

## The Six Steps to Successful Engagement Management

Growing Your Practice Using A Proven Process



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## Agenda

- Introductions
- Process Overview
- Case Study
- Six-Step Engagement Process
- Wrap-Up & Q&A

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## Introductions



Mona Pearl



Michael Sarlitto



Clark Neuhoff



Some content contributed by Bill Pierrakeas, President ThirdView.

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## Who Are You?

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By Show of Hands

- Under 5 years
- 5-10 Years
- 10-20 Years
- Over 20 Years!
- Brand New (less than 1 year)

QUESTION: What are the ***TOP 10 Risks or Mistakes*** in Managing Consulting Engagements?

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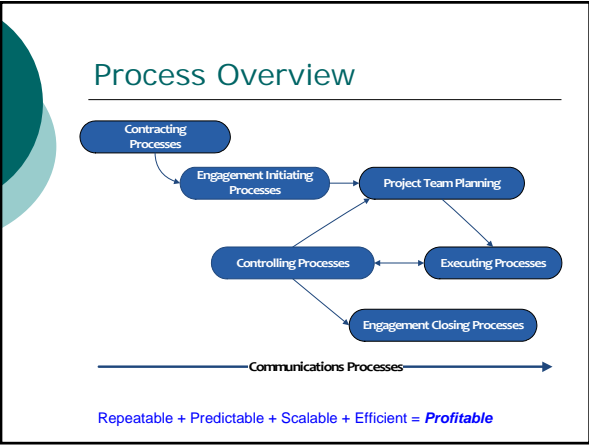
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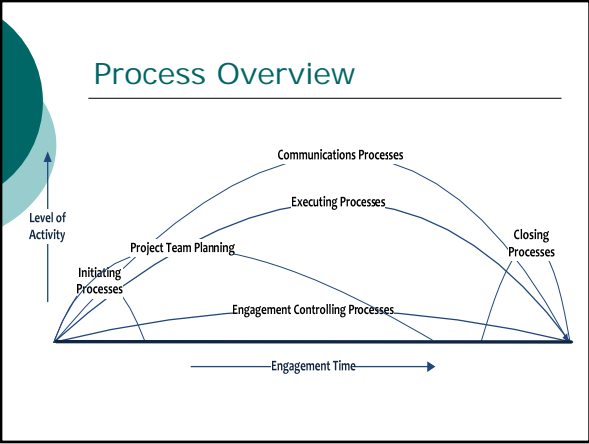
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## Case Study

**Client**

- o Profitable Machinery Manufacturer (50 years)
- o Revenue: \$50MM
- o Employees: 35
- o First evolution post-Founder/Owner/Operator Control

**Problem**

- o Consolidating Industry
- o Increasing Client Concentration & Diminishing Profit
- o Management & Planning Process Gaps

**Opportunity:**

- o Develop Business Planning Processes - 6 Months
- o Launch Acquisition Strategy – within 12 Months

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## Case Study – Cont'd

**Why You?**

- o Networking
- o Business Conference Referral
- o Past employment Relationship
- o Alumni Network, LinkedIn, Plaxo connection
- o Friend of a Friend of a Friend

Understand what is at stake:  
**reputation** and **credibility**

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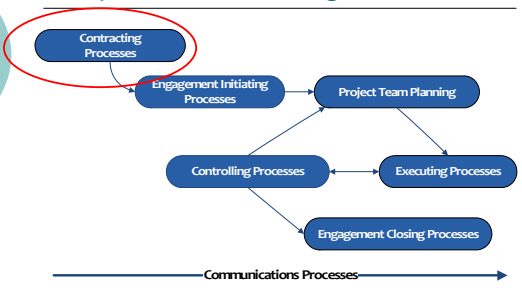
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## Step 1: Contracting Processes



