



Consultants: Stop Giving Away This High-Value Service to Clients for Free!

Three ways to capture revenue from a natural consulting skill that has become a high-demand solution

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A revealing story about what many consulting clients really want

Occasionally, consultants present their findings to the client and the client responds, “I know all of this.”

A long-time client said this to me after a presentation of our analyses and findings. We had a great relationship, and so I felt safe in retorting, “You’re paying a lot of money to us to tell you things you already know.”

“Yes,” he said, “but I’m not paying you for your findings. I’m paying you to help me move forward from here. I know what I need to do, but I don’t know how to do it. I need you to help me make difficult decisions and stay the course through the changes I’m about to make in this company.”

As we continued talking, it became clear that while he valued my firm, it wasn’t so much for our ability to do amazing analyses, come up with great ideas based on our knowledge of best practices, or communicate these ideas using well-designed PowerPoint slides. He even referred to the other members of the team – all extremely intelligent graduates from well-respected universities – as “window dressing.”

What he wanted and valued the most was executive coaching, although neither of us used that term at the time.

His response changed the way I consulted. Since that conversation, I have migrated to a model that focuses on much more of a coaching relationship with clients. The results have brought me more revenue, a greater quality of life, and longer-term client relationships than I’d ever enjoyed as a “pure” consultant.

While the model I have chosen for my own practice might not be the perfect fit for all or even most traditional consulting firms, this paper argues that there is a place for coaching in almost every consulting practice. Today, coaching has become an established profession, and it is growing. Consulting firms that bring coaching capabilities to their work can capture new revenues.

After providing a definition for coaching, this paper introduces three opportunities that become available to consulting firms when they formally introduce and offer coaching skills.

A skill that the best consultants use naturally

Coaching is something that the best consultants already use. Let's examine the definition of coaching.

The Center for Executive Coaching defines coaching as an efficient, high-impact process that gets sustainable results through a dialogue that includes inquiry and creative insights.

Coaching is **efficient** and **high-impact** because it takes place in short meetings. During those meetings, the coach and client often come up with new ways of thinking about how to handle pressing challenges.

Coaching gets **sustainable results** because, over time, the coaching process develops leadership capacity. Over time, the client develops new ways of thinking, communicating, and relating to other people that help him or her take his or her teams and organizations to higher levels of performance.

Finally, coaching is a two-way conversation. It is a **dialogue** that involves asking great questions, listening, and working with the clients to generate **creative insights** about new ways to look at and solve major problems.

The most effective consultants interact naturally with clients according to this definition of coaching. These are the types of conversations in which the client has insights, where real trust between client and professional is formed, and where the client is able to take the consultant's advice and discover how to apply it in his or her organization. Per the story shared at the beginning of this piece, this is where much of the value of our work as consultants takes place.

In contrast, there is a class of consultants who do not have these types of conversations with clients. They do their analyses, present their findings, and consider that the end of the engagement. When they speak with clients, it is mostly a one-way conversation. As a result, these consultants often fail to form long-term relationships with clients, do not see their recommendations implemented, and are left wondering why their clients are not getting results. While the temptation is to blame the client, one possibility is that these consultants are not applying the coaching skills utilized by many of their colleagues.

If you agree that the top consultants are already using coaching in their work, then why not make coaching an explicit competency and even service offering in your firm?

An evolving profession and high-demand solution with its own methodologies and toolkits

Coaching has evolved and is now a growing, high-demand solution. While it used to be an intervention of last resort for employees about to be fired, it is now considered a standard

leadership development tool. According to a variety of research studies, up to sixty percent of companies now use coaching as a standard leadership development tool (Manchester, Inc.), and up to forty percent of Fortune 500 companies use coaching (Hay Group). A number of other studies have proven the efficacy and ROI of coaching as a process. The profession has its own professional standards organization, competencies, and designations.

Consulting firms have built-in advantages over many coaching firms that are already established, including: existing relationships with major companies, significant industry and business knowledge, and the perceived quality of their professionals.

Because of these strengths, consulting firms have an obvious opportunity to build on the growth and acceptance of coaching. Following are three ways to capture additional revenues from coaching.

Revenue source #1: a competency for more consistent delivery, better implementation, and greater client satisfaction

Coaching doesn't have to be a standalone service offering in order to bring additional revenues to the firm.

Even if your firm has no intention of adding coaching as a separate service, it is still a valuable skill for consultants to learn. That way, your firm provides a more consistent client experience, better implementation, and greater client satisfaction.

