

Good things come in small packages

Harvey Dearden asks why corporations are denying themselves access to the potentially useful resource of small consulting practices

Many companies deny themselves access to a potentially useful resource in the form of small consulting practices, particularly those formed by sole practitioners and their associates. Typically the supply chain will have a standard requirement for insurance cover of several millions of pounds, which fails to recognise the context of the putative service where total fees are usually in the thousands of pounds range.

These same companies may well employ contract technical personnel through agencies, where the work undertaken may be of a similar nature, but where no such cover is provided.

IMMEDIATE ACCESS

Another spurious obstacle is the blanket requirement for ISO 9001 certification. When you consider that many QA (quality assurance) concerns centre on the coordination of service delivery through an extended workforce, you will immediately see that, in the context of a sole practitioner, knowledge worker enterprise, many of the concerns disappear or reduce to a trivial extent.

With a sole practitioner enterprise, a client company has the most immediate access to the most senior management of the service supplier. Management interest within the supplier company is of the most direct and immediate kind.

Even where a company's supply chain stipulations do not effectively



prohibit the use of small practices there are other prejudices that may come into play. As an example, consider the case where a proposal for some work was declined even though the price was half that of the nearest competitor (a much larger company with corresponding overheads).

Yet the proposal was judged sound; the practitioner considered competent. So why did the bid fail? The client company thinking was that if there was a subsequent incident, they would have a better defence with the HSE if they were seen to have used a 'big' consulting practice. A shameful way to conduct business – management by abdication.

Another argument is that a bigger company will offer more breadth

and/or depth. This may be true in the nominal sense of company head count, but, in terms, of capability deployed on your commission, the opposite may well be the case. It is sometimes found that post-contract award, the senior partner will delegate execution to a junior member of staff.

INTELLIGENCE FAILURE

We have seen purchasing departments morph into increasingly sophisticated supply chain management departments, but is there a failure to use intelligent discrimination in respect of small suppliers? The 'one-size-fits-all' approach may save some effort for the supply chain personnel, but this is not necessarily aligned with the best interests of the company's business. ■

NEXT TIME:

The potential advantages to clients... with small consulting practices are explored.



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