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## Selecting, Hiring, and Working with a Consultant

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*(Note: While this article was originally written over 30 years ago, it still remains valid, focused, and to the point, despite changes in the industry. It goes to show that while the technologies have changed, the value that the independent consultant brings to the table, has not.)*

### WORKING WITH A CONSULTANT

For many years, telecommunications was characterized by management consultants as the least well managed expense in American business and industry. Higher education was and is no exception. Managers of higher education relied on their limited knowledge and experience to guide the development of telephone systems. Often someone in purchasing or physical facilities had enough basic knowledge of Bell operating practices to order additional services as needed and to keep the billing from getting too far out of line with reality. In most cases, telecommunications expenses were relatively modest. There were few if any alternatives to the Bell services anyway, so this was an acceptable mode of operation.

Times have changed. A revolution has taken place in the telecommunications industry during the past three decades. Competition replaced monopoly. Any and all equipment can be purchased from a multitude of suppliers. The demand for data communication became critical and continues to grow rapidly. Vendors, products and standards have come and gone. Whole new product families like IP telephony, IP video, unified messaging and unified communications have entered the market to meet demands that did not exist just years ago.

This revolution produced two changes: the role of telecommunications consultants and an increased need for their services. With vastly different levels of expertise and experience derived from different organizations, consultants chose to specialize in different aspects of telecommunications.

One result of the changes is that management is faced with new challenges, including those that center on the consultant: What does a consultant do? When should one be hired? Where can they be found? What is a reasonable charge for their services? How can one tell if a consultant is ethical, experienced, and right for the job? Given the complexity of telecommunications today and the size of the investments being made, getting solid answers to these questions is essential.

### WHY HIRE A CONSULTANT?

There are basic reasons why an organization engages a consultant. One is to obtain the benefits of specialized expertise. The purchase and installation of a new PBX, for instance, is typically a

once-in-a-career event for most administrators in higher education. Such purchases frequently run well into the millions of dollars. The installation process affects every individual on campus, tears up real estate, and likely commits the institution to a course of action for a decade. There is little room for error; the job must be done correctly the first time.

It is most unusual to find a telecommunications staff with all the skills and experience needed to perform the many functions in such a large and specialized undertaking. There are many consultants, however, who have been through the PBX selection and installation process literally dozens of times. They understand the process. They are familiar with the vendors and the ever-changing array of products available in the market. Their specialized expertise can be invaluable.

A second reason for hiring a consultant is to gain the benefit of an objective viewpoint. Even if an institution is blessed with a highly competent, well-rounded staff, a second opinion is useful given the enormous stakes and risks involved.

An objective recommendation given by a recognized expert from outside the organization can help resolve the internal and external politics that frequently cloud campus issues. Political pressure can come from the senior engineering professor who understands communications switch design but has never had financial bottom-line responsibilities, or from the member of the board of trustees who also happens to be president of a local interconnect company. Although this pressure is not easily defused, competent consultants frequently have better success than internal personnel.

There are other reasons for hiring a consultant. Frequently a large project requires far more personnel than can be spared from day-to-day operations. Rather than adding staff, it may be less expensive to hire consulting services. This has been especially true in recent years with the rapidly rising price of experienced telecommunications talent. A fresh view of the institution's operations may make it possible to find solutions to problems that have resisted the best efforts of internal staff.

## WHAT DO CONSULTANTS DO?

The list of services available from consultants is long. Institutions may want to use only a few of the services, or to get more deeply involved. Typically, the larger the task at hand, the more specialized are the skills and experience required. If the institution has a small staff, or assistance is needed in dealing with a specific political situation, more assistance may be required. The important point is that the institution must determine the appropriate level of consulting involvement. This must be absolutely clear and must be conveyed to the consultant. From the following list it is evident that consulting firms are able to do almost anything an institution might want.

Some of the more common consulting services include assistance with these voice, data, video, and management issues:

- **Long range strategic planning:** Where is telecommunications going in the institution? How is this function going to further the institution's goals? To whom should the telecommunications management function report? Should voice, data and video be combined into one organization?

