

Key Issues

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Old Wine, New Labels?

Managing Consultancy Input to Projects in the Education Sector

Are you getting value for money from commercial consulting partners?

There is significant anecdotal evidence of a dramatic increase in the use of commercial consultants to support systems implementations and drive change but are they achieving the desired results?

Of interest to:

Principals, Vice-Chancellors and other Senior Managers and Project Managers in further and higher education.

The sector is spending an increasing amount on external consultancy but our research shows widespread dissatisfaction with the return on investment

Colleges and Universities are looking to the commercial sector for guidance on how to adapt to an increasingly competitive environment but many are making costly and high profile mistakes.

Commercial models are not always appropriate for the sector

We have found many instances where commercial models are a square peg in a round hole. Consultants frequently fail to get to grips with the specific requirements of the sector and propose models that are overly simplistic.

The right to challenge

This is one area where the sector is far less analytical and critical than usual. We need to understand and question the approach *before* it begins to go badly wrong. We also need to concentrate on identifying and disseminating good practice that is proven in the education environment.

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Old Wine, New Labels? Managing Consultancy Input to Projects in the Education Sector

Introduction

In developing the framework of JISC infoNet and determining the range of issues we should address, we encountered significant anecdotal evidence of a dramatic increase in the use of consultants within the sector to support system implementations and to drive other changes to business practice. This was coupled with widespread dissatisfaction with the results of such input. Unfortunately it is not possible to provide an accurate estimate of what the sector as a whole spends on external consultancy. Consultancy costs are not a standard disclosure in financial forecasts, hence there is no reliable data. The issue is however one which touched a nerve with senior management in many institutions and we aim to address it in a number of ways:

- Much of the requirement for this type of support stems from the sector's relative lack of experience and our failure, so far, to capitalise on experiences to date for the benefit of others. We aim to share experience in the form of case studies and tailored tools and models which are available to the sector as a whole.
- We are also working in collaboration with suppliers and consulting firms. The nature of this collaboration is fundamentally different to that of product-based User Groups. The aim is broad-based networking and information exchange which will help these commercial partners better understand our business needs and permit them to offer solutions and models which are geared to the needs of HE.

This article represents a first attempt to offer some pointers to project leaders who are considering using consultants. We hope to show that such expertise, if properly applied, can be of enormous benefit to your project. Be warned however, that if it isn't, the experience can be a costly and frustrating one. The key to success is given in the title - the input must be *managed* and that means by *you*!

Project Set-up

When designing your project, think long and hard about what you want to achieve and what external input you require. Be realistic but optimistic about the skill set within your own organisation. Consulting firms are very often hired to advise at the time a project is being set up and all of them, without exception, will be keen to offer project management expertise. Why is this? Because it is a very generic skill. That's not to say it's easy - but it can be learned. There is of course no substitute for experience; an experienced project manager is worth their weight in gold to your organisation but increasingly so if they have home-grown skills. A manager who has generic project skills and who knows your business will cut to the chase more quickly than one who needs to learn your organisational set-up and your business. Plan ahead, identify staff who may be required to lead projects, invest in project management training and find ways of applying a practical project approach to work situations to gain experience. It's worth it you'll save a fortune.

Having identified areas where you do need external support, be very clear about what that support is intended to deliver. Even where you have contracted for external project management, you need to be aware of the principles of sound project management in order to quality assure that input. Is the scope clear; are there specific deliverables; do you know how you will handle change management; are you readily able to assess progress against key milestones?

Get the right people

Once you have a clear remit for the consultants, you need to select the right people for the job. Your choice of a consulting firm may be based on a response to a tender or, for smaller projects by previous experience or a recommendation. The critical thing is, having found a firm with appropriate credentials, to get the right people on site. They will send their brightest and best to win the business but they are only as good as the person who actually joins your project team. Be prepared to ask for CVs and to interview potential candidates. Be prepared to start again if they can't send anybody suitable.

A frequent tactic is to say they have somebody ideally suited to your project but this person will be allocated to another job unless you can sign a deal immediately. It may be true but you need to evaluate that person. If it is a large scale or long term project you should also be concerned if they don't have a larger pool of relevant experience.

Education sector experience is rare even amongst the major consultancies. Don't expect to find someone who knows the sector inside out, it won't happen. Think about what key skills they need to bring and how you will evaluate whether they can adapt to your situation. Most consultancies will be happy to send candidates for interview. If a potential candidate needs bringing up to speed about your business or key issues for your project, many firms will be happy to allow some non-chargeable time for this but you need to agree this before you sign a contract.

