

# Getting Good Results From Temporary Staff:

## A short guide to using interims and consultants

### Introduction

The UK freelance market is growing. Taking the widest possible definition of what it means to be a freelancer, it was recently estimated that there are in excess of 3.5 million people working in their own right in the UK in 2009. This is a 14% increase over the last ten years and possibly helped by the current recession, the trend is accelerating. Similarly, the number of consultancy firms continues to rise.

Organisations spend a lot of money on temporary staff but not all feel that they consistently get the results they were seeking or indeed get value for money. This short paper offers some tips on how to avoid the pitfalls and maximise the returns from using temporary staff.

### Using Temporary Staff

Typically, organisations use temporary resources when

- They need the benefit of a seasoned practitioner's experience to mitigate the risk of failure when undertaking a new initiative.
- They don't have the full range of knowledge or skills in house necessary to meet an objective.
- They are moving into a new area and need advice and guidance to ensure that they are set up for success as far as possible.
- Poor performance has mandated the need for change and they want to use

external expertise to help make the transition as effective as possible

- An in-house project has got into difficulty and they need help to get it out of the weeds
- To get things done more quickly, or with less risk than they would if they tried to undertake a task using only in-house staff.
- They need someone who is not entangled in the organisation's politics to advise impartially as to a possible course of action or to lead a sensitive initiative.

### The Benefits

The advantages to organisations of regularly using temporary help, whether from one man bands, large professional service firms (big consulting) or somewhere between the two are significant:

- Reduced overheads associated with the number of permanent staff on the books
- Greater flexibility to manage peaks in demand and minimising under-utilisation during the troughs
- Ease and speed of recruitment and termination. At one public sector body known to the author, it often takes 18 months to recruit a permanent senior member of staff with the result that at any one time, the ratio of permanent to temporary people is about 50 - 50. We leave it to you to decide whether that is a good situation.

- The ability to supplement your core competencies with peripheral skills which are only needed occasionally or not on a full time basis.
- The ability to plug a temporary skills gap.

### Types of Temporary Staff

For the purposes of this paper, we consider three types of temporary resource: contractors, interim managers and consultants (Table 1).

|                         |   |
|-------------------------|---|
| <b>Contractors</b>      | Contractors are typically people who provide a technical skill which they contribute to a project or to a departmental workload. IT particularly, is an area where a large number of contractors can be found.  |
| <b>Interim Managers</b> | Senior managers who come into your organisation to fill a role for a period of time or to lead a specific initiative. They may be used to supplement a management team, to lead change or to fill a gap, often while the permanent recruitment process is taking place. |
| <b>Consultants</b>      | Consultancies range in size from lone practitioners to large household name firms. Typically they offer advice and guidance on a range of topics, or carry out analysis but do not (usually) take responsibility for delivery of a solution.                            |

**Table 1. Types of Temporary Resource**

On the basis that it is relatively straightforward to find and place

contractors because of their technical specialisation, we focus mainly on dealing with Interims and Consultants although many of the principles laid out will apply to the use of contractors as well.

Differentiating Interims and consultants can be something of a grey area. Table 2 explores the relative positioning of these two categories.

### Considerations When Using a Large Consultancy Firm

A good reason for using the large consultancies is when you need help in more than one country. In this situation the big consultancies should come into their own as they do have the necessary global footprint. However it is often not as simple as that. Internally, consultancies struggle to agree the commercials between countries; the supporting countries have been known to act like third party suppliers to the primary country, interpreting the brief very narrowly and in effect doing as little as possible. The problem is of course revenue share and the

reluctance of a country to put its best resources at the disposal of another. However, most UK consulting work is not

