



# 4th Annual JCF Conference: Consultancy: a survival guide to today's market

Hosted by the British Computer Society's Consultancy Group

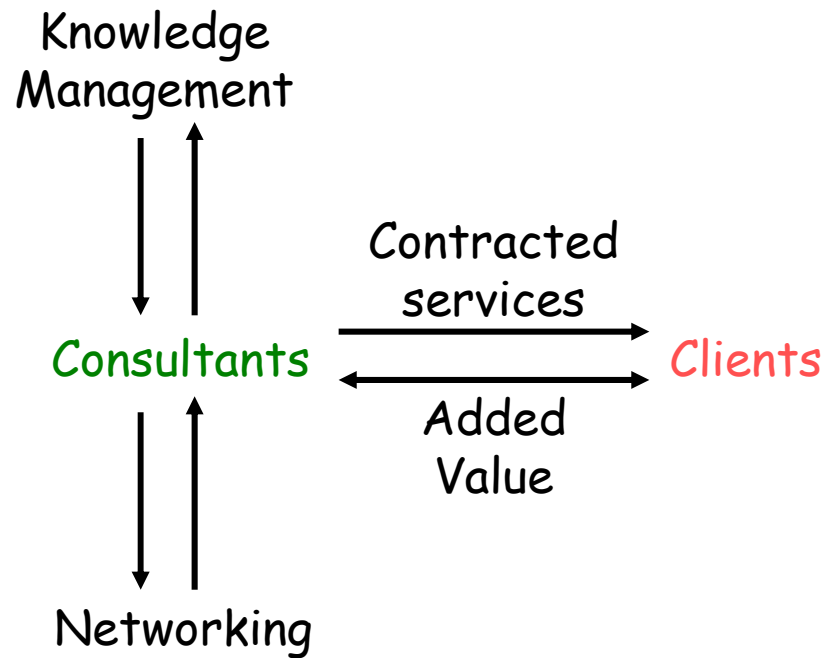
Tuesday 26th June 2007

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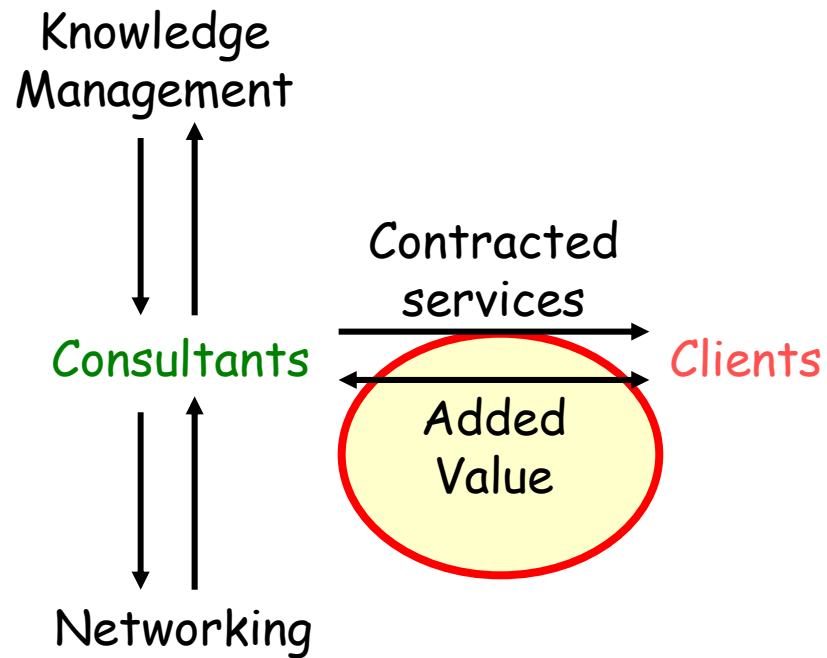
## Considerations on Consultancy Performance: Delivering Added-value through Knowledge Management and Networking

Simon A. Burtonshaw-Gunn

Considerations on Consultancy Performance:  
Delivering Added-value through Knowledge Management and  
Networking . . . .



