

Getting the Results You Expect from Consultants

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There are several steps that you can take to ensure that you get the greatest benefit from consultants.

Warranties do not exist for consultants and independent contractors. Instead, biopharmaceutical executives are left to rely upon the ancient Roman warning: *caveat emptor* (“let the buyer beware”). After more than two thousand years, is this really the best we can do?

As a top-level executive for a biotechnology and medical device company, I paid the consultants’ bill and assumed accountability for the work. Throughout those years, I spent countless hours assessing status, watching presentations, reviewing reports and all the while wondering, “Why must I put this much work into shepherding this project to ensure the payoffs I want?”

If this refrain sounds familiar, it’s because far too many executives face this question when it comes to managing outside advisors. The business literature is full of examples of consulting projects gone wrong and tales of executive woe at the hands of outside experts poorly chosen and ill-suited to the tasks at hand. Given the added risks of regulatory accountability and litigation over adverse health reactions, biopharmaceutical executives have even more at stake. To achieve better results, use a straightforward set of steps to ensure you hire the right kind of consultant and get the type of help you need.

Consultant Responsibility

Based on my own experiences, I began to put together a systematic process to determine the help I needed, find and screen that outside help, and finally structure the contract to ensure a positive result. Over the past few years, I’ve informally reviewed and refined this process with the CEOs, directors and other senior executives. With the following guidance, you should be able to implement your own process to ensure you get the results you want from any consultant or outside advisor you hire.

Do You Need Outside Help?

The first step is determining if you actually need outside help, and then sketching out some notes on what that help should look like.

Determining if Outside Help is Appropriate

Success in any given project or activity depends on two things: available manpower and proper expertise. If your organization is lacking in either of these two categories, it's time to look outside for help.

You also need independent insight if you and your organization are stuck and need a fresh perspective. For instance, assessing strategic options, identifying ways to maximize your organization's efficiencies, or applying current best practices to speed your time to market, are all good reasons for seeking outside counsel. However, you need to be cautious. The degree of involvement will drive the level of cost, risk and effort. Therefore, the next step is to recognize the type of help and level of involvement you want.

Determining the Type of Help

Before you pick up the phone or send an e-mail signaling interest to any outside consultant, make sure you know the type of advice you are willing to manage. Do you need an independent expert's insight or do you need to delegate a task or project?

Selecting and overseeing an outsourced project team is significantly different than dealing with an outside project assurance advisor. The outsourced project team will bring its own methodology and people to plan, implement and deliver any given project; it's likely that methodology will not be tailored too much beyond what's necessary for your environment. Conversely, the project assurance consultant will serve as your advisor who will help drive and oversee projects, ensure a project is successful, and keep an eye out for faster, better, easier approaches given the larger picture in which the project is operating. But he or she will not plan the project, conduct the implementation work, perform the testing or document the details. In other words, the project assurance advisor works on your behalf while the project team works *for* you carrying out operational, tactical activities.

To determine if you need tactical or strategic help, ask yourself and your colleagues three questions:

1. Do we want outside help to:
 - A. Just take care of our problem and make it go away? *or*
 - B. Guide us through the dilemma?

2. Do we want outside help to:
 - A. Give us a cut-and-dry solution (like a computer system or business function)? *or*
 - B. Help us overcome, and build on, a company-specific need?

3. Do we want outside help to:
 - A. Get us over a manpower/expertise shortage ? *or*
 - B. Help us improve our long-term capabilities?

If you selected answer “A” in all three questions, choose a company to whom you can completely delegate or outsource the work, such as an interim executive, a human resources outsourcing firm, or a contract manufacturer.

If you selected “B” in the above questions, then choose an individual consultant who will serve as your advisor. In this case, expect to do some of the heavy lifting yourself. Examples include an expert who will hold an onsite workshop on a specific topic and guide your staff through the issue at hand; someone knowledgeable to prepare a report on industry best practices or FDA recommendations from various conferences, a project assurance advisor, an expert on retainer, or even a mock audit of a specific area with prioritized recommendations.

Qualifying the Consultant

Once you’ve determined that you need outside help and have a better idea of the type of help you need, it’s time to find and screen the consultant (or, to use the terminology of the US Food and Drug Administration (FDA), it’s time to select and qualify your vendor).

