

ASTD

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**Inside - Outside:
The Partnerships of Internal and
External Consultants**

Bev Scott

Adapted from "Inside or Outside: The Partnerships of Internal and External Consulting by Bev Scott and Jane Hascall, Global Business and Technology Assn, June 2002, Rome, Italy

Purpose

- Explore When to Use Internal and External Consultants
- Focus on:
 - Leveraging the contribution and value
 - Role Differences
 - Authority and Credibility
 - Supporting Partnerships

Choosing to Use an Internal or External Consultant

| Use External Consultants When: | <i>Use Internal Consultants When:</i> |
|---|---|
| To support development of strategy or facilitate corporate-wide initiatives or key priorities | <i>To support implementation of strategic priority, or intervention as an operational focus</i> |
| Do not have internal expertise | <i>Have the internal expertise</i> |
| Deep expertise is needed | <i>Broad generalist knowledge is needed</i> |
| An outside, neutral perspective is important | <i>Knowledge of the organization and business is critical</i> |

Choosing to Use an Internal or External Consultant

| Use External Consultants When: | Use Internal Consultants When: |
|---|---|
| New, risky alternatives need validation from an outside expert | <i>Speaking the jargon or the language of the organization and the culture is important</i> |
| Internal does not have status, power or authority to influence senior management or the culture | <i>A sensitive insider who knows the issues is needed</i> |
| CEO, President or senior leaders need coach, guide or objective sounding board | <i>Need to sustain a long-term initiative where internal ownership is important</i> |
| Initiative justifies the expense | <i>Cost is a factor</i> |
| Project has defined boundaries | <i>Follow-up and quick access is needed</i> |

Comparison of Internal and External Consulting Roles

| SIMILARITIES | |
|---|--|
| Knowledge of human systems, organization and individual behavior | Passion about their work |
| Understanding the process of change | Ability to influence and lead |
| Desire to be successful and recognized for the value they bring to the client | Skills to analyze needs and design interventions |
| Commitment to learning | Credibility or "Authority" |

Comparison of Internal and External Consulting Roles

| DIFFERENCES | |
|--|---|
| <i>INTERNALS</i> | EXTERNALS |
| <i>Accepted as a member of the "group", congruent with culture</i> | Sees culture and organization with outsider perspective |
| <i>Has credibility as an insider</i> | Has credibility as an outsider |
| <i>Knows organization and business intimately</i> | Brings broader experience from other organizations |
| <i>Can build long term relationships; establish rapport more easily</i> | Can confront, give feedback, take risks with senior management more easily |
| <i>Coordination and integration of project into ongoing activities</i> | Focused involvement on a project which ends |
| <i>Opportunities to influence, gain access, sit at the table as an insider</i> | Once invited in as outsider, broader experience offers credibility, power and influence |

Comparison of Internal and External Consulting Roles

| DIFFERENCES | |
|--|--|
| <i>INTERNALS</i> | EXTERNALS |
| <i>Leverages and utilizes informal and formal organization structure</i> | Can avoid or ignore the organization structure, move around organizations to achieve results |
| <i>Leads from position and character (trust)</i> | Leads from competence (expertise) and personality |
| <i>Knows cultural norms that should not be violated</i> | Can acceptably challenge or violate the informal rules of the culture |
| <i>Knows the history, traditions and where "bones are buried"</i> | Seen as objective and not part of the problem |
| <i>Can take an advocacy role</i> | Brings more objectivity, neutrality |
| <i>May be expected to be a broad generalist</i> | Often seen as a specialist with narrow expertise |
| <i>As a "one client" consultant, has a lot more "skin in the game"</i> | If it doesn't work out here, can always move on to other clients |

Credibility and Authority

- The authority of ***competence***
- The authority of ***position***
- The authority of ***personality***
- The authority of ***character***

Questions or Comments?

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Partnerships

- Successful
 - Strengths of internal recognized and valued
 - Internal is open to learning
 - Pairing insider knowledge with outsider perspective and credibility
 - Appreciation and understanding of cultural differences

Partnerships

- Successful
 - Flexibility and open communication
 - Sense of being in it together
 - Opportunity to leverage cost, efficiencies, knowledge and credibility

Working with Large Consulting Firms

- Partnering is difficult:
 - Come with standard models and processes
 - Use American or Anglo model
 - Arrogance, high fees and inexperience alienates internals

Requirements for Productive Partnerships

For Externals:

- Remember who your client is
- Recognize the enormous value of the internal as ally rather than neutral observer or, worse, enemy
- Respect the internal consultant's authority, expertise, and role in the organization
- Communicate honestly and frequently

Requirements for Productive Partnerships

For Externals:

- Be clear about and deliver on your promises
- Value the internal's deep knowledge of the organization
- Become clear about and respect personal boundaries
- Stay apolitical and maintain objectivity

Requirements for Productive Partnerships

For Externals:

- Maintain the highest of ethical standards
- Leave the organization better off when you depart than when you entered
- Transfer skills/knowledge to internals and the client system
- Bring the organization the benefits of your knowledge of the wider world

Requirements for Productive Partnerships

For Internals:

- Go after partnership with externals
- Ensure that management understands the value and expertise of internal consulting
- Don't be offended, don't whine about not being included, and don't act out resentment in petty ways
- Recognize that the external consultants become stakeholders in the organization; they are under the gun to perform also

Requirements for Productive Partnerships

For Internals:

- Be politically neutral or politically savvy
- Learn everything you can from externals
- Help clients understand that they need to play ball and join in the change process
- Be clear about your role and competencies before confronting the challenges of large-scale change, planned and managed by an external firm
- Consider using small firms that specialize in partnership with internal consultants

Requirements for Productive Partnerships

For Internals:

- When managing an external firm, some suggestions are:
 - Define expectations for the external and internal partners in the project
 - Discuss and determine how conflicts and differences will be resolved
 - Manage the scope of the project very carefully
 - Plan frequent communication; build in scheduled checkpoints

Conditions that Undermine Productive Partnerships

- Internals may not be in position or have organizational influence to lead major change initiative.
- Senior management may not understand the value of the internal's organizational ties and thus fail to support partnership.

Conditions that Undermine Productive Partnerships

- Internals left out of the contracting process may feel resentful, threatened and marginalized resulting in a lack of commitment.
- Externals are often seen as arrogant, exclusive, judgmental; in turn, internals are perceived as ineffective, incompetent, and “poor losers”
- Externals ignore or go around the internal function promoting themselves solely to senior management
- Weak internal functions that may be incapable of successfully leading change projects

Summary

- Both internal and external consultants contribute value
- Use a consultant who will bring the best value
- Partnership brings the best of both roles to the organization.

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