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*Consultancy Added Value . . .*

*"Give a man a fish and you feed him for a day.*

*Teach him how to fish and you feed him for a lifetime"*

Lao Tzu (570 - 490 BC)

*But no all share this view. . . .*

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*Consultancy Added Value . . .*

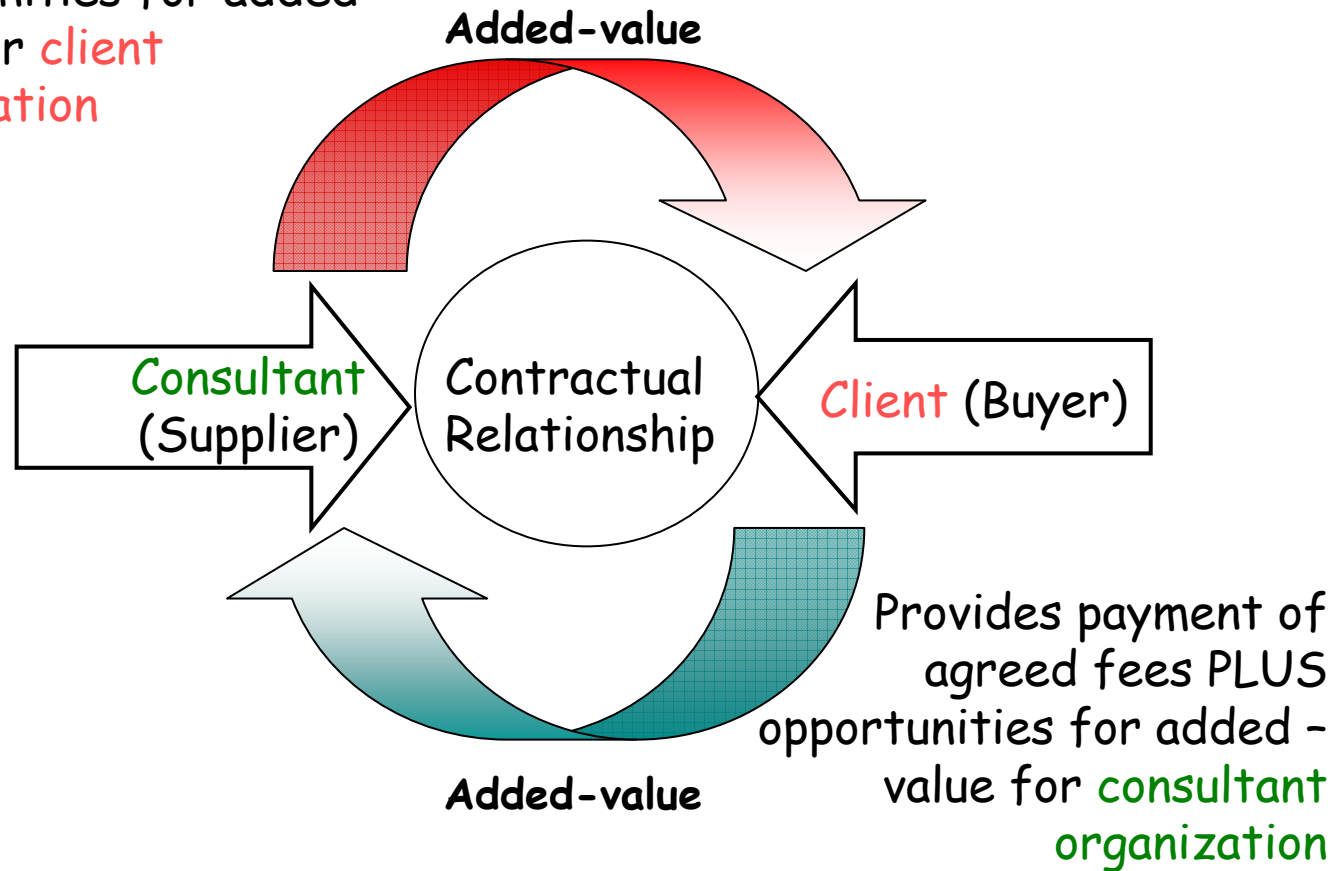
*"Catch a man a fish, and you can sell it to him.*

*Teach a man to fish, and you ruin a wonderful business opportunity."*

(Karl Marx 1818 - 1883)

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Consultancy delivery PLUS  
opportunities for added-  
value for **client**  
**organization**





Added-Value to Clients . . . . .



