

A S T D

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Internal and External Consulting: Strategic Partnerships and Passages

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Partnerships and Passages

PURPOSE

- ❖ Challenge the assumption that consulting is similar for internal and external roles

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- ❖ Focusing on two areas which impact the decisions and behavior of practitioners:
 - The transition from one role to the other
 - The partnership of working with clients

Partnerships and Passages

OUTCOMES

- ❖ Identify the strengths and advantages that each role offers
- ❖ Identify critical success factors to achieve a smooth transition when moving to an internal or external consulting position
- ❖ Build the requirements for productive partnership between internal and external consultants working jointly with clients

Partnerships and Passages

Moving from Internal to External

CHALLENGES

- ❖ Marketing and selling
- ❖ Isolation
- ❖ Support Structure
- ❖ Financial Stability
- ❖ The map is not the territory

Partnerships and Passages

Moving from External to Internal

CHALLENGES

- ❖ Being congruent but marginal
- ❖ Multiple roles
- ❖ Supporting cast versus starring roles
- ❖ Politically neutral or politically savvy
- ❖ Boss-subordinate relationship
- ❖ The territory is not the map

Partnerships and Passages

Moving from Internal to External

CRITICAL SUCCESS FACTORS

1. Leave your former employer on very good terms.
2. Three elements to running a consulting firm:
 - a. good consulting skills;
 - b. good skills in training, OD, HRD, etc;
 - c. able to run a small business
3. Affiliating with a large consulting firm.
4. Refer liberally to others.
5. Know your required financial and security needs.
6. Identify and clarify what you are really good at; learn to communicate it quickly and easily.

Partnerships and Passages

Moving from External to Internal

CRITICAL SUCCESS FACTORS

1. Don't be naive about how difficult it is to get things done internally.
2. Develop client agreements which support effective OD work. Don't play into the corporate dynamics.
3. Be clear about who your champion is.
4. Recognize there will be a change in the power dynamics.
5. Know the culture you're going into.

Partnerships and Passages

Moving from External to Internal

CRITICAL SUCCESS FACTORS

6. The risks are higher as an internal.
7. It takes more courage to consult as an internal.
8. Remember that as an internal you are developing business all the time.

Comparison of Internal and External Consulting Roles

SIMILARITIES	DIFFERENCES	
	<i>INTERNALS</i>	EXTERNALS
Knowledge of human systems, organization and individual behavior	<i>Accepted as a member of the “group”, congruent with culture</i>	Sees culture and organization with outsider perspective
Understanding the process of change	<i>Has credibility as an insider</i>	Has credibility as an outsider
Desire to be successful and recognized for the value they bring to the client	<i>Knows organization and business intimately</i>	Brings broader experience from other organizations
Commitment to learning	<i>Can build long term relationships; establish rapport more easily</i>	Can confront, give feedback, take risks with senior management more easily

Comparison of Internal and External Consulting Roles

SIMILARITIES	DIFFERENCES	
	<i>INTERNALS</i>	EXTERNALS
Passion about their work	<i>Coordination and integration of project into ongoing activities</i>	Focused involvement on a project which ends
Ability to influence and lead	<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
Skills to analyze needs and design interventions	<i>Leverages and utilizes informal and formal organization structure</i>	Can avoid or ignore the organization structure, move around organizations to achieve results
Credibility or “Authority”	<i>Leads from position and character (trust)</i>	Leads from competence (expertise) and personality

Comparison of Internal and External Consulting Roles

SIMILARITIES	DIFFERENCES	
	<i>INTERNALS</i>	EXTERNALS
	<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

Transitions and Partnerships

Moving from External to Internal

QUESTIONS FOR DISCUSSION

1. Think of a time when a partnership with an internal/external practitioner worked beautifully. What happened?
 - ❖ What were the conditions that helped to create the successful partnership?
 - ❖ What were the specific productive behaviors engaged in by each party?
 - ❖ If things got off track, what happened to get back on track?
 - ❖ Who did what?
 - ❖ What were the qualities or characteristics of this successful partnership?

Transitions and Partnerships

Moving from External to Internal

QUESTIONS FOR DISCUSSION

2. Now think of a time when things went wrong. What happened?
 - ❖ How and when did the relationship go wrong?
 - ❖ What actions might have been taken to save it - but weren't?
 - ❖ If corrective actions were taken, what were the results?
 - ❖ What did you learn from this experience?

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>

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

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

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

Summary

Successful involvement of consultants

- Choose consultant who will bring the best value
- Advocate and support partnership
- Management recognition of their role in creating conditions for success