One way to bring coaching skills to your firm is by training consultants in coaching skills. A best-practice coach training includes competencies in the following areas, all of which can improve delivery of consulting solutions and improved implementation:

- **The foundational coaching conversation of active inquiry.** This conversation is an extremely effective way to understand the client's thinking, challenges, strengths, and limitations. Active inquiry is a conversation that allows the consultant to understand the client's point of view, potential issues in rejecting or resisting recommendations, and challenges in implementing advice. Active inquiry also allows the client and consultant to work together to solve problems and identify creative solutions that work for the client's unique situation in order to maximize the chances of effective implementation. While it might seem like this is a conversation that all consultants do, it is rarely taught to consultants as a formal, rigorous competency. Coaches practice this conversation in depth.
- **Conversations for moving things forward from vision to results, despite setbacks.** Coaches are skilled at additional conversations to move clients forward from inception of an idea all the way to implementation. These conversations go beyond logical thinking. They uncover

and help resolve issues that are beneath the surface: limiting perceptions; fears related to power, control and status; and issues handling uncertainty and ambiguity. They also ensure that all members of a team are aligned and accountable and are having open and transparent conversations about issues facing the organization.

- **Toolkits and methodologies focused on developing leadership skills required to implement leading-edge ideas.** Often, consultants come up with recommendations that are a bit ahead of their clients' leadership capabilities. Coaches have toolkits and methodologies for coaching clients on a variety of situations to help them address challenges that might stand in the way of implementation. A best-practice coach training program offers these toolkits and methodologies. Common examples include: how to influence others, stakeholder management, leading change, building an effective team, engaging and mobilizing employees, managing or leading up, handling overwhelm, managing competing priorities, thinking comprehensively about complex issues, fostering collaboration across silos, building one's informal network of professional relationships in the organization, developing future leaders, improving one's leadership presence, and communicating with impact.

Consultants with the above skills, toolkits, and methodologies are better equipped to:

- build trust with clients in a long-term relationship;
- work side by side with them to implement their recommendations to get measurable results; and
- enhance their reputation as well as their firm's standing as one focused on a complete solution that gets results.

Coaching skills add to the many competencies that consultants already have and help them move clients forward towards implementation, results, and impact – ultimately the value that clients expect from a consulting engagement.

Revenue source #2: a new way to deliver your existing expertise that will appeal to many clients

We have seen a number of consulting firms offer their expertise via a coaching model to clients. Having this option available provides added flexibility for clients and creates new openings for working with clients.

For some clients, a coaching model offers advantages over a traditional consulting approach:

- For some clients, coaching is perceived as being less invasive.

- The clients believe that they are more likely to develop the capacity to repeat the process on their own.
- The clients might believe that they are more likely to be accountable for having insights and implementing the findings.

For instance, a supply chain consulting firm added a coaching option to their offerings. In this model, the firm provides up-front training to the client and then coaches the client to improve its supply chain. Through coaching, the firm works with the client to develop ideas and action steps to improve the organization's supply chain as well as works on how to improve its relationships in the organization. As a result, the client's supply chain executives and managers improve their critical thinking skills, see their organization's broader strategic picture, improve professional relationships with customers outside their own area, and earn higher ratings from their customers – all while improving on traditional metrics associated with supply chain services. These improvements happen in real time, in between coaching sessions, so that there are opportunities to learn and improve throughout. The coaching solution has the added benefit of building leadership skills within the supply chain group without the stigma of imposing a formal leadership development program.

Similarly, a number of strategic consulting firms use a coaching model to coach executive teams through strategic planning as well as succession planning. This model includes a combination of facilitated retreats to come together and make decisions about strategy, coaching in between retreats to bring stakeholders together as needed, and coaching after the process to follow up and clear up obstacles that might stand in the way of implementation. Clients report that they appreciate the way this process respects their expertise and knowledge, its speediness, and the fact that it tends to be more cost-effective than the creation of a traditional strategic plan. For a consulting firm, this approach uses fewer resources and yet still can be quite lucrative.

Revenue source #3: an entirely new business

The third opportunity for consulting firms is to offer coaching as a standalone service.

This almost certainly makes sense for firms involved with change management and organizational development, given how closely these topics relate to leadership development.

It also makes sense for almost any management consulting firm with access to senior leaders. Senior leaders seek counsel from trusted advisors, consultants are already in that role, and there is an opportunity to formalize that role for additional revenues and to maintain share of mind with the client.

Top recruiting firms have added executive coaching as a revenue source and, during times when recruiting revenues have fallen, this source of revenue has given a major boost to these firms' revenues. Consulting firms might be able to benefit from the same diversification.

As an industry and a profession, coaching has reached a point of maturity and acceptance where it cannot be overlooked any longer by consulting firms of any size.

Next steps?

A logical next step for consultants and firms serious about exploring coaching is to participate in a coach training program. Seek out an Approved Coach Training Provider (ACTP) with the International Coach Federation, the leading coach professional organization. Be sure to choose a program with an emphasis on executive and leadership coaching.

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