## Added-Value to Clients . . . . .

- **Rapid response and flexible resourcing** with immediate use of skills and experience (no recruitment, training, or termination costs).
  - **Acquisition of specialist advice**, processes into business as 'best practise' from wider consultancy assignments, industries etc.
  - Consultant introduction of other **specialist consultants** without delays in further tendering, assessment and selection by client.
  - Project **risk reduction** from gaining expert advice and opportunity for client to reduce risk contingency allocation.
  - Clients can value consultancy delivery with a **multiplier affect** on the impact on the business e.g. impact on its larger-scale business operations.
  - The client's staff can learn from Consultants through **knowledge transfer and training**,
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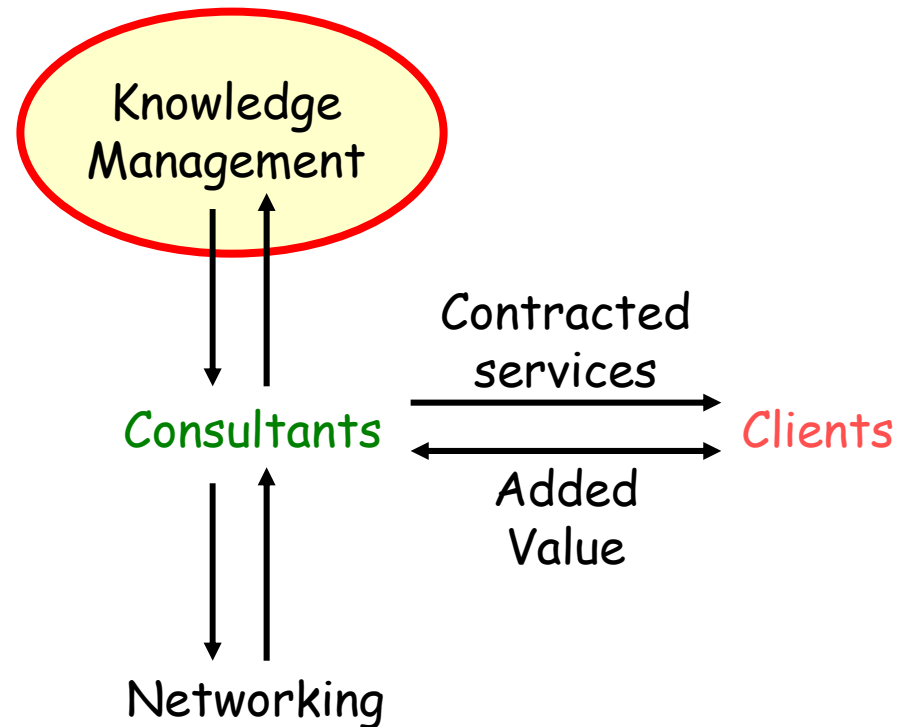
Added-Value to Consultants . . . . .



## Added-Value to Consultants . . . . .

- Establishing a **track record** with a client or in an industry or work type.
  - Developing **further work** based on knowledge of client needs, offer a vastly reduced 'learning curve'.
  - **Using own network** to undertake work or gain support from other specialist consultants.
  - **Business development** opportunity to use the consultancy tasks as a lead into follow-on work as part of "one-stop-shop" approach.
  - Consultancy track record can be **marketed as a business enabler** with a multiplier affect on its impact on the client's business
  - Developing **knowledge** of clients and other businesses
-

Considerations on Consultancy Performance:  
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Networking . . . .





Looking backwards . . . .

*"Knowledge is the driver of economic progress and basis of power"*  
Aristotle 384-322BC

*"Knowledge is power"*

Francis Bacon 1561-1626

*"Action is power; and its highest manifestation is when it is directed by knowledge"*

US Senator Thomas W. Palmer 1830 -1913

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*"The fundamental problem in a market economy is the acquisition of information by the **right person** at the **right time** and **right place**. Such information is **valuable** because it can be used to allocate resources efficiently and allows the user to keep part of these gains as profit e.g. the entrepreneur who realises there is unmet demand for a particular product in a particular time and place".*

**Friedrich von Hayek  
'The Use of Knowledge in Society' 1945**

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50 years later . . . .

