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Why 'Embedded Consulting' Delivers Better Results for Enterprise Transformation

Different consulting models are implemented when it comes to Enterprise transformation, be it limited or very comprehensive in scope. The issue is to seek maximum effectiveness in these projects: realizing effective, deep and sustainable change with the minimum expense in time and money. In this context we believe that the best approach is to set-up a team comprising mainly employees and complemented with a few external resources with differentiated skills & expertise to foster disruption and bring new ideas and methods on key aspects. This White Paper explains the rationale of this approach and how it can be implemented in practice.

The two consulting approaches

Two extremes can typically be observed on the consulting market when it comes to consulting interventions regarding enterprise transformation:

1. The 'embedded consulting' with a handful of 'trusted advisors' to Senior Management, most of the work being done by employees temporarily assigned to the project and a very limited number of specialized consultants focused on specific capabilities that are lacking in the organization,
2. A large team of consultants coming in and doing most of the work, delivering finished products (typically the business model of large consulting firms).

There are a few intermediate options where specific functions requiring specialized manpower can be fully manned by teams of consultants. Still in general it is possible to recognize the pattern of one or the other extreme at the overall program leadership.

The benefits of the embedded consulting approach

We believe that the first approach, 'embedded consulting' is by far superior when it comes to deep and sustainable results in the organization.

The reasons for this are actually quite straightforward:

- In this option, the organization shows actual commitment by assigning resources to the transformation project. It shows commitment of the top of the organization, that management walks the talk and this can only be favourable to actual implementation,
- The employees directly involved in devising the transformation are the best spokespersons for what they have setup. As they are demobilized from the transformation project and come back to their usual position they instantly become a strong network of proponents of change embedded in the organization,
- As changes are devised by employees for the benefit of the organization, they are in general more pragmatic and closer to the needs of the organization.

'Embedded consulting' creates a great learning opportunity for the organization and for the employees, where they learn by doing. The employees involved in the transformation will become Change champions in the organization beyond that particular Project, with a contagious "can-do" attitude when it comes to changing processes and parts of the organization.

Option 2 remains valid in cases in other projects where the organization's DNA and culture is not directly touched, or for really strategic projects which can develop without direct connection to the business at that stage. For Enterprise Transformation projects we deeply believe that large consultants' teams is not the best solution, although it might appeal to the senior executives through the power of the brand of some large consulting companies.

The prime responsibility of the client organization is to frame the required work, structure the Business Case, setup the Governance Model, hold the consultants to that frame, and make sure that the organization's particular culture is embedded in the final deliverables

Validity of common arguments in favour of large consulting teams

Common arguments in favour of the large consulting team do not hold:

- *Only large consulting teams can deliver disruptive transformation.* We have not found evidence of this, because employees are often open, much more creative and knowledgeable on what could be done within the existing organization, and their talent can be released by a specific, punctual intervention opening new possibilities,
- *The organization does not have the resources to spare to man up the transformation program.* As explained above, it is very preferable to man the transformation program with employees and seek to replace them with temporary contractors within the organization than have a semi-independent team of consultants devise changes that might not be applicable. This will foster adoption and definition of solutions fit to the company's culture.
- *Large consulting organizations can leverage their experience across organizations, borders and industries to provide the best solutions.* This could be true if that was fully effective. We observe that these best practices are generally gathered and spread by the senior members of the team, so that having them defined by the few senior consultants in 'embedded consulting' can deliver an

almost similar result, even if large consulting organizations can sometimes develop some internal research and proprietary approaches that might be valuable,

- *Large consulting firm are more cost effective.* experience shows that it is definitely not the case.

How to setup an effective transformation team

We suggest the following general guidance for the maximum effectiveness of a transformation team

- The transformation team leader needs to be a senior executive of the organization with direct access to the CEO / Board,
- He/she should be advised by a dedicated senior consultant with Enterprise Transformation experience, and supported by a small Transformation Office in charge of control and reporting,
- Within the Transformation Office, few experienced internal employees should establish the Business case and Key Performance Indicators, setup the governance and monitor the Value delivered by the program, foundation for Change Management activities.
- The ratio of employees to consultants should aim to be around 70% employees -30% consultants on average in the team,
- Aim at a higher ratio of employees for junior roles (these projects are a fantastic development tool for young high potentials in terms of exposure and they will be effective transmitters of the changes in the organization after the project). Note that this goes against the usual experience pyramid of large consulting firms which seek rather to place more junior consultants than experienced consultants, so this practice will certainly not be recommended by large consulting companies,
- The transformation team should be physically collocated mixing employees and consultants, and separate from the rest of the business,
- Clusters of activities requiring mainly consultant support (specialized areas, change management) should be preferably driven by consultants spread geographically in the team and led by a discipline lead rather than having physical clusters of consultants sitting together.
- The organization's Business Process Owners, Data and IT Architect teams, will evaluate change impacts and design new Architecture components. They will be directly involved in the specification of new components or systems. They thus need to be included from the start in the transformation project. These Teams can be supplemented by

external resources if needed, but that should not change the main ownership of these issues.

The need for a strong leadership from the client's organization

We have noted that a number of key transformation projects fail because of a lack of strong leadership and guidance by the client organization. In addition, methods and approaches are not adapted to the particular organization's culture and way of doing things. This too often results in the consulting support to run astray of the original intent and produce deliverables that are not fit-for-purpose for the organization, leading to rejection.

It is particularly essential that there is a very strong management of the consulting resources by the client organization, even more than in the general case of a contractor. This also extends of course to the commercial aspects, so as to make sure that the expected services are delivered in the most effective manner.

We even believe it is the first responsibility of the client organization to make sure that the consulting intervention really fits what is required.

This advice goes against the generally held belief that consultants necessarily come up with best practice that can't be discussed and that they know what needs to be done. This is absolutely not true, because the best ideas will fail when implemented if the particulars of the receiving organization are not taken into account. Any transformation effort must thus be led by the receiving organization, and not by the consulting support, irrespective of its status or reputation. This often requires strong executives to be in charge, and that is the way it should be. Clear Transformation Targets and KPIs should be known by all and set the path toward success.

The position of the transformation program director might thus be difficult because he or she needs to be able to impose to supposedly 'knowing' consultants specific approaches, implementation pace and personnel to be embedded in the project for the best interest of the organization.

Conclusion

If you have a project to transform or upgrade your organization, it is preferable to organize your transformation project around your employees supported by a limited number of senior and specialized consultants. And make sure that it is actually driven by someone from the organization and not by the consultants themselves! Actually, the prime responsibility of the client organization is to frame the required work, structure the Business Case, setup the Governance Model, hold the consultants to that frame, and make sure that the organization's particular culture is embedded in the final deliverables. With the 'embedded consulting' approach, your transformation will be sustainable, much better accepted and overall much more successful.

'Embedded consulting' is by far superior when it comes to deep and sustainable results in the organization