Having found someone suitable, check on their status with the organisation. Consulting is a business where turnover is high and certain skills are at a premium. Our own experience has involved finding consultants suitable for a medium term assignment only to discover they were short term contractors not employed by the company, or in one case, a member of staff already working their notice. You should also make sure that the company can't sell you their brightest star then move them onto another project as soon as a new prospect appears on the horizon. Look to your contractual documentation to cover these points. There will inevitably be turnover situations which the company can't foresee and you should agree beforehand what is your preferred approach should your chosen consultant suddenly hand in their notice.

Contract Documentation

The whole issue of contracts is covered in our training module 'Negotiating an IT contract'. This article simply serves to give a few pointers. The first and most important is to ensure that you do have a written agreement.

Consultancy fees will either be on the basis of a rate for the job or a daily rate. You should realise that either way is a win, win situation for the consultants. If they quote a rate for the job, this will include a hefty contingency sum to ensure that they can't possibly lose out if they hit problems. If they quote a daily rate, you will obviously pay for more days should the

project encounter unforeseen obstacles. A daily rate gives you slightly more control so long as you are prepared to manage your project very closely; a fixed rate may be appropriate where there is an absolutely finite budget and the scope and deliverables can be very clearly defined. On the whole, I would tend to opt for the former but scrutinise and re-scrutinise their estimates of effort so that you have a clear idea what the maximum total cost is likely to be.

Don't forget issues such as expenses as this can add a hefty sum to the overall cost. If you are simply paying expenses as billed, discuss where the consultants are coming from, how they are travelling and where they are staying. Daily flights from the opposite end of the country or your city's most expensive hotel may otherwise come as a nasty shock to you. If you are handling a long term project and employing a number of different consultants, it may be more appropriate to agree a fixed rate for expenses simply to help your own budgeting. Most firms will grumble initially then agree it's not unreasonable.

You should also agree what constitutes a day's work. In a good relationship you will find that all of your team is working to meet the goals of the project and consultants in particular often put in long hours to get the job done. You do however need to cover yourself against paying a thousand pounds or more per day (plus expenses) for someone who regularly arrives at 11am or gets a 3pm flight home if they aren't putting in the work at other times. Agree how time will be monitored and ensure that records are kept. This is especially important if off-site working is included - you do have a right to know what they are charging you for.

It is important to set out your expectations of one another as regards facilities to be provided. Consultants will often need office space in your project environment - you should be clear about their requirements at the outset as your project could be delayed if you suddenly find you need extra phone lines or have to buy and configure printers etc. It also pays to clarify what versions of software such as Microsoft Word or Microsoft Project your respective companies use. Don't be afraid of stating the obvious - I once experienced difficulties working with a consultant from a reputable firm who didn't have a working e-mail address.

Routine management

At the risk of stating the obvious, the work of consultants does need to be managed. All too frequently institutions will employ consultants then leave them to 'get on with it' and still be surprised when costs overrun or the results aren't what they expected.

Feedback from a wide range of colleagues who have used consultancy support, particularly in systems implementation projects, reveals consistent themes of superficiality, inappropriate models and failure to understand the nature of our business. This is an issue in finding external support not only for student system projects but also for related projects such as financials where an understanding of student finance is essential to adequately meet user requirements.

A common feature of 'consultancy-led' projects is that they attempt to shoehorn clients into their own standard template and they can often go a long way off track before the approach is challenged. Realistically you can't always blame them for this. It is inevitable they will have standardised approaches and it is up to us to ensure we understand the models they are using and challenge them where we know that HE is different.

You do have to remember that this is a commercial relationship. In a good project it won't feel that way; the consultants will be part of your team and helping you achieve your goals. However, if things aren't going so well, don't be afraid to question the approach. The consultancy may have a vested interest in prolonging projects either by belated changes of approach or, in the worst cases, ongoing consultancy support for a live system which is effectively a square peg in a round hole. Most consulting firms will argue they would not risk their reputation by involvement in such projects. Experience, however, shows otherwise. It is, after all, very easy to blame the sector for its naïvety or un-business like approach whilst continuing to dispatch the invoices.

Summary

The rapid increase in management and IT consultancy is indicative of the sector's desire to start doing business in different ways. It is inevitable that when two such different types of enterprise come together, there will be conflicts and clashes as well as success stories. This article represents a very pragmatic approach to managing such relationships in the short term. In the medium term, JISC infoNet will be working with the sector and collaborating consultancies to build on the success stories to our mutual benefit.

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