*"Knowledge Management is the explicit and systematic management of vital knowledge and its associated processes of creating, gathering, organising, diffusion and exploitation. It requires turning personal knowledge into corporate knowledge that can be widely shared throughout an organization and appropriately applied"*

David Skyrme Associates  
'Knowledge Management: making sense of an oxymoron' 1997

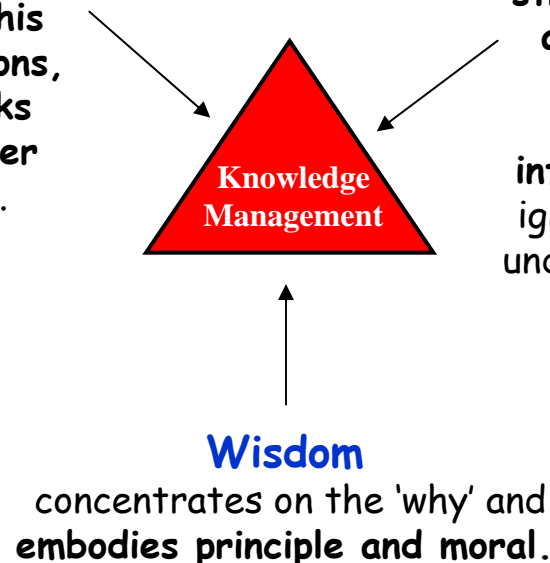
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- The term knowledge management is now in widespread use with almost 800 books on the topic (Amazon search)
  - Some companies have been using techniques to capture and share knowledge across their operations and many followed a two-fold approach:
    - firstly organising existing information and data and
    - secondly facilitating the creation and development of new knowledge.
  - Information, knowledge, and wisdom can be seen to be fundamentally inter-linked as components . . .
-

## Knowledge Management Model (part 1)

**Information**  
covers the 'what, who, when and where' and relates to description, definition, or perspective. **This might consist of facts, opinions, ideas, models or frameworks together with subject matter information and expertise.**

**Knowledge**  
covers the 'how' and **comprises strategy, practice, method, and approaches and is linked to a person's state of being with respect to some body of information.** These states include ignorance, awareness, familiarity, understanding, facility, expert etc.



- The wise words of Rudyard Kipling may also be of use in thinking about KM:

"I keep six honest serving- men  
(They taught me all I knew);  
Their names are **What** and **Why** and **When**  
And **How** and **Where** and **Who**.  
I send them over land and sea,  
I send them east and west;  
But after they have worked for me,  
I give them all a rest".

From The Elephant's Child, Just So Stories, 1904

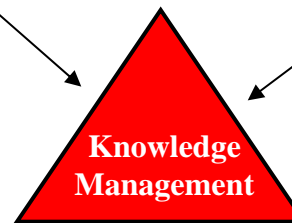
And to quickly return to the previous slide . . .

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## Knowledge Management Model (part 1)

**Information**  
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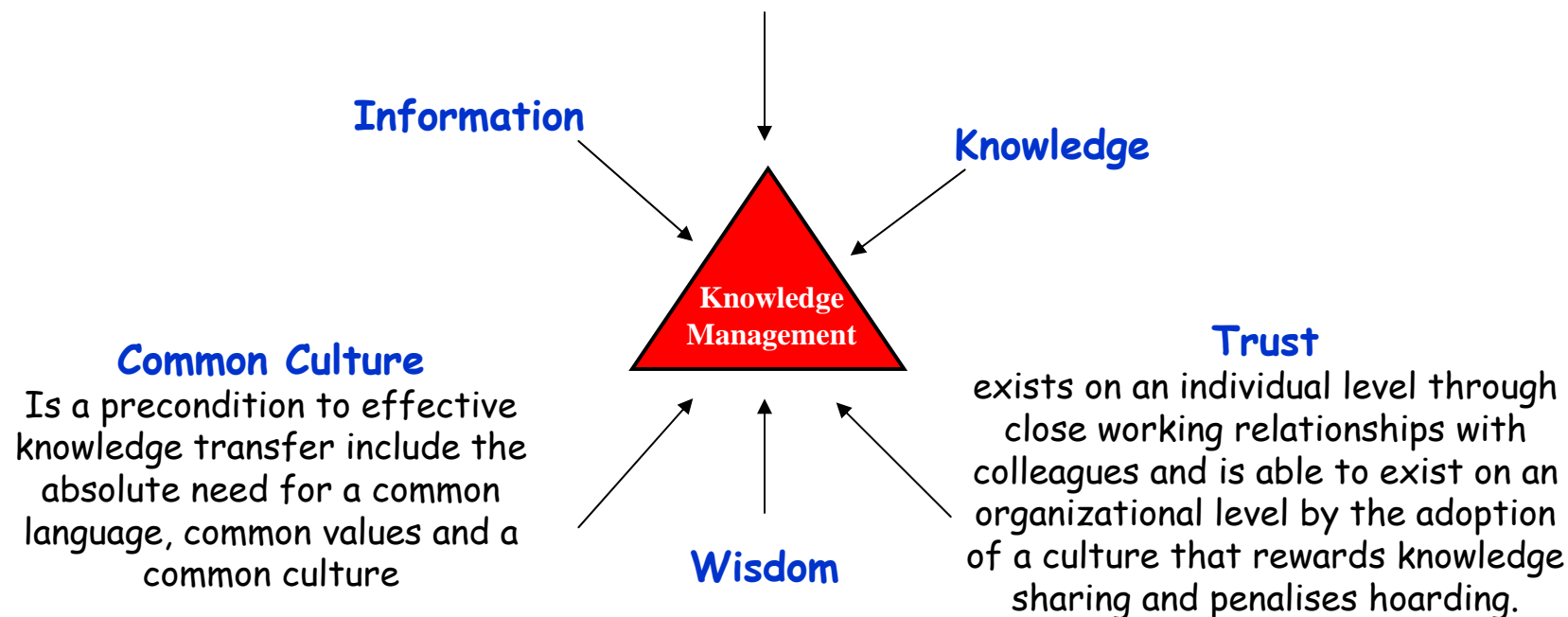
**Wisdom**  
 concentrates on the '**why**' and embodies principle and moral.

