



Consultants, Consultants Everywhere!

By Harshwardhan Gupta

In my last article, ("So how much discount you are offering on SPM? Final bolo abhi! " IPF August 2002) I had written about how clients / customers give a rough time to SPM makers / designers / consultants, etc. I received a lot of fan mail and a few brickbats too, and very genuine ones at that. So I decided to write about the other side of the story too.

Let me say in the beginning that there are many unsung heroes among consultants who, despite many handicaps and often for poor returns, have turned in good work and have cause to be proud of their calling. But there are many more, who blemish the name of consultancy as a profession, and this article is about the latter kind. Consultancy (giving advice to others for a consideration) in my opinion is World's second oldest profession, and sometimes it falls to such low levels that it is but one step away from the World's oldest profession. Recent years have seen an explosive sprouting of consultants of every hue and cry. Their complete lack of any collective or general code of conduct has brought ill repute right across the profession.

The first major cause of misunderstandings with clients arises, when individuals who are essentially *agents* start calling themselves consultants. A few examples will suffice: Estate agents calling themselves Property Consultants, used car dealers calling themselves Auto Consultants, share brokers calling themselves Investment Consultants, beauticians calling themselves Makeover Consultants, trading firms holding an agency of, say, pneumatic components calling themselves Pneumatics System Design Consultants, and so on. This is absurd! Lets have some clarity on this. An entrepreneur, or a trader, or a manufacturer, or a service-provider like an advertiser, or a supplier, or an agent (including the above exemplified kinds), all work for their *own* interests, which is normal and natural. And these people have *customers*, not *clients*. I am appalled at the mindless interchangeability with which the words "customer" and "client" are used. Doctors have patients; lawyers, architects, chartered accountants, and consultants have clients; educators have students; advertising agencies have accounts; and almost everyone else has customers! And no Sir, it *does not* sound more upmarket to talk about your "clients" when you just have good old customers.

Another confusion is created when people, after regular, voluntary or not-so-voluntary retirement, become "consultants" and then tend to work like employees-turned-businessmen. Let me say unequivocally, that X years of experience, as a department head in organization Y, does not guarantee any success with client Z's problems. Most such people have no financial common sense and come a cropper after trying their hand at consultancy, or they believe that consultancy is a sort of temporary employment, or they try to act as some business house's agents.

Another curious breed is the Liaison Consultants of various "departments". These are essentially agents simply cashing in on the institutionalized corruption in our bureaucracies, and they think the word Consultant is more "respectable" than Agent. Various kinds of "consultants" or "consultancy firms" exclusively work for the Government essentially as contractors, or as some company's agents, or brokers, or as "experts", and operate on lines that would not take them an inch ahead if they operated in the public domain. Also riding on the consultants' bandwagon are soothsayers of various kinds too: Vaastu Consultants, Astro-Palmistry Consultants, Feng-Shui Consultants, etc.

Many people, who are essentially educators or trainers, call themselves consultants too. This too is absurd, though sometimes some educators also play the role of a consultant, and vice-versa. The student-teacher relationship is quite different from a client-consultant relationship. Then there are those who "do consultancy" as a part time job. This often leads to conflicts of interests and paucity of time, and the task in hand comes a cropper. Talking of conflicts of interests, there are those who "specialize" in a given line, first work for A, maybe

as an employee, then resign and play consultant for A's direct competitor B, and so on, passing industrial secrets around for a handsome fee. The worst are the "undercover" consultants (read industrial spies); I need not elaborate on these breeds' shenanigans any further.

Many consultants think nothing of pushing their clients into a corner when it comes to selection of vendors or suppliers, as they have some kind of a tie-up with these businesses. They happily take a percentage when they recommend a particular brand of bought-outs, and vice versa. I have often ended up flatly refusing kickbacks from various vendors and traders. I simply tell them that I do not expect any sort of "cut" or any other favour from them, except that they should give a good price and good service to my clients. From their response it is usually obvious that they think of me as a nut case.

It must be realized here that consultancy is neither employment, nor a business, nor an agency. It is a practice, like a doctor's clinical practice, or a lawyer's practice. One does not think of doctors or lawyers running a *business*! They run a practice, and so it should be with consultants too. This change of perspective would clarify a lot of confusion that floats around the profession of consultancy. And when in doubt, thinking about what a good doctor would do in an equivalent situation could often provide good insights! Never be afraid of telling a client what is wrong with things in question; just as a doctor, though in his best bedside manner, has to tell you that you have, say, diabetes, or cancer.

A consultant is commissioned by a client to act in the *client's* interest by advising, designing, examining, analyzing... whatever! Therefore a consultant necessarily has to work in the clients' interest, keeping his own interests aside for the time being, as he has been engaged by the client to provide *impartial* opinions, inputs, analyses, designs, solutions, etc. to the best of his ability. A good consultant must essentially be professionally neutral, and for him developing a cosy relationship with a client must not take precedence over good professional work. If the consultant starts working in his own interest as an agent does, or takes short-cuts to save his own time and efforts which may put his client to losses, or withholds information he knows the client needs and then tries to cash-in on it later, then he has failed; and this brings a bad name to consultants in general.