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    graph TD
      A[Contracting Processes] --> B[Engagement Initiating Processes]
      B --> C[Project Team Planning]
      C --> D[Executing Processes]
      D --> E[Engagement Closing Processes]
      E --> F[Controlling Processes]
      F --> B
      G[Communications Processes] --> B
      G --> C
      G --> D
      G --> E
      G --> F
  
```

Repeatable + Predictable + Scalable + Efficient = **Profitable**

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**Step 1: Contracting Processes**

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**You've sold the work...  
Now What?**

**A proposal is not necessarily a contract.**

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**Step 1: Contracting Processes**

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Analyze Requirements from **Client's Perspective**

- Business
- Technical
- Legal

Proposal is key input **WITH** all other communications.

**Make sure nothing major has changed!**

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**Step 1: Contracting Processes**

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Analyzing **Business** Requirements

- Scope, Schedule & Budget
- Payment Terms
- Mobilization
- Performance Requirements
- Your Role & Project Role
- Compensation
- And More....

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### Step 1: Contracting Processes

Analyzing **Technical** Requirements

- Specifications – Statement of Work
  - Performance
  - Functional
  - Product
- Quality - Acceptance Criteria
- Warranty
- And More...

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### Step 1: Contracting Processes

Analyzing **Legal** Requirements

- Confidentiality
- Access
- Licensing, royalty and intellectual property
- Ownership
- Insurance
- Exclusivity
- And More...

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### Case Study Step 1



**Contract Highlights**

- NDA Signed
- Lump Sum, Fixed Priced Not to Exceed
- Performance-based
- Key Deliverables:
  - Phase 1: Project Plan – 10 days
  - Phase 2: Process Flows – 2 months
  - Phase 3: Initial Draft for Comment – 5 ½ months
  - Phase 4: 100 Day Operating Plan – 6 months
  - Phase 5: T&M Support to Launch Acquisition Strategy
- Stated Goal: Consultant Works Himself Out of the Job
- Dedicated COO for Process Hand-Off
- Contract Awarded 6 Weeks **late**.
- Status Reporting –Alternating Consultant & Sponsor

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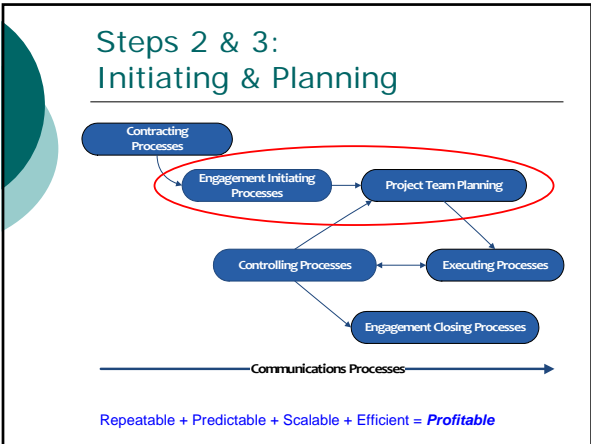
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## Step 2: Initiation Processes

Critical Transition or "Kick-Off" Phase

- Begins and Ends When?
- Shortest, but Most Critical, Why?
- Sets Client Expectations
- Lay the Foundation for Your Evaluation

**Engages the Team**

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## Step 2: An Illustration

Proposal Phase

- Problem Identified
- Consultant Probes for Details
- Proposal Offered
- Client Accepts

Initiation Phase

- Identify Stakeholders
- Understand Motivations and Issues
- What's at Stake - *Do we really need to do this?*
- Can We be Successful?

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## Step 2: An Illustration

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Lessons from a 13<sup>th</sup> century consultant

See if you can identify the elements and the Transition Point

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## Step 2: Transition to Action

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The Consultant has a critical role to:

- Provide LEADERSHIP
- Cast a VISION
- Motivate to ACTION

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## Step 2: Initiation Processes

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Through the process three essential ingredients must emerge:

- Trust
- Common Goals
- Shared Vision and Purpose

But what if they don't...

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## Step 2: Initiation Processes

Why is *Execution* so hard?

- People
- Competing Agenda (egos)
- Hard Work!
- Changes in the Market, Competition
- Resources (lack of)

**Solution:** An expert 3<sup>rd</sup> party to bring process, objectivity and innovation.

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## Step 2: Initiation Processes

Definition:

**Project Management** is the discipline of organizing and managing resources (e.g. people) in such a way that the project is **completed** within **defined scope, quality, time and cost** constraints.

-Wikipedia

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## Step 2: Initiation Processes