- **Information, knowledge, and wisdom** also need three key cultural / behavioral factors:
    - Senior Management Support,
    - Common Culture and
    - Trust.
  - For knowledge management to provide maximum business benefits **all** of these elements need to be embraced and valued.
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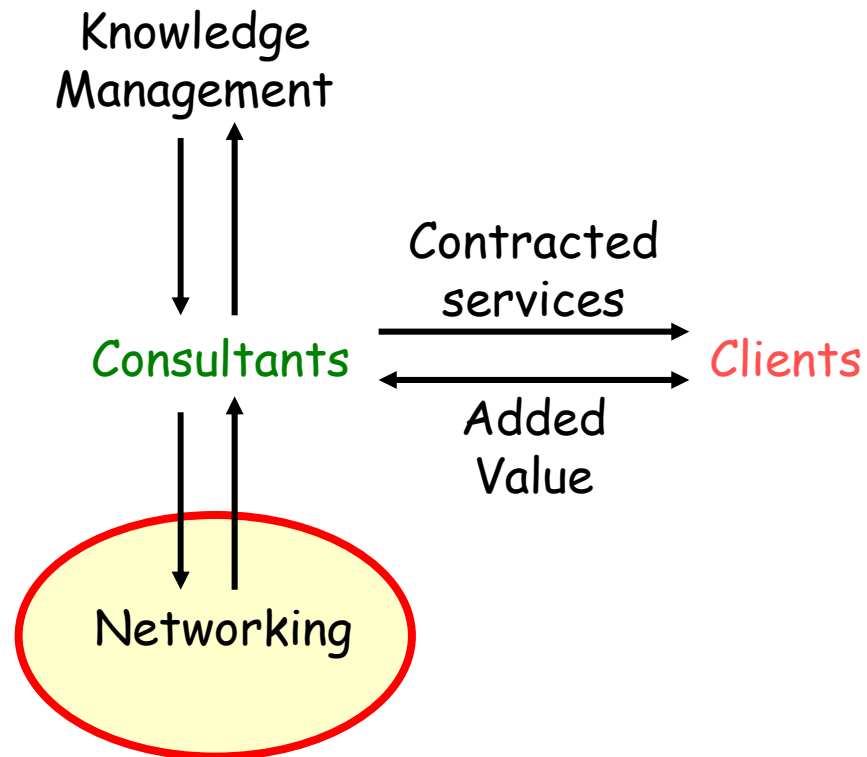
## Knowledge Management Model (part 2)

### Senior Management Support

means thinking of knowledge as a resource as part of its Intellectual Capital. Senior Management support is fundamental to creating a culture of learning, innovating, sharing and achieving.



Considerations on Consultancy Performance:  
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Networking . . . .



