EC3V 3ND  
t 0207 222 4444  
f 0207 222 3333  
results@resultancy.com

USA/Canada  
t 1 800 80 66 080  
www.resultancy.com