Definition Cont'd:

**Project management** is the discipline of organizing and managing resources (e.g. people) in such a way that the project is *completed* within defined scope, quality, time and cost constraints.

A project is a **temporary** and one-time endeavor undertaken to **create** a unique product or service, which brings about **beneficial change** or **added value**.

-Wikipedia

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**Step 3 – Planning Processes**

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**Accountability**

*Everybody, Somebody, Nobody and Anybody*

Once upon a time, there were four people; Their names were Everybody, Somebody, Nobody and Anybody.

Whenever there was an important job to be done, Everybody was sure that Somebody would do it.

Anybody could have done it, but Nobody did it.

When Nobody did it, Everybody got angry because it was Everybody's job.

Everybody thought that Somebody would do it, but Nobody realized that Nobody would do it.

So consequently Everybody blamed Somebody when Nobody did what Anybody could have done in the first place.

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**Step 3 – Planning Processes**

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**Accountability**

- Documentation
- Communication
- Consistency

**Inspect What You Expect**

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**Step 3 – Planning Processes**

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**Three Most Important Tools:**

- Timetable
  - How you Hold the Team Accountable
  - Communicate Expectations
  - Identify Roadblocks
- Call Report
  - Force Decisions
  - Document Decisions
- Budget

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### Step 3 – Planning Processes

**Timetable**

	Action Items	Who	Description	Date	Status
1					
2					
3					
4					
5					

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### Step 3 – Planning Processes

**Call Report – Key Elements**

- Attendees - *List*
- Meeting Summary - *Brief Text*
- *What, When & Who* - *Track*
  - Decisions Made
  - Decisions Needed / Action Items
  - Open Issues
  - Next Meeting
  - History of Decisions Made

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### Step 3 – Planning Processes

**Budget**

- Tracking Work to Budget
- Earned Value Index
- NO Surprises

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## Case Study Step 3



**Communication was Critical**

- Meetings
- Formal and Informal
- Email vs. Voice-to-Voice

**Documentation**

- Shared reporting
- Frequency

**Project "Triple Constraint Management"**

- Scope, Schedule, Budget
- NOT Quality. That's a given!

**Be Deliberate**

- Success is Not an Accident

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## Now the real work begins

**Three Reasons Why Good Strategies Fail**

Execution, Execution .....

"...managers know a lot about how to decide a plan and very little about how to carry it out."

- Lawrence G. Hrebiniak, Management Professor, Wharton




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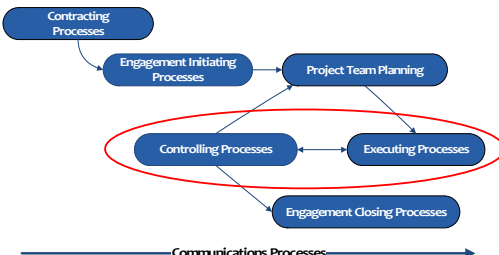
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## Steps 4 & 5: Controlling & Executing



Repeatable + Predictable + Scalable + Efficient = **Profitable**

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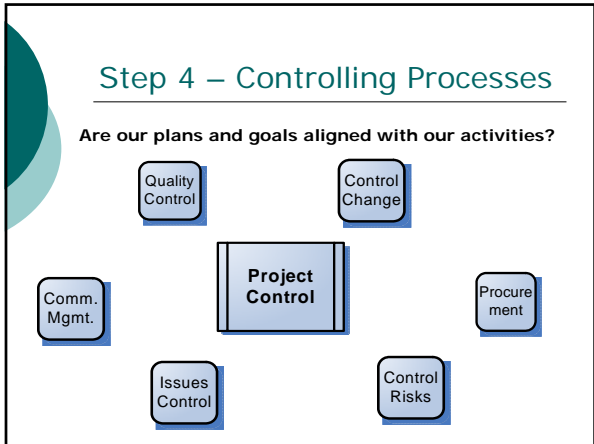
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## Step 4 - Controlling Processes

The processes in the project control phase help us manage procurement, customer acceptance and communication.

- **Communication Management:** Keep the team informed regularly regarding progress.
- **Quality control:** Produces deliverables that meet the client's requirements.
- **Control Change:** Any change requests are reviewed and approved prior to implementation.
- **Issues control:** Expect the unexpected and plan for it.
- **Risk:** Minimize risk.
- **Procurement:** From external suppliers.

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## Case Study Step 4

**Orbital Welding**

- Timely submittal of reports
- Meet as a team on Friday, internally, and submit status reports
- Risk – differences in opinions due to perspectives. The interpretation of implications.
- Hand off to another consultant

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## Step 5 – Executing Processes

What are the components?

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    graph TD
      SM[Scope Mgmt.] --- PE[Project Execution]
      BM[Budget Mgmt.] --- PE
      RM[Role Mgmt.] --- PE
      TM[Time Mgmt.] --- PE
  