## Questions . . . .

- Do you 'network' ?
  - How do you do it ?
  - How do others do it ?
  - Have you been trained and how do you know if you are doing it properly ?
  - Do you have a big network ?
  - Will you introduce me to your networks ?
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## Thoughts . . . .

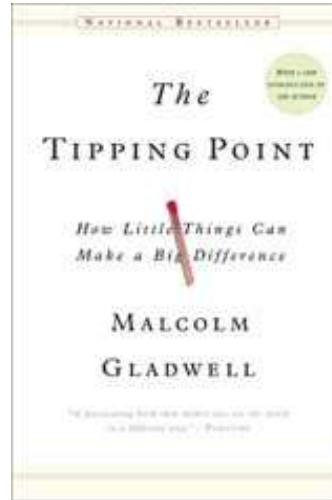
- Selection of where and when to network should be seen to be a serious decision together with an assessment of how much time is available to meet new people and explore common interests etc.
  - On the basis of available time the ideal networking groups or events then need to be pro-actively targeted.
  - Whilst many consultants profess to have access to a large network, in practice there is also a restriction on the amount of people any individual can know, the interaction with groups offers a linkage to other people through the use of a network.
  - Not all networking groups are the same . . .
-



Some groups . . .

- . . . . . provide opportunities to interact with prospective employers and clients, e.g. 'Business Link' breakfast meetings where smaller businesses are encouraged to share experiences and ideas to improve in-house knowledge
- . . . . . enable its members to keep abreast of the latest developments in various fields, such as technical products or managerial processes. These are typical of many professional institute local branch meetings and special interest groups - such as the JCF
- . . . . . provide opportunities for career skills development that will enable attendees to learn more about self-marketing, interviewing, changes in employment legislation etc
- . . . . . Finally in addition to these overt networking groups is the more informal, casual network such as school PTA, 'Friends' of Arts or Charity groups.

- 'Six degrees of separation' (not the Saturday afternoon radio quiz!)



- It is a connection chain between any small group of people to any other in the rest of the world.
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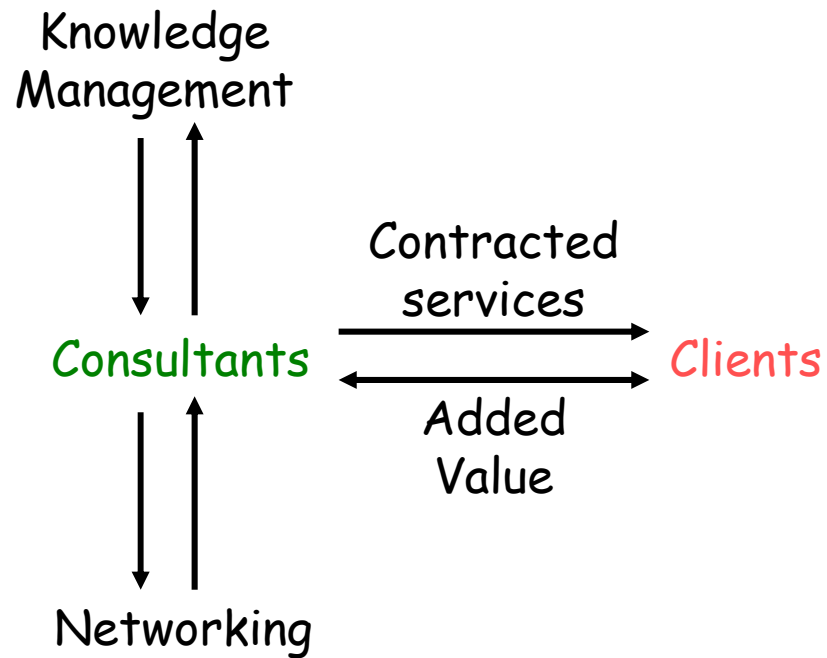
- Chains are only as strong as the weakest link between the networked groups.

