



Helping hand

Consultants can't help firms solve problems as effectively as mentors can, says Joe Reevy

Having spent the best part of two decades helping law firms deal with their problems, I have spent a great deal of time looking at what makes consulting exercises successful. I have concluded that in many instances the consulting process is inherently flawed; this is due to the rather haphazard way that many firms deal with the procurement process, the lack of continuity in assignments and lack of quality yardsticks in the consulting profession itself. I believe that for most firms, mentoring represents a far more cost-effective approach to improving practice performance, provided firm management is prepared to manage.

What's wrong with consultancy?

To understand the inherent weakness of a 'consultancy' approach, look at the typical history of such an exercise. It often starts with the recognition of a problem within the practice by the management which lies undealt with until one of the management reads an article or attends a conference and likes the message presented, or alternatively replies to one of the many communications that consultants typically send out to promote themselves.

Once contact is established, an exploratory meeting is held. Sometimes the partnership decides to invite a few consultants to compete for the available business. These meetings are normally free to the firm, though they represent a considerable cost to the consultant. After the meeting, a proposal is sent in outlining a specification of the work to be done and providing a quotation. Normally this involves an exploratory first phase which is done for a set price, the outcome of which is a report making suggestions. In nine out of 10 cases the report will echo the

thoughts of the management about what the firm's problems are. This is often taken as an indication of the depth of understanding of the consultant. In reality, it is more a recognition that management generally is well aware of the firm's problems, though perhaps lacking the tools to deal with them. It is also an indication of the fact that most firms with problems have the same kinds.

Usually the report will recommend a programme of change management, which in turn involves training, the further involvement of the consultants and a considerable amount of extra expenditure in the control and implementation of the change management process.

One question I always like to ask is: "If you were starting with a blank piece of paper, would you design the system you have?" As regards consulting, the answer is clearly: "No." First, the process by which consultants acquire their work, as described above, is very inefficient. Consultants who speak at conferences and consultants who write articles do so for little financial reward. They regard the PR value of such exercises as part of their marketing cost. Attending firms to do 'pitches' is similarly unrewarding and even then a considerable proportion of these are not followed by instructions. Doing all of these things involves a considerable expenditure of time. For most consultants, marketing costs (in terms of lost time) as a proportion of income are very high indeed.

From the firm's point of view, the position is also often unsatisfactory. The main problem here is that when the consultant's preliminary report is received, it rarely does more than confirm the existing opinions of the management. This is actually great news for the consultant. Legal practices are

actually (in comparative terms) quite simple businesses – the 'fiddle factor' is that they are owned and managed by intelligent people who love to argue. However, in business terms they are straightforward and they tend, when unsuccessful, to present the same sorts of problems over and over. Because the consultant has seen it all before, their previous reports cover most (if not all) of the issues, so an impressive report can be assembled quite quickly. This is particularly so if a benchmarking exercise is used, since there is much weighty data available that can be added. (Personally, I hate benchmarking exercises, which I generally regard as seriously flawed and offering little practical input to the process of making the firm in question as good as it can be. Regrettably, that argument is outside the remit of this article.)

So far, then, all that has happened is that a number of clever people have agreed what is wrong – and, normally, a five-figure sum has changed hands. Nothing has actually occurred that will make things better. For that, the full-blown consultancy exercise is required.

This itself is a discontinuous process, when what is required, as well-known legal practice specialist Nick Jarrett-Kerr points out, is "a mentoring/coaching approach which assists the emergence and consolidation of good strategic ideas. Managers need, in our competitive world, to be constantly thinking about the direction and plans for their business – not once every few years".

Charging structures

The typical charging structure of a consultancy makes a long-term 'hands on' approach prohibitively expensive for most firms. It starts, it runs on and it stops (unlike change itself).

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Here we come to the way the industry is structured. Large consultancies have teams of experts, formal in-house training regimes and all the trappings of the large businesses they are. Of necessity they charge substantial fees and are out of the economic range of the majority of firms. At the other end of the scale, the 'one-man-band' type of consultancy probably has a limited sphere of competence and a less formal approach, but may charge less than a third of the rate of a big consultancy. These range from highly efficient, highly competent individuals to people with less obvious capabilities.

