

ILRHR6640  
Case #3  
Roscoe Balter  
April 11<sup>th</sup>, 2014

## EXECUTIVE SUMMARY

### RESEARCH QUESTION

What are the common factors among consulting competency models? What must successful consultants do well? And, as a manager how do you assess and develop internal consultants?

### INTRODUCTION

An internal consultant is an organizational development professional who is employed full time by an organization (Lacey, 1). Internal consultants differ from external consultants in this regard, however, generally speaking they do serve a similar purpose and in doing so follow similar steps. The general model of planned change outlined in Cummings and Worley's, "Organizational Development and Change" state that all consultants adhere to five phases throughout each project lifecycle. These phases include: entering, contracting, diagnosing, intervening, and evaluating. Each of these stages is approached slightly differently depending on whether a consultant is internal versus external. As an internal consultant it is important to note the leverage points that exist at each stage. While an external consultant often needs to spend a large portion of time getting familiarized with their client, an internal consultant has the benefit of "ready relationships" and ideally knowledge of business and company jargon (Lacy, 2). Ideally, the internal consultant also has a benefit in the diagnosing phase, because they already have relationships with members from all over the organization and have a reputation for success. On the flip side an internal consultant does not buy-in from organizational members. External consulting groups sometimes are better able to generate energy and interest because they constitute a large expense and sometimes come with prestigious credentials (Elder).

### Internal Consulting Model

Satori Consulting group, an internationally renowned consulting group, has conducted extensive research in this area and has developed optimal business models that align to a variety of internal consulting frameworks based on business strategy and structure of organization. This firm fits into an "HR Initiative-based model" (Satori Consulting, 8). Satori uses measures of value proposition, relationship development and management, and size and structure to determine the proper business model to apply to a specific internal consulting group. According to my analysis the company falls into the "HR Initiative-based model" because they document and report value in terms of yearly strategic objectives for the HR initiatives they own. As HR analytical consultants they fall under the HR purview. Additionally, their top priorities revolve around implementing core HR processes. With an internal consulting group that functions like this, it is necessary to partner with HR generalists at every step (Elder). The most successful projects are ones that are coordinated with the business client and HR representative. This is the case because HR representatives often have great specific business insight and allow for a single

point of contact for the business client. Consulting projects tend to be more effective with a single point of contact for the client (Elder). This also allows for standardized process to take form. This is especially helpful in building credibility and trust with the client (Satori, 29). From a talent management standpoint, this also allows for the hiring of less experienced and therefore, less expensive consultants within your group (Satori, 30).

### Core Competencies for Internal Consultants

According to the Association of Internal Management Consulting there are fourteen competencies that define a successful internal consultant, whether you are an individual contributor or management level. These competencies include the following:

- |                                 |                                  |
|---------------------------------|----------------------------------|
| 1. Management Consulting Skills | 8. Business Process Optimization |
| 2. Client Service Focus         | 9. Communicating Vision          |
| 3. Professional Impact          | 10. Decision Making              |
| 4. Change Management            | 11. Team Building                |
| 5. Business Acumen              | 12. Strategic Business Planning  |
| 6. Coaching                     | 13. Cross Unit Collaboration     |
| 7. Project Management           | 14. Staffing & Development       |

### Internal Consulting Balanced Scorecard

The Association of Internal Management Consulting has also developed a comprehensive balanced scorecard to measure the performance of an internal consulting group and its impact on the larger organization. They divide the card into four main categories: financial, customer, internal perspective, and innovation/learning. The score card is devised for manager to evaluate their groups from four perspectives and answer the following questions: how do clients see us? What must we excel at? Can we continue to improve and create value? And how do we look to stakeholders and sponsors?

<b>Financial</b> <ul style="list-style-type: none"><li>• ROI</li><li>• % of Project Paid for by Client</li><li>• Total Add-on Dollars to Original Contract</li><li>• Total ICG Contribution to Corporate Profit</li></ul>	<b>Customer</b> <ul style="list-style-type: none"><li>• Customer Survey Feedback</li><li>• Change in ICG Annual Budget</li><li>• % of Clients Who Initiate Repeat Business in 12 Months</li></ul>
<b>Internal Perspective</b> <ul style="list-style-type: none"><li>• % Large Projects with Formal Contracts</li><li>• % of Total Business Requests Directly Served vs. Outsourced and Indirectly Managed by ICG</li></ul>	<b>Innovation/Learning</b> <ul style="list-style-type: none"><li>• % of Annual Positive Turnover</li><li>• % of ICG Employees Satisfied with the Job</li><li>• 360-Degree Assessments of ICG Leadership &amp; Consultants</li></ul>

### CONCLUSION

Internal consulting is an attractive alternative to a continued external consulting presence for large organizations due to expenses as well as company knowledge possessed by an in house consulting team. For internal consultants to be effective their goals need to be aligned with the overarching organizational strategy as well as the organizations HR strategy (Cialdella). Additionally, one of the biggest necessities of an internal consulting group is to quantify impact numerically for business leaders, this makes way for client buy-in and continued sponsorship (Cialdella).

### **Works Cited**

1. Weiss, Alan. *Organizational Consulting: How to Be an Effective Internal Change Agent*. Hoboken, NJ: Wiley, 2003.
2. Satori Consulting, "Internal Consulting Service Group Study." Satori Consulting.
3. AIMC, "global Emergence of Internal Consulting." Association of Internal Management Consultants. 2009.
4. Block, P. (1981), Flawless Consulting, Learning Concepts, Austin, TX.
5. Cummings, T. and Worley, C.. "Organization Development and Change." 5th ed., West, St.Paul, MN.2009.
6. Lacy, Miriam Y. "Internal Consulting: perspectives on the process of planned change." Pepperdine University California.
7. James Cialdella, an Organizational Effectiveness Internal consultant at Boeing.
8. Eric Elder, Director of Talent Management at Corning Inc.