multi-national and this opens up a value opportunity for the smaller, specialist

consultancies and interim

| Interims   | Consultants  |
|--|--|
| Tend to be more generalist in terms of subject matter, but specialists in implementation and operations.   | Ideally, experts in their field. That is what qualifies them to advise you.  |
| Are usually single person practices but it is not unusual for interims to group up and recommend people they know and trust.   | Consultancies range from the very small (one or two people) up to the global corporations such as Accenture and Deloitte.  |
| The interim expects to have control of resources and budget and accordingly to be held accountable for business results.   | Consultants usually act as the trusted advisor, although larger consultancies will not hesitate to claim they can handle implementation as well, sometimes to disastrous effect. |
| Interims can usually be recruited in a few days.   | Contract negotiations with consultancies are rarely short.   |
| In general, the interim is much more likely to have deeper and wider experience by dint of an extensive track record.  | Consultants often field teams of graduates to do the leg work for a much smaller number of experienced managers and partners.  |
| Many interims have been consultants and can operate effectively in that mode although they will tend to be less theoretically inclined.  | Few consultants have the experience and wherewithal to make a success of the interim role.   |
| Interims are first and foremost, hands on managers and will always want to be where the work and people are.   | Consultants may suggest (correctly) that some work, such as research, is better done at their premises.  |
| It is vital when using interims to ensure they are a good match with the task and the people in your organisation as if it doesn't work, you will probably have to start afresh. | Consultancies will have breadth and depth of experience which can be brought to bear as the situation demands. However, they will tend to use whoever is available at the time.  |
| Interims tend to adapt their style to the situation.   | Larger consultancies will tend to impose the use of the company style and techniques.  |
| Interims cost between a third to two-thirds the cost of an equivalent consultant.  | The larger consultancies charge very high fees .   |
| Interims have a reputation to maintain and a need for referral. They have a strong vested interest in making each engagement a success.  | Consultants working for large firms are employees with the mindset that that implies. They trade on a brand and are more accountable to an external manager than to the client.  |

**Table 2. Positioning Interims and Consultants**

managers.

There are other considerations when considering the bigger firms. They tend to use a leveraged business model which means that for every highly experienced, capable executive, there are a large number of bright young graduates who have been sheep dipped in consulting methods, but who aren't actually very experienced in managing a business -- and those that have some experience tend to be experienced in consultancy, not management, your business or even your industry. The need to earn money to pay for a small army of junior consultants and effectively lower the extreme rates charged by partners, results in pressure for junior billable hours to be kept high which leads to a number of symptoms:

- Senior consultants, invariably impressive during the sales process will be under pressure to move on and clinch the next deal so there is a tendency for the client to see a lot of the top guns prior to contract signature and in the worst case, they are not seen again unless the engagement has started to go wrong and is in danger of losing money.
- Starting with a few key people on the ground, you find one day that a team of fresh faced youngsters has moved in. This is probably the outcome of a 'land and expand' manoeuvre. It happens largely because of the need to keep junior billable hours high (see above) but there is another driver: Consultancies use the 'up or out' model where a consultant is expected to progress up the levels within the company at a predictable rate. Failure

to do this results in their being encouraged to leave, making way for the people behind them. The key to security of tenure, regular promotion and higher pay is winning new business and the only realistic source of new business when you are working on a client site, is from that same client. So human nature being what it is, the people that you are paying to help you with a particular problem will always have one eye on developing additional consulting opportunities. Their careers depend on it.

- Bills can get unexpectedly high which will tend to diminish the level of trust between client and consultant. It is not unheard of for clients to employ people purely to vet the bills submitted by their consultants, pushing up costs in the process.

Naturally the big consultancies will put their best people into the high revenue clients because it makes good business sense to do so: a) it reduces the risk of something going wrong and b) it is more likely to lead to follow on business. If the piece of work which you are offering is not large (the high tens or hundreds of millions or perhaps even higher), then this point should be kept in mind.

Big consultancies also charge a premium and as we have already said, not all of their people justify the high fees that are charged. So why do organisations buy big consultancy? In many cases it is justified as risk mitigation "if it goes wrong we can pressure them into flooding the place with their people until it is sorted out" -- dream on. You only have to look at the failure of PFI to transfer risk to the private sector to

understand that consultancies leave themselves a great deal of wriggle room. They are adept at building it into the deal.