- **Compiling and equipment inventory:** How many units of each type of equipment does the institution have? Where are they located? What is the nature and condition of the cable plant?
- **Current system evaluation:** How cost effective is the system? Is the service level adequate? Can growth be accommodated? What construction will be needed to accommodate a new system?
- **Needs assessment: What new functions are needed?** How can the institution take advantage of newer technologies?
- **RFI and/or RFP preparation:** Conversion of operational and management needs into technical terms that vendors can understand and deal with is a special skill.
- **Vendor proposal evaluation:** A thorough knowledge of system architecture, features and vendor reputations from past installations is crucial in any evaluation, as is a detailed financial analysis of the proposals.
- **Contract negotiations:** What is the vendor likely to give away? Where can the vendor be expected to draw the line?
- **Installation project management:** Even turn-key contracts do not always run smoothly; an experienced watchdog is invaluable and often mandatory.
- **System acceptance testing:** Designing performance criteria for system acceptance and then making certain that the system performs according to those standards will prevent many problems later on.
- **Network design:** What is the campus' relationship to the rest of the organization and the rest of the world? How best should the institution communicate?
- **Education and training:** With a new system, every user will need some training. Designing a practical training program is essential to success.
- **Organization design:** How many in-house managers and analysts will be needed once the system is installed? How many maintenance technicians, billing clerks, other types of employees?
- **Software selection:** What type of management software will be needed? From which vendor?
- **Wire and cable infrastructure:** What standard should the organization adopt for new construction, major renovation projects, etc., which will provide long-term protection from obsolescence? What are the applications for fiber? For copper? To what extent and to what levels should technologies be integrated in system, infrastructure, backbone, management?

Consultants get involved in most of these issues at various levels. It is up to the institution to determine the level of support it wants and needs. For example, one approach to compiling an equipment inventory is for the consultant to design an inventory system and for the in-house staff to conduct the inventory itself. Some consultants have enough staff to perform the whole job. Typically, vendors supply a certain amount of user training for new systems. The consultant, however, can assist in specifying the nature and extent of training when writing the RFP, and can supervise the vendor's performance. Consultants will generally be most valuable doing those things for which the institution does not have qualified, available in-house staff. While it makes sense to have a consultant assist in strategic planning or system evaluations, it makes little sense to pay that person to count telephones.

## CHOOSING THE RIGHT CONSULTANT

Great care must be taken in selecting the right consultant. Consulting firms have proliferated and now range in size from one person shops to divisions of large management consulting and "Big 6" accounting firms with offices across the country. Some corporations, having developed a sophisticated staff to deal with their own internal problems, have later turned that staff into a new division of the company, selling consulting services to outside users.

Size is not a good determinant of quality. There are advantages and disadvantages to both large and small firms. The personal attention and commitment that is frequently offered by small firms is harder to find with the larger organizations. On the other hand, some one-person shops lack the technical depth needed for very large, complex tasks. The name and reputation of the "Big 6" firms give them credibility. They have large staffs that usually represent a broad spectrum of technical understanding and experience. Partly because of their size, they tend to operate in a more highly structured and formal manner than smaller firms and tend to be relatively expensive. Many of the small firms are more specialized. Their approach can be more easily tailored to the needs of an individual institution. These firms are frequently less expensive.

Cost is an equally poor means of choosing a consultant. The least expensive consultant may, in retrospect, turn out to be so inept as to be very costly. On the other hand, the most expensive is not necessarily the best either. Rates run from \$500 to \$2,500 or more per day, plus travel and lodging expenses. While this may seem high, it must be kept in mind that consultants pay office rent and require administrative support personnel just as any other professional. In addition, they must spend a large amount of time just keeping up with the industry, and this is time for which they are not compensated. In an age when the work of a telephone service technician is billed at \$90 per hour, even \$2,000 per day for good consulting services does not seem exorbitant.

Most consultants will quote a fixed price, or a range with a minimum and maximum, for performing a specific task, usually with a stated rate per day for extras outside the agreed scope of work. One important implication of this is that the institution must convey clearly to the consultant the exact scope of work, and the consultant must understand and agree. Negotiating a detailed contract with the consultant is advisable.

