

GBATA CONFERENCE

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Inside or Outside: The Partnerships of Internal and External Consultants

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Purpose

- Explore Strengths and Client Perceptions of Internal and External Consultants
- Focus on:
 - Leveraging the contribution and value
 - Role Differences
 - Authority and Credibility
 - Supporting Partnerships

Contribution and Value

- External Consultants

- Internal Consultants

Choosing to Use an Internal or External Consultant

Use External Consultants When:	Use Internal Consultants When:
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>

Credibility and Authority

Comparison of Internal and External Consulting Roles		
SIMILARITIES	DIFFERENCES	
	INTERNALS	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

Credibility and Authority

Comparison of Internal and External Consulting Roles		
SIMILARITIES	DIFFERENCES	
	INTERNALS	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

Credibility and Authority

Comparison of Internal and External Consulting Roles		
SIMILARITIES	DIFFERENCES	
	INTERNALS	EXTERNALS
Credibility or "Authority"	<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*

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

Advice for Managers

- Ensure and accept the time that is required for the organization and employees to buy in and accept radical change
- Stay open to the expertise and knowledge of internal consultants regardless of title and position in the hierarchy
- Recognize that just because consultants come from a large well-known firm doesn't ensure their competence in leading the human side of the change process
- Keep your agreements with both the internal and external consultants

Advice for Managers

- Get input from internal consultants before hiring externals
- Communicate expectations and hold consulting firms accountable to partner with the internal function
- Ensure that the external firm is accountable to and managed by an internal person with authority and knowledge of organizational change and the management of consulting contracts
- Always debrief the “lessons learned” at the close of a major project

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