### Selection

During the selection process, it is most important that a) you know what results you want, b) you have a standard approach for dealing with all applicants. This means having a clear definition of the job to be done, the expected results and the approximate timing, or if you are selecting one person for a specific role, then a job definition with an expected end date may be sufficient depending on the circumstances. The point is that if you can't be clear about what is to be achieved and by when, it will be difficult for the consultant to offer meaningful advice, you will never be sure if the finishing line has been crossed and you won't be able to measure progress towards it accurately. If it is truly not possible to define what is required at the outset, start with a separate feasibility study to scope out the main piece of work. Get your prospective consultants to tell you how they would go about it, how long it would take and how many people they would use. Their responses will help you identify who is closest to being on your wavelength. Giving a smaller piece of work to the front runner gives you the opportunity to test the water with them. The submission of the feasibility report is a break point at which you have the option to change suppliers if things have not gone as well as was envisaged or to change aspects of the main deal based on what you have learned.

The approach to dealing with all applicants has to be structured and uniform so that when you evaluate responses you are comparing apples with apples. In the case of an interim appointment it is also a wise precautionary measure to make sure that you are in a position to demonstrate even-handedness in the selection process in the event of claim against you for discrimination<sup>1</sup>.

### Working Together

When choosing external help, it is a good idea to explore how they will achieve the balance between close collaboration and maintaining distance and impartiality. Ask how they will make a lasting difference especially if they are to be involved in implementation. Too often, after the consultants have left, the organisation remains the same as before, but less well off financially. Be prepared for the fact that to achieve lasting change will require a lot of effort and often pain on the client side.

Get them to describe in advance and in detail, how they will go about skills transfer. Generally, consultants don't like this aspect of the job and too often, clients let them get away with not doing it well. Approaches described in terms of establishing joint teams and the use of on the job transfer to your staff are most likely to be effective. This will of course require the consultants to be on your premises and seeded amongst your people. On a related topic, have them describe their exit strategy. They should be able to convince you that they have thought it through and that it will work in your favour.

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<sup>1</sup>Such claims are becoming more common in the UK.

### Cultural Fit

Often, management consultants are perceived as arrogant so you need to assess how well individuals are likely to get on with your people (or not). Always have your team meet the consulting team before signing the contract so that you can observe them together. Regardless of how good they look on paper, it is important to be sure that their styles and yours are not totally incompatible. If you are looking to raise your people's game as part of this experience, discuss how to go about it with the consultancy before they are engaged.

### Interviewing

Individuals should be able to convince you that they have experience in addressing the problem which you are experiencing or they have experience in your industry and preferably both. The last thing you want is to be paying for consultants to get an education in your how your industry works, they should already know that. On the other hand, if they have worked with your competitors, are they discreet about what those competitors are going through? If they are not, then you can assume that in the future, they will have no compunction about talking to others about you.

It can be revealing to ask them what they know about your company and your situation beyond the information that you have supplied. Find out whether they have taken the trouble to do any homework prior to meeting you. Also, get them to describe the job they are being interviewed for. They should at least have formed a basic understanding of what they might be walking into. Get them to

suggest some key deliverables for the engagement.

During the pre-sales process, don't just talk to the salesman. By aiming your questions at the more junior people in the meeting, you will get a sense of the quality of the people who will end up doing the work.

### Before Committing

Always follow up on references. References are the only way that you can determine whether someone is genuinely good at their job or they simply come across well at interview.

It is better to base your selection on the people who will be working with you rather than the reputation of the firm. If there are people on the consultants team who have particularly impressed you, make sure that they are named in the contract as filling particular roles. Consultants will resist 'key person' clauses, but just prior to signing the contract, you are in the driving seat and will be in a position to insist.

Establish in advance how progress is going to be measured and managed. How will they keep track of the hours spent and how often will they review it with you?

Finally, unless you need the global reach, the critical mass or the leading edge specialist knowledge of a big consulting firm, you would do well to choose a firm where the size of the work package gives you some influence. If your business impacts their bottom line or their reputation, they will be more willing to go the extra mile for you if the going gets tough (which it usually does).