Other means of computing compensation are less common. For example, the use of contingency fees, where payment is a percentage of the annual savings realized as a result of a consultant's recommendations, has declined in recent years. This approach tends to produce large savings by promoting major surgery on the existing system, only to leave the patient - after the fee has been paid - near death's door because the level of service is no longer adequate. At this point, most of what has been removed in the cost saving effort must be replaced. Some consultants charge a certain amount per line based on system size. Obviously, this can lead to over-building the system. Whenever possible, both the contingency fees should be avoided.

Naturally, organizational size and cost should be two of the factors considered in selection of a consultant. A partial list of other factors includes the following:

- Does the consultant have any experience with systems of the institution's size and type? A 10,000 line voice and data PBX installed on a 500 acre campus requires many skills not needed with a 400 line switch confined to one building. \

- Is the firm experienced with working in the higher education environment? Most firms that do not have such experience find it difficult to understand that higher education institutions consist of loose federations of independent contractors and fail to realize the highly complex political nature of colleges and universities.
- Has the consultant ever worked in a public bidding situation (if this applies)? Public purchasing rules are very different from those that apply to private companies and a misstep on the consultant's part can invalidate the whole process and cost months of time and effort.
- Does the consulting firm have any outstanding lawsuits? These are not necessarily a negative factor. In this highly litigious society, the consultant may indeed be innocent. Still, a lawsuit is cause for further investigation.
- Does the consultant have any apparent biases? Many have entered the consulting business as a result of the breakup of the Bell System and subsequent down-sizing of the operating companies. Some of these carry personal biases for, or prejudices against, AT&T and the operating companies that may work to the institution's disadvantage.

Answers to some of these questions can be supplied by the consultant. Other information can be obtained only through third parties. The consultant's references should be checked through administrators at other institutions and managers in business and industry who have dealt with the firm. Contacts available through membership in local and regional telecommunications organizations and industry-specific organizations such as the Association of College and University Telecommunications Administrators (ACUTA) and CAUSE are absolutely invaluable and can provide a wealth of information.

Questions concerning how a particular consultant "fits" the institution can be answered satisfactorily only through actual interviews with prospective consultants. Many consulting contracts run for a year or two, especially for major projects, and it is important for the "chemistry" to be right. One of the major advantages of a small to medium sized firm is that the individuals with whom the institution is dealing before the contract is signed are likely to be the same persons who will be doing the actual consulting.

## **WORKING WITH CONSULTANTS**

Styles of operation vary greatly among consultants. One extreme is the expert who is reluctant to reveal the reasons for making specific recommendations. This consultant spends time at the institution analyzing and coming to understand its needs and problems and then disappears. Later that person appears on the doorstep with a complete set of recommendations and solutions. Those at the institution have no idea what occurs between meetings, and they are unlikely to find out. The other extreme is a consultant who merely repeats the solutions that he or she thinks the institution wants to hear, whether they are correct or not.

A more desirable approach to consulting is to be not only an expert and a leader, but an educator and trainer. One goal of both the consultant and the client should be to educate the institution and its personnel. Eventually the consulting contract will terminate and the task will be completed. From then on, the permanent staff will be expected to continue to run the system and justify and implement decisions and plans made with the consultant's assistance. A good understanding of the reasons for those decisions and of the operational basics of the system is crucial for the long-term success of any project.

It is essential to develop a good working relationship with a consultant. This is greatly simplified if the duties and responsibilities of the consultant and the institution are clearly established in the contract. During any project when another vendor is involved, such as the installation of a new PBX, the relationship must include the vendor. Some consultants attempt to act simply as intermediaries between the vendor and management, dominating the project. A more beneficial structure is one in which the consultant helps the institution and the vendor to understand each other's problems and positions so that mutual solutions may be reached.

## **SUMMARY**

There is no easy formula that will always lead to the selection of the right consultant. The decision depends upon the unique situation of the institution - its needs, the funds available, existing personnel, politics, and personal preferences. Consultants should be seen as simply one important resource among many. Exercising care in selecting and dealing with a consultant will provide many benefits to the institution.

Updated from a chapter written by David C. Metz in the book *"Campus Telephone Systems; Managing Change"* published in 1985 by NACUBO