# THE WEAKEST LINK

## YOU ARE THE WEAKEST LINK, GOODBYE!

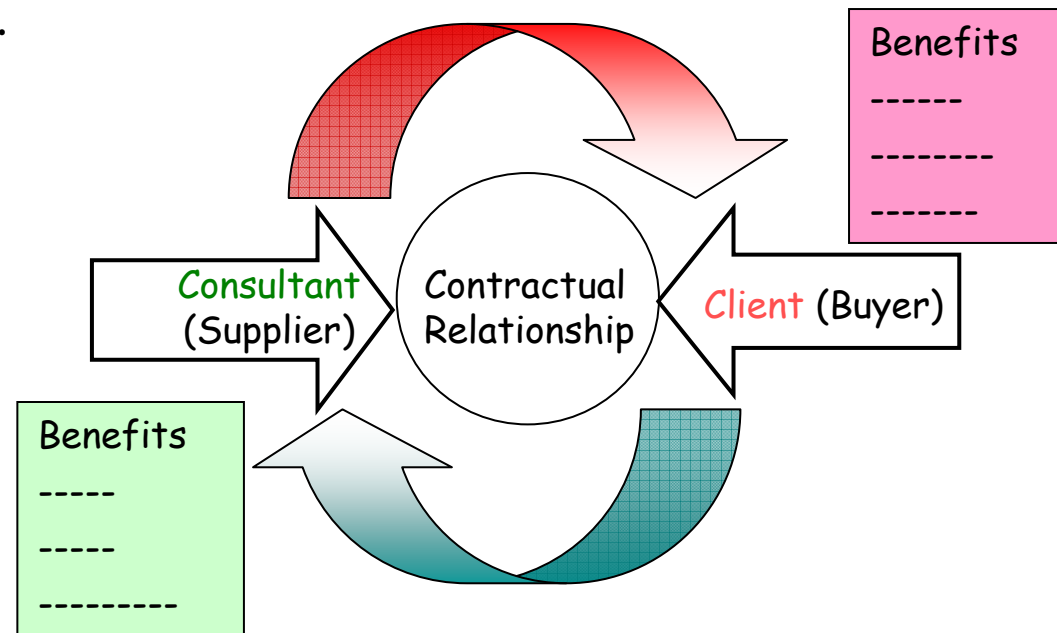
- More importantly the link strength comes from the role that **individuals play in their own local networks** and not by any group trying to organize itself through links to other networks in support of the six degrees of separation concept - an example of **quality rather than quantity** perhaps.
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Three topics of the presentation are linked to the Conference theme with an aim to bring these into a single focus of **consultancy performance**. . . . .

The **'added-value'** element examined beyond that of the normal contractual agreement with opportunities for both client and consultant.



In addition I would like to propose that the concept of added-value for consultancies can be examined at three main opportunities.



The first opportunity . . .

Pre-contract stage where a subjective assessment can be made regarding the added-value in undertaking a consultancy assignment in relation to the consultants future aspirations.

Such considerations at this stage will include the fit with the overall consultancy profile in terms of market development, particularly if this represents a new venture with a new client or in a new country or region.

Pre-Contract project phase

Value added =

**Consultancy fee** multiplied by **Value of strategic fit** (a value between 0 to 1)  
less **cost to bid and win consultancy work**

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The second opportunity . . .

Project Execution stage when a quantitative analysis can be undertaken. This is likely to cover the cost of the consultancy in relation to the value of the project and the effectiveness of the services provided by the consultant in supporting the project's time, cost and quality requirement.

Contract execution phase

Value added =

Value of overall project multiplied by Strategic value to business less value of consultancy contract

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Before discussing the final assessment phase it is worth returning to consider Lao Tzu's fishing example

*"Give a man a fish and you feed him for a day. Teach him how to fish and you feed him for a lifetime"*

- it is often difficult to establish with any degree of accuracy the long-term value of consultancy actions and over what timescales these can be attributed. However . . . .

An assessment at the Project Completion stage can focus on:

Value added = *Consultancy fee* multiplied by *Value of new work for same client* (or multiplied by *Value to new work in same geographic area or similar work with new client*) divided by *time in years*

The second element was **Knowledge Management** . . .

