



CONSULTING ON DEMAND

Towards a new form of consulting?

The future of SMEs goes through their ability to develop innovation and international business. This requires from top managers in these companies to be more aggressive and take more risks than ever: new offers, new products, new subsidiaries or acquisitions in foreign countries, new partners...

Taking risks is inherent in top management role, but it can be comfortable at times to get professional advice. Companies may use consulting services. Another solution is to rely on experienced managers, who can provide advice at a minimal cost.

Emerging needs in consulting

Companies traditionally contract with consultants when:

- They need extra brain power (strategic analysis, HR or legal problem, communication or marketing operation or technology expertise)
- They need external professional resource for design and sometimes implementation of a specific solution (global strategy definition, implementation of a new IT system, setting up of a new structure...)
- They need to solve an internal problem
- They want to "nurse" management (counseling or coaching)

3 parameters may influence the choice of consulting:

- Time: speed is more and more crucial in a fast evolving world
- Scope: local (same country), cross-border (export), or global
- Cost (not only the final amount, but also the phasing)

The market for consulting is well organized to answer most of these standard needs, but not so well prepared to offer solutions for the new emerging needs, as a consequence of evolving business necessities (time – international).

I will characterize these new needs by distinguishing what can be considered as the "high end" and the "low end" of the business:

- "high end" or traditional

The customer is a large firm, the mission has a companywide scope and requires external resources, working for the headquarters. The time frame is months to years, and costs are in the range of millions of Euros.

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The mission requires a strong and well established methodology and either very strong analytical skills and market intelligence, or a deep knowledge of an IT solution. It will mobilize a full consulting team, on-site or off-site.

- **“light” or emerging**

The customer is a small to medium size company, or a subsidiary of a large company, facing an operational issue, possibly involving two different countries. Time is super critical (weeks), and accepted cost is in the tens of thousands of Euros.

Most of the resources are within the company. The customer does not want a nice methodology or theory, but good understanding of his specific problem, quick analysis, pertinent advice in both countries, from someone with strong operational experience, and potentially, a follow-up either through consulting or through recruiting. Each dollar spent over time must bring visible value immediately.

Standard consulting offer

For “high end” missions, large consulting firms have established over the years standards of quality which make them perfect resources for board level problems. Partners chase deals, young professionals do the analytical work, and managers drive the project and present the results.

These firms have produced over the years smaller size consultancies, created by defectors applying either the same methodology or their own version.

For “light” missions, these consultancies have neither the people nor the processes to do the missions, and their costs are prohibitive:

- Analysts are mostly young and bright professionals just out of school, selected for their analytical skills. As illustrated in several “career management studies”, they are not specifically interested in consulting, but in adding a prestigious line on their resume.

Project leaders and managers are former analysts who have demonstrated their skills and willingness to climb in the hierarchy. They do not have most often an operational experience.

Associates, partners and senior partners are either lifelong consultants, or former senior executives with a good network and a fat address book, recruited for business development.

The actual operational experience of such teams is close to nil.

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- Processes are heavy: partners negotiate a deal, the mission must be well defined, to protect both sides legally, and it takes time to mobilize the team, and the customer has little choice about the people who will execute the mission.
- Such structures have heavy costs. One day of an associate is already in the range of 10K. And his job is to sell as many junior days as possible. With even only a few junior days, all missions must be in the range of hundreds of k€, far above customer capacity.

“Light” missions are not a business for standard consultancies.

Emerging structures for “light”

The entrepreneurial frenzy at the turn of the century, a new generation of managers has been given the opportunity to grow and mature quickly. They have seized opportunities to create their business, or to develop internationally their business to take advantage of globalization.

The beginning of the 21st century being slightly less inspiring, first with the end of the bubble, then with the crisis, thousands of these professionals are now available.

These people have demonstrated their skills: intelligence, will power, ability to work at board level as well as to get their hands wet, pragmatism and international competence... And they have accumulated through their successes and the vast scope of difficulties they have had to overcome, a strong experience and most important: hindsight.

There is a consequent, worldwide and untapped reservoir of skilled and mature managers, able to provide high value to customers, provided that the offer can meet the need!

These managers cannot join large consultancies, as the cultural gap is too large. Instead, they now try to gather in groups of 5 to 30 to address the “light” consulting needs. These structures can be cost efficient and very reactive, but with two limitations:

- The variety of competences available to customers
- The efficiency of the professionals as consultants.

Variety of competences

Each customer has very specific needs (business problem, sector, size, nature of solution, personality...). When such small consulting agencies only have 5 or 10 available profiles, it is very tempting to oversell the experience of a consultant to match customer’s demand (“You have worked 2 years for Shell

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when you were 25? Good, you'll be our oil industry specialist...", or "My consultant has been to China twice, he knows the country well!")

Efficiency of consultants

Being experienced and knowledgeable is not sufficient. Listening, understanding, analyzing, finding the appropriate experience in one's background, having enough humility not to impose but to propose, but yet enough confidence to convince... This is not granted to everyone. And most important, it is mandatory to find the good fit with the customer, who is himself a "boss" with a strong character... There must be no question at the end of the mission that the customer is ready to pay for the value that was given to him.

How to create a valid offer for customers?

To overcome both limitations, the main solution is to have a large variety of profiles to propose to customers, while respecting 3 mandatory necessities:

- High quality profiles only, to ensure the quality delivered to the customer
- Light and efficient administrative process, to be time and cost effective
- A highly flexible offer, to provide tailor made solutions for both consultants and customers

A large and reliable pool

Creating a large pool of consultants is not very complex, as all have ties in some communities on Internet (alumni, forums, investors networks...).

What takes time, competence and patience is not to gather resumes, but to select and qualify the profiles, and to feed a database with the appropriate data for future search. It may take years, but it then provides the "raw material" for an adapted answer to today's "light" consulting demand.

Light and efficient process

Speed and cost effectiveness are key. And the business is in essence global. The administrative process must be light enough to propose a choice of adapted profiles in a matter of days or weeks. This process must adapt to all countries, as customers and consultants can be located or operate anywhere.

Flexible offer

It is not only a matter of adapting to customer needs, but also to minimize costs. Adapting to customer needs means being able to offer 3 days missions or 3 months missions. It also means to support the customer until full satisfaction, from very short mission to eventually permanent recruiting.

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Last but not least, it also means being creative in the mission's format: a final report is not necessarily a Power Point presentation at the customer's headquarters, with people travelling miles, and paying for hotel rooms. It can be a 4 hours video conference call (or working session).

Conclusion

"Light" consulting can make the best out of modern communication means:

- Match customers and consultants all around the world
- Offer instantaneous answer, and tailor made service
- Provide high returns for a reasonable and progressive investment.

High tech, reactivity, flexibility, low cost and maximum value for customers, that's the future of "e-consulting on demand".

About the author:



Olivier Pujol has worked over 23 years in many countries, positions, and companies. He has conducted business in 12 European countries, in Africa, North America, South America, and Asia, for companies like Schlumberger or Honeywell, as well as SMEs and start-ups. He has been in the position of CEO, COO, field manager, strategy and M&A specialist, business developer, and consultant. He worked on offshore platforms, in the jungle, but also in board rooms and electronic labs.

Over the years, Olivier has specialized in two fields:

- Management of organizations (with the hindsight of many sectors, company policies, and a long practice of management)
- International development of innovative products and solutions (after experimenting himself the challenge of selling innovation)

Olivier holds an MSc of l'Ecole Centrale de Paris, and an MBA from Insead. He can speak 5 languages (French, English, Spanish, Portuguese and German).

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