Utilizing the E-Business Consultant: A Step by Step Process
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Most organizations have performed some analysis of e-business solutions as a result of corporate strategy, customer demands, or the desire to improve administrative processes. In the process, organizations have evaluated the use of consultants to assist in the planning or implementation of projects. The approach of identifying, evaluating, selecting, and managing suppliers is as diverse as the characteristics of the organizations and solutions being considered.

The utilization of consultants is essential in light of the rate of change in the e-business marketplace, the continuing change in the product offerings, the consolidation of the supplier base, and the growing complexity of the implementation process. In our experience, the satisfaction rate with consultants in this area is less than 40%. This article defines a way of working with consultants that will be of benefit to organizations worldwide and will provide a standardized method of planning for and selecting consultants.

Consultants are normally used to provide technical expertise, accelerate schedule, and/or to ensure that quality of the solution is attained.

Identifying the Need

Most consultants will want to have large contracts that cover the spectrum of e-business consulting. This may not be as true for small consultant companies and individual consultants, but larger consulting firms will plan on providing across-the-spectrum services involving a number of consultants over en extended period of time. The use of extensive services may, in fact, be warranted and justified but the decision should be based on the user's or buyer's specification or scope of work. The need for e-business services spans the spectrum of activities as follows:

1) E-Business Strategy – The overall goal of the e-business initiative tied to customer requirements

2) E-Business Specification Development – Much like a requirements definition for an Information Technology project, this listing if the features required from any solution

3) Solution Provider Research – This effort links the requirements definition to potential providers

4) Solution Provider Selection – This effort develops the RFP, the evaluation criteria, and assists the organization make the selection of the supplier, including due diligence and qualification efforts

5) Implementation – This is a substantial effort associated with the installation, training, and ongoing monitoring of the solution

The more extensive the solution, the greater the costs for the consulting resource and the underlying qualifications required of the consulting firms. If the consultant is chosen to perform more than one of these assignments, authorization to expend funds should be based on each assignment. In other words the consultant can't process to the next portion of the assignment without written approval.

Finding Competent E-Business Consultants

At best, the most qualified companies will have no more than 4-5 years of experience. Many companies may say that they have 10-20 years of experience, but this will be related to large Enterprise Resource Planning (ERP) projects. Also, no consultant has the ability to lead the organization through all the phases with equal competence. Some consultants specialize in tracking the e-business market. Some are excellent

in developing strategic directions. Others are excellent at installing, training, and implementing solutions. I would suggest that the qualifications of the consultant be evaluated as follows:

➢ Specific educational and technical backgrounds of proposed consultants
➢ Previous projects of the exact nature of the projects in similar industries
➢ Extent of customer satisfaction gained from direct conversations with direct client contacts
➢ Extent of consultant back-up available in the event of schedule conflicts

The costs of the consultants should be evaluated. I would suggest that, if at all, possible, negotiate the costs of the project on a fixed price basis. A firm scope of work must be developed and the consultant then can be held to the definite requirements of that scope. Installation costs may not be able to be estimated, so I would suggest negotiating rates and not-to-exceed rates.

If you work with a consultant on a cost-reimbursable basis, be prepared to manage their time and expenses on a weekly basis. Oftentimes, junior or inexperienced consultants may be used for training and development and to perform research tasks normally accomplished by more senior staff. In any event, you should be prepared to pay the following rates for consultants:

Project Manager (Don't pay for partners who don't do any direct work)	$ 150-225/hour
Senior Consultant	100-125/hour
Consultant	90-110/hour
Researcher	60-75/hour

When a consultant provides on-site assistance and has staff resident at your site for more than 3-4 months on f full time basis, you can negotiate a lower rate based on the lack of need for office space and staff support.

Post-Consultant Selection

Once the consultant has been selected, a detailed weekly work schedule should be established. The consultant should provide a report on a regular basis concerning status, problems, and progress made. This information can then be tracked back to the submitted invoices. In general, the following list covers how to manage the consultant once the project begins:

1) Ensure that the consultants who are proposed actually perform the work

2) Review suggested solutions so that the consultant doesn't recommend only those solution providers in which they are familiar

3) Track the installation performance based on milestones achieved

4) Assign a team to work with the consultant. Generally speaking, the more the interaction, the more favorable the result

5) Insist that the consultant transfer knowledge and experience during the course of the project so that the organization can follow through on their own

6) Review invoices carefully and ask for enough detail to measure the time and expenses incurred on the project

E-Business Success and Consultants

Due to the rapid change occurring in the e-business market, it is tempting to just "turn over" all responsibility and authority to the consultant. I think that this action is a "big" mistake because it tells the consultant that you will implement any solution regardless the cost and timeframe. This is especially true when working with larger consulting firms, who can't make money unless the project is valued at $250,000

or more. Fortunately, due to the economy and the downturn in the e-business market, you should find willing consultant that will be willing to work with your organization on budgetary and timeframe issues. Your financial department should evaluate cost benefits of every solution carefully so that you are assured that the payback from using outside consultants is satisfactory.

On balance, the use of outside consultants at some level can be useful for organizations when planning and implementing e-business solutions. The goal of the organization is to have an assigned resource for the consultant study or project, provide weekly feedback, evaluate invoices for reasonableness, and monitor staffing on each project.