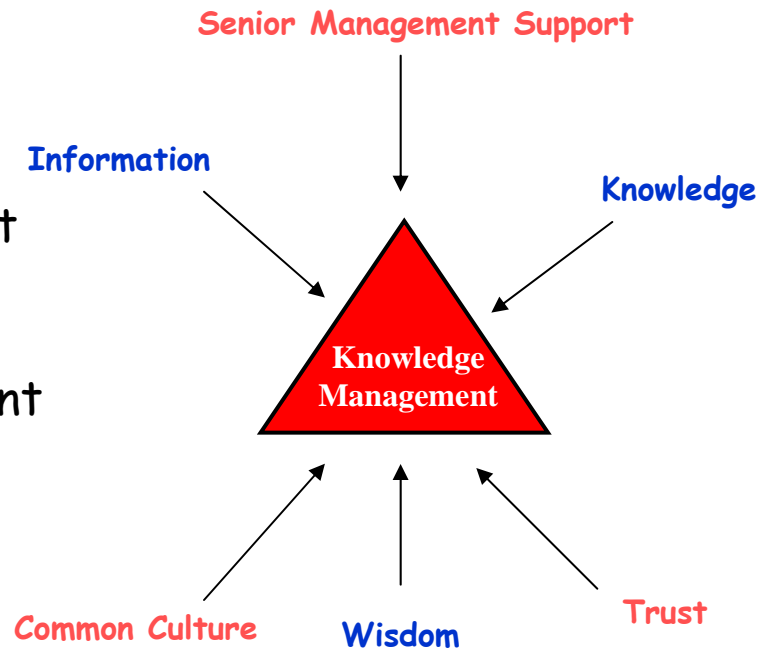
This needs to be regarded by consultants as a key asset on which they trade and considered as a business asset and source of competitive advantage.

The full use of Knowledge Management will allow many organizations to compete, not on the basis of cheapest price or lowest cost commodity but, on the basis on knowledge and its strong intellectual assets - be this a major 'blue-chip' organization or SME consultancy partnership.

The need to replace informal knowledge management with formal methods will increase and whether consultant or client this is likely to require investment in technology and time.

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Investment in KM will be absolutely futile unless the three cultural / behavioral factors of senior management support, common culture and trust become accepted and embedded as part of the client organization and consultancy practice.



The final element was **Networking** to support Knowledge Management and the provision of expert services to clients.

The strength of networking is only fully realized when an individual is known and trusted by the group and where members feel comfortable to make the next connection with another network with which they have a trusted relationship.

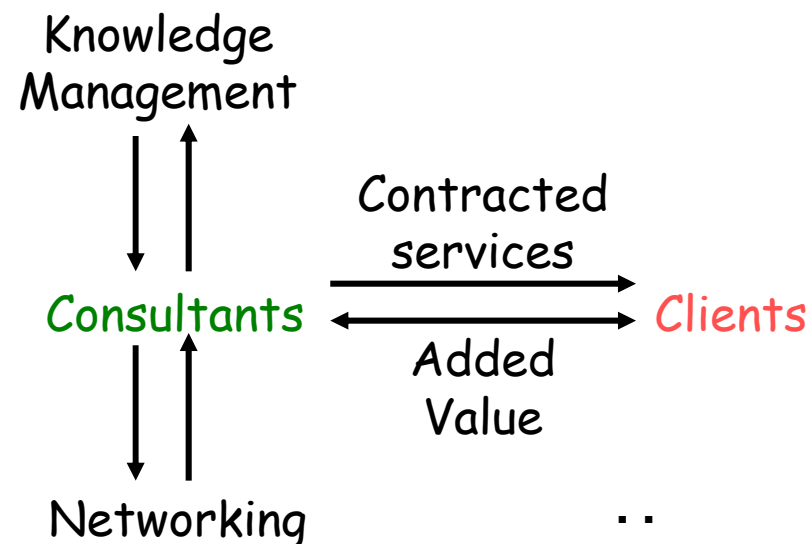
Without developed trust and acceptance the relationship with another network group is likely to fail as the linkage will be immature and possibly regarded as superficial by the new network members.

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## A Conclusion . . . . .

" This conference . . . explore the dynamics of the industry today and some of the essential skills for survival. In particular it will look at the implications in terms of competing in a competitive market with a focus on quality, developing and managing relationships, information and knowledge management . . ."

In response to the above  
I have tried to match  
Added-value to 'Quality',  
KM to 'KM' and  
Networking to 'Relationships'





A Conclusion . . . . .

Each of these represents a significant commitment for both technical and management consultants to embrace and manage

. . . . . accepting the importance of each of these will significantly contribute to the **performance of the consultancy** provision to the **client** and in addition help to **generate more opportunities for the consultant's practice.**

These three topics support today's conference title and should be seen as key elements of the

**"Consultancy survival guide for today's market"**

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