### A Final Thought on Selection

Change initiatives work best when they are owned and driven by operational staff. They know what is needed and the effects of the initiative are far more likely to be sustained if your people feel that they are in control -- which doesn't always happen. So when deciding how to use external help, don't overlook your own staff . By putting them into key roles within the change project you will be giving them useful experience and in most cases adding to their job satisfaction with all of the attendant benefits that that brings. Temps of one sort or another can then be brought in to fill the skills gaps that remain and to backfill any holes you have created in your business as usual operation. This approach will cost you less in the short term and offers long term benefits in the form of reduced churn and outcomes that are more likely to stick.

### Danger Signs

With any engagement, the chances of things going wrong at some point are high. You can't anticipate all eventualities in advance. There are a few things to watch out for which should prompt you to take a close look at what is going on:

- All your consultant or interim does is argue with you or alternatively they agree with everything you say.
- If the consultant does all the presentations to stakeholders, it is a sign that your people are not being sufficiently involved, are not allowed near the data or simply that the joint team is a myth.
- If you spend more time arguing about the project commercials than you do

about delivering the project, it is possible that the work has moved out of scope or alternatively that the consultants are not making the money they expected to. Occasionally, a consultancy will put margin improvement pressure on the lead consultant and it could be that this is what is behind any wrangling.

- If your consultant spends more time 'knocking down the shed' than actually building the new one, it could be that he is out of his depth.
- Progress against the plan is not discussed regularly in any detail or reports are kept vague.

### Making It Work

So having appointed a consultancy, how to maximise the probability of a successful engagement? Here a few pointers:

1. Once the consultant is appointed, the worse thing that you can do is leave them to get on with it. Ensure that one senior person in your organisation is made accountable for the consultant's success and make sure that he has the time energy and commitment to invest in a successful collaboration.
2. If you are the accountable person, make sure that you are as up to speed as possible with the subject matter that the consultants are dealing with. The less time the consultants spend explaining things to you, the more productive they will be and the more they will be inclined to discuss events with you.
3. Use consultants to apply their expertise and experience to solve

problems. Don't allow them to dictate strategy.

4. To maximise your return on investment, the engagement must be a collaboration. A 'them and us' culture will not deliver the best results. Once the consultants start work, make sure that they are seeded in the middle of your people, not isolated from them and make sure also that they have direct access to the information that they need to get the job done.
5. Once the joint teams have formed, do not treat client members differently from consultant members. To do so will demoralise the consultants. Celebrate success with the joint team.
6. Don't expect consultants to do everything, they can't. Make sure that their responsibilities and yours are clearly spelled out and that there are no gaps or omissions in allocating project scope. Small gaps can become chasms when the pressure is on.
7. If you don't like the answer that the consultants have arrived at, don't try and 'fix it'. First make sure that you understand how it was arrived at, incorrect assumptions may have been used. If you feel that you must challenge it, then do so on the basis of logic and data, not perception or politics.
8. Make sure there is a joint and detailed plan. Insist on reviewing progress against it, in detail on a weekly basis. Don't be fobbed off with a high level view. If an activity is falling behind, understand why, don't accept promises along the lines of 'we'll catch

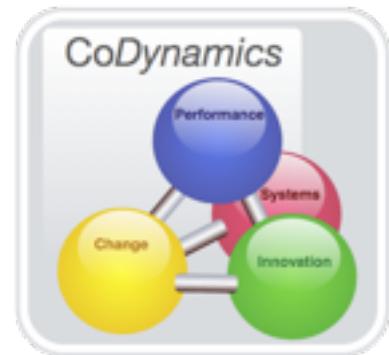
up'. As a wise person once put it, "how do you get eight months behind the plan and £6 million over budget?" - the answer? "One day at a time".

9. If things are going wrong, then fix them. Be as brutal as necessary, but don't expect to rely on the contract. If things get so bad that the lawyers get involved, then everyone will lose.
10. If you have bought any kind of temporary resource in because of a skills gap, then ensure that skills transfer is included in the work package so that next time, you are at least less reliant on external help. Creating joint teams is an excellent way of starting the process and getting the joint team to train others in the organisation at the end of the engagement is also effective.

### A Last Word

Managing initiatives is as much an art as it is a science. Projects are loaded with the potential for variation and behind that variation lies one simple fact: people deliver projects and people are affected by the outcome. You ignore the people aspects of any initiative at your peril.

# Contact Information



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