The problem here is that there is no quality standard, nor is it easy to see how one could be created. There is no yardstick firms can use to compare. This is a major setback in an environment in which the average managing partner is an inexperienced buyer of consulting services who will commission only a small handful of such exercises at most during their tenure.

The main problem with micro-consultancies is that they normally lack the breadth of expertise to cover all the issues that may arise. Accordingly, they have to recommend others. Often, they would rather 'learn on the job' and will take on exercises they aren't really expert at; acquiring work is expensive, so giving it away is a tough decision. Besides, a recommendation is dangerous – what if the client doesn't like the firm recommended? What if they love them and move their business?

It actually gets worse, I think. The ability to manage change is very different from identifying the necessary changes. In most circumstances it is both quicker and more effective for the change management process to be driven from within the firm, not entrusted to an external agency. In many cases, using consultants as agents of change seems to be part of the eternal struggle of the firm's management to make all significant decisions partnership decisions (thereby avoiding direct responsibility for them) and then to delegate the implementation for them whenever possible (ditto).

Is there a better way?

There wouldn't be any point in writing this article (which after all, won't win me any friends in the consulting pro-

fession or in some firms), if I did not think there is a better alternative for some firms (not all!).

As I said above, in the main firm managers know where their problems lie. The consultancy report, therefore, is a normally largely an external confirmation of that knowledge. It is a considerable expense yielding little value. What is really valuable is the knowledge of how to effect the necessary changes.

To implement change internally you need sensitivity and careful thought. While firms run on corporate lines find this comparatively straightforward, those managed along traditional partnership lines often do not. The depth of knowledge of the people in the firm is key here, and the management has that knowledge. Consultants, by virtue of their 'in and out' approach, usually do not. As solicitor Steve Butler puts it: "The problem with consultants is that they don't work in the moccasins of their clients and, especially, they don't work with the staff the clients employ." They are not, therefore, in the best position to judge how practical their recommendations are in the realpolitik of the firm.

If management is willing to rise to the challenge of being genuine managers, what they would find most useful is a person or group of people to test ideas on, to suggest changes based on their observation and to offer regular practical advice on the implementation of change and strategy. They also need someone who can help them implement change long-term, ensuring that it is carried out in a sensitive manner and the ramifications of change are constantly monitored. They need a mentor.

Advantages of mentoring

- It is done informally, without 'set piece' reports – it is accordingly low cost.
- It is a continuous process, allowing changes to be planned and implemented in a flexible way.
- It is a process that can be carried out using several mentors with different areas of expertise.

The difference between effective mentoring and consultancy can be effectively illustrated by the metaphor of sailing from Southampton to Cher-

What makes a good mentor?

A good mentor will:

1. Challenge the thinking of the management, which sharpens the logic behind the management decision-making process.
2. Offer an independent and practical view on problems
3. Be forward-thinking and take an active and enthusiastic interest in the business over a long period of time
4. Be able to think strategically and see the wood, as well as the trees.
5. Be available to discuss problems and matters arising – normally at the end of the phone.
6. Be practical in approach, more interested in achieving results than producing documents.

bourg. Under consultancy, you are given directions and the consultant comes back later to see if you got there. If you happen to end up in Dieppe, you start again. A mentor helps you set the course and apply small touches to the tiller so that the currents, wind, etc, don't drag you off course. Small changes frequently applied are a more effective way of making change than large ones infrequently applied.

Finding a mentor

Because legal practices are relatively simple businesses, almost any experienced businessperson used to operating at a senior level in relatively small businesses can quickly assimilate the knowledge necessary to be an effective mentor. Recently retired partners in professional services firms and senior executives of medium-sized businesses (as opposed to mid-level executives in large businesses such as banks) are often good choices as they have had to implement change throughout their careers.

This makes finding mentors easy: you probably know several people (even clients) who could make a valuable contribution to your firm as mentors.

The reason it works so well, of course, is that good managers really know what most of their problems are – they just need assistance in devising their own solutions: the ones that will work with their people, in their firm. This is the source of the oft-repeated comment that the chat over lunch with a consultant is often more valuable than the consultancy exercise itself.