A few more aspects should be clear in the mind of the consultant. Is he purely an adviser? Like a management consultant? Or is he supposed to deliver measurable results? And are parts of his fees tied up with these measurable results – and what parts, quantitatively? Clarity on these issues is best achieved right in the beginning. Another point is – does he solicit business? If no, fine, but if yes, there are ethical guidelines to be followed here – you should not make promises you cannot keep (we Indians seem to excel in doing just that). You have to outline the risks, probabilities of failure, and other external factors (quality of client's vendors, for example) that can adversely affect the outcome – in the beginning, not after the damage has been done. Let me warn you that it is a very fine line that divides delivering results and taking advantage of the client's naïveté. Transparency is essential – as they say about justice, that not only justice must be done, but justice must also be seen to be done. Payment terms must be outlined right at the beginning and not left to the benevolence of the client or the consultant. If an exact proposal cannot be worked out in the beginning without considerable spending of time, effort and money, then a quick budgetary proposal often is a good way to begin. If this itself falls through, then no more time and effort need be spent. In simple words, tell the client as *soon as possible* how much it would cost in fees plus costs to achieve his aim.

A consultant advertising his services should not go overboard in praising himself or making pretentious claims, as many product sellers do as a matter of right. He would do well to remember that almost all of his professional brethren – doctors, lawyers, architects and chartered accountants are completely prohibited from advertising in any form.

One should also not indulge in the practice of bargaining (that is done between suppliers and purchasers) – as it is the first step towards losing one's credibility. So rampant has this insidious practice become, that I now hear of doctors, surgeons, lawyers, architects and chartered accountants (the "original" consultants, if you wish) regularly indulging in bargaining with their clients.

Unless one very clearly wants to shift to a different vocation altogether, one should also resist the temptation of becoming a real or virtual "partner" with a client. It is a perilous practice to agree to accept part of profits or percentage of turnover as part (or whole) of the fees. Many clients try this tack with consultants, thinking that this is a good way to ensure his diligence and allegiance. In my opinion, a consultant needing a carrot and / or

a stick to work well is not worth his fees in the first place, and a client insisting on this arrangement is often a case of once bitten twice shy – such is the havoc wreaked by some consultants. In my observations over last 3 decades, this is a well-travelled road to perdition. I am very clear in my mind that the client risks his money, and the consultant risks his reputation, and one should not try and reverse these roles. Inventors selling their patents for a royalty are not consultants at all.

Although often there is no well-established precedence for a consultant to know how to structure and conduct his practice, as I said, drawing a parallel with a good doctor's practice often provides clarity, as a doctor's profession is the closest to that of a consultant's, especially to that of a consulting engineer's. By corollary, the client also must see to it that the consultant's fees, etc. are paid promptly, and the consultant is not treated at par with suppliers and agents, as he is ethically prevented from acting with selfish interests. In my personal opinion, it is a better professional practice to be paid by work-content rather than by time. Although I know of a few who run a good time-based practice, the Indian scenario is unsuitable for it, and the global trends are also changing towards work-based payments.

If consultants wish to be known as highly regarded professionals, they must consciously guard against putting themselves in the shoes of an agent, a service provider, a businessperson, a partner, a soothsayer, or a fixer. This is easier said than done, but it does pay well in the long run. To this end, if asked for, consultants should also present a written reference list of past and present clients with names and telephone numbers, and not just casually indulge in name-dropping as is done in cocktail parties. If they wish to play one more role, a trainer, for example, this should be well insulated from their consulting practice. However, a manufacturer or an agent or a trader trying on the consultant's cap is a case of hunting with the wolves and running with the sheep!

This brings me to the final point. A much tossed around, maligned and misunderstood word is "Professionalism". It's like "Love" – everybody obviously knows what Love is, but no two persons will ever agree on a definition. Here are a few of my truisms (and I invite comments and examples from readers). First, as an eminent professor of mine used to say, "Two things are important – clarity of mind, and clarity of expression!" Second, the old adage, "Do unto others as you expect others to do unto yourself." Third, you must try your best to ensure that the client actually benefits from your advise / work / design, etc. as this is the core of the reason why he has engaged you, and this is why he will come back to you, and spread good word around about you. Fourth, you must also be open about your mistakes / shortcomings / errors of judgement, and admit these frankly, instead of giving excuses for failures. Fifth, like a doctor-patient relationship, the information you gain about the client or his organization is sacrosanct, and must never be shared with others. Finally, please remember that if you stick to your principles, you may lose a client, but you will never lose a client's respect.