To do so, create a short list of consultants using a four-pronged approach:

1. Review industry publications and make a note of the articles, and their authors, that touch upon the problems you face.
2. Ask colleagues outside of your company for recommendations.
3. Review the websites of industry associations such as the Regulatory Affairs Professional Society (www.raps.org), the Independent Computer Consultants Association (www.icca.org), the Society of Quality Assurance (www.sqa.org), etc. Search for key terms and phrases relevant to your

concern, like “Quality by Design” or “Process Analytical Technology,” in their marketplace directories.

4. Review the websites of the various names you’ve assembled and look at the consultant’s experience, previous client results and published works.

Keep in mind that hiring a consultant is like any investment; past performance is no guarantee of future performance. Thus, you will want to assess if the various consultants on your short list pass muster with several tests that can predict their ability to deliver for you.

Knowledge Competence

The first test is to assure that your prospective consultant has the real-world experience to apply his or her knowledge to your specific situation. Industry certifications were once decent indicators, but a cottage industry has now arisen designed to help folks obtain certifications quickly and easily (sometimes called certification “boot camps”), so I no longer recommend certification as a good indicator of deep expertise. Instead, look at the consultant’s publications. Do these articles discuss what works and what doesn’t, or is the article a dressed-up sales pitch?

Biopharmaceutical consulting is increasingly specialized. An expert in reimbursement is likely not the best person to help you redesign your product development processes. Thus, if you need reimbursement expertise, look for specific articles on reimbursement.

Actionable and Sustainable

The second test focuses on the types of advice the consultant provides. Here again, published articles (or tips from a newsletter) can provide clues. If the published articles always propound the same approach or solution, you can be confident this will be the consultant’s tactic with you. Assuming you have screened out the one-size fits all solution, determine if the advice is general and generic, or is it actionable and practical? If it is action-oriented, can the people in your company implement this type of advice with the consultant as a guide or will you need to hire more outside expertise to implement it?

Be sure to consider whether the advice discussed in the consultant’s publications is adaptable and sustainable. To do this, you’ll need to determine if the consultant is genuinely interested in your situation, in tailoring his or her advice to your needs, and in giving you the tools and know-how to solve a similar situation yourself in the future.

Knowledge Transfer

Testing for interest level and knowledge transfer prior to formal engagement is somewhat subjective and requires keen observation on your part. Between initially setting up an appointment and the actual discussion, did the consultant think about the problems you face and offer new ideas to consider beyond just hiring him or her? Given that you've reviewed their publications, are the ideas they've offered just warmed-up versions of published advice? Assuming you had a substantive discussion, did you walk away with more clarity or insight? Did the consultant ask pertinent questions or did it seem as if it was a scripted set of generic inquiries?

You need to feel comfortable with the consultant, and these questions can help you recognize where your expectations were met and where there are gaps. If you cannot close the gaps prior to formal engagement (such as through another meeting or phone conference), you are not likely to obtain the results you expect.¹

Final Thoughts

Having found and chosen the best consultant for you, and verified his or her capability to deliver the results you expect, it's time to draft the agreement. A 2007 survey published in *MX* magazine noted that failure by consultants to adhere to contract expectations directly contributed to lost revenue for 63% of companies.²

In a recent strategy article³, I outlined how to structure agreements to better share the risks with your vendors and suppliers. Any professional, whether outside legal counsel or a consultant, should assume the risk alongside you and your company.

The process described here should help you with any outside investment in services, whether hiring a consultant or outsourcing an entire function. At its heart is the recognition that hiring a consultant is

¹ The February 2006 issue of *Contract Management* has an article on further intangible factors in selecting a consultant that may also be of some value. Entitled "Peter Principle versus Doss Principle: Secrets for Engaging Consultants to Management" and written by Dr. Tom Baldwin and Ian Jacobsen, the article presents a case study of a non-profit organization and hiring a fund-raising consultant.

² "Survey: Medtech Firms Challenged by Contract Complexity and Pricing", Gopkiran Rao, *MX*, July 2007.

³ "Shared Risk: A Regulatory Management Strategy," *BioProcess International*, March 2008. Please email me if you would like a reprint.

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like any relationship: a bad one harms both parties' reputations and will set you back in terms of time, money and missed opportunities; a good one is the reward for entering the process with eyes wide open.

Are you ready?

About the Author

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