```

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## Step 5 - Execution Processes

- Building the physical project deliverables and present them to our client for a signoff. It is usually the longest phase and consumes the most energy, resources and abilities.
- In order to monitor and control the project during this phase, we need to develop processes and checkpoints to help manage:
  - **Scope management:** are we on track?
  - **Time management:** The time spent by staff on the project to ascertain the overall progress of the project.
  - **Budget management:** Ensuring delivery within budget. Monitor and control costs effectively, sub-contract expenses submitted timely
  - **Role management:** Identify the team, chain of command and responsible parties

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## Case Study Step 5

**Orbital Welding**

- Reporting was scheduled for Friday.
- Time and labor –We learned that we would need less time and spread it over more days.
- Budget – was lump sum not to exceed project. (Was based on value).
- We served as the clearing house for communication.
- Expenses increased to 15% for LA travel
- “Breaking in” the new sub-contractor

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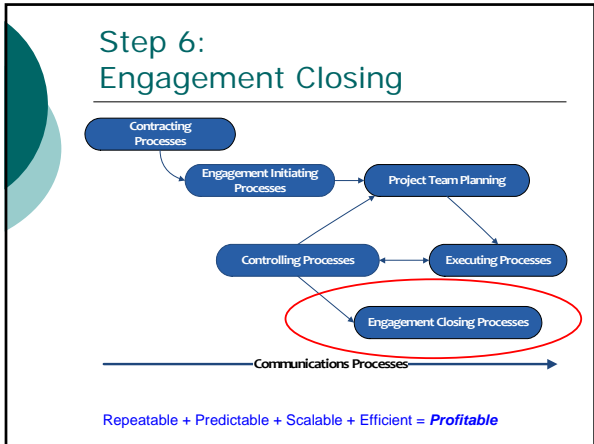
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### Step 6 – Closing Process

**Goal**  
 Formalize ***client's acceptance*** and bring the engagement to an ***orderly end***.

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### Step 6 – Closing Process

**Key Activities**

- Contract Close-out
- Administrative Closure
- Client Feedback

***Validate Meeting/Exceeding Client Requirements From Step 1***

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## Step 6 – Closing Process

### Customer “Promote-ability” Index

2 Simple Questions:

- (1) Scale: 1-10, how likely are you to recommend me or my firm to a trusted business associate?
- (2) Why or why not?

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## Case Study Step 6



### Project Closing Highlights

- Promote-ability Index Score: 8.5\*
- Overall client satisfaction: very high, best in last 5 years
- Lessons Learned
  - More frequent status reporting early
  - Communication method (email v. VM)
  - Writing style clarifications needed
- Results (referrals)
  - 2 banking
  - 3 suppliers
  - 4 clients
  - 1 alumni contact
- References: 7 YTD; 5 yielded engagement work

\*Industry Average for BPO PI= 5.6

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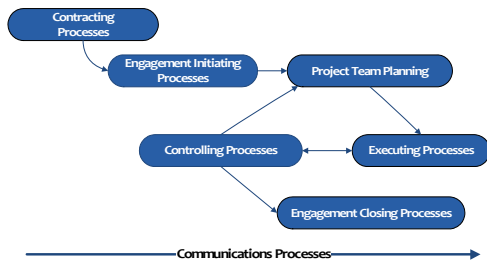
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## Wrap-Up... Have a PROCESS!



Repeatable + Predictable + Scalable + Efficient = **Profitable**

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Q&A

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Thank You!

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 **Mona Pearl**  


 **Michael Sarlitto**  


 **Clark Neuhoff**  
  
The Sextant Company  
Navigating Next Level Growth™

Some content contributed by *Bill Pierrakeas, President* 

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