

Consulting Services: A New Opportunity for PRISM Members

J. Michael Pemberton, CRM
Information Management Associates, Inc.
<http://www.theimpros.com>

Consulting: Presence in PRISM?

➤ “PRISM International members specialize in information management ***consulting***”

PRISM International
From: *Why Go Offsite?*

➤ 104 entries under “consulting” in recent PRISM *Resource Directory*

What's going on--organizations

- Doing more with less
- Reductions in head count
- Pulling company expertise together (e.g., teams)
- Special expertise desired; e.g., KM
- Evolution of molecular organizations, Lego® relationships

What's going on--individuals

- Thousands of people, often mid-level, laid off—often those who *know* the most
- More early retirements; leave the stress, the rat race
- High number of *small* business starts; home based businesses increasing dramatically

The importance of knowledge

“The only success a [person] will ever have is a reserve of *knowledge, skills, and abilities*”

Henry Ford (1928)

They can take away your job, but they **can't** take away what you know!

What's of interest in this chaos?

- Big Six Firms changing their focus to *consulting*—KM, BPR, etc.
- Anderson spins off consulting
- Consulting specializations grow
- Number of management consultants rising dramatically

Application to RM consultants?

- Organizations need specialized knowledge and expertise about their line of work--but **not** more employees
- Number of organizations, even small ones, need records management—if not records managers

What is a “consultant”?

“ . . . anyone who can and does render **advice** and/or **related services** in a skill area of at least a quasi-professional or technical nature, at some fixed fee or rate, on a contractual basis.”

Herman Holtz (1988)

The first consultant?

Oog learned to make fire and went from cave to cave showing others how. His fee? A large Brontosaurus steak!



So, a consultant is . . .

- A knowledge dispenser, problem solver (*all problems are information problems*)
- A contractor providing part-time or short-term know-how
- From outside the organization
- Paid on a rate, or scale, different from regular FTE employees

Advantages of using consultants

- Cheaper overall (less overall time needed per project)
- Speed (more knowledge applied quicker)
- Focused expertise
- Uses established methods
- Objectivity
- More trusted than internal staff

Better, Faster, Cheaper?

Disadvantages of consultants

- Higher initial cost
- May not be available when needed
- Employees may feel threatened
- May know less than advertised
- Independent thinker

Employee vs. consultant

- ***Employee:*** “I *fell* into records management” or “I got *pushed* into records management.”
- ***Consultant:*** records management by *choice*, not accident; professional career decision; focus on field and developing expertise

External consultants (types)

- Work for a large accounting or general business consulting firm, may have little RM expertise
- Work for a vendor (tech or services)
- Work for a records management consulting firm with several consultants
- Self-employed--full time
- Self-employed--part time

Getting honest . . .

- If a vendor “consultant” working for XYZ records storage tells every prospect that ZYZ is what the client needs, there’s bias.
- If a wholly *independent* RM consultant finds that the client needs inactive records outsourcing, *then* XYZ may still get the account.

Work of RM consultants? ⁽¹⁾

- Needs assessments, feasibility studies
- Problem identification, solution, action plans
- Records retention research
- Assist with RM problems; e.g., filing systems, cost reduction, IT selection

Work of RM consultants? ⁽²⁾

- Vital/archival records identification & protection
- Lead IT projects; proposal evaluation; vendor interface
- Outsourcing analysis
- Education, training, demonstrations

Work of RM consultants? ⁽³⁾

- Feasibility and cost-benefit studies
- Information storage facilities design (e.g., centralized files, records center, archival repository)
- Program budgeting (e.g., staff, space, equipment)

Work of RM consultants? ⁽⁴⁾

- Development of ethical information practices
- Evaluation of digital preservation needs
- Draft local government ordinances
- Policies, procedures, related forms

Everybody needs RM

- Not everyone needs a full-time RM-- either as a commercial information center employee or as an employee of an organization needing RM
- **But** opportunity to use RM consultants to solve customer problems is great and growing

New opportunity numbers

- 6,894,869 establishments in 1997
- 7,008,444 establishments in 1999
- Increase of 113,575 establishments
- Only 7% have employee counts between 250 and 1,000 or more
- Far more emergent small businesses than large ones

County Business Patterns 1999 (U.S. Census)

RMs and consultants in the U.S.?

- 8,247 ARMA members in U.S.
- 1 for every 850 companies[†]
- 251 members in Consultant's ISG (3% of total membership); not all are consultants
- Only 30% of 251 I ***know*** to be experienced external consultants

[†] Ratio would be much greater if total number of ARMA members in each organization were known

RM consultants in the U.S.

- RM consultants have: experience in multiple sectors, often graduate education, and certifications (CRM, CA, MIT, CDIA)
- Thought leaders, innovators in the field; change agents
- \$125-225 @ hour average for independents

You and consultants?

- Do nothing, lose opportunity to meet customer's needs
- Put one or more full-time consultants on your staff
- Develop stable of consultants; refer clients/prospects to them—no fees
- Refer clients to consultants—get referral fee from consultants

You and consultants?

- Consultants for organizational development, training, new services, IT improvement in ***your own organization***
- Formal, contractual but non-exclusive alliances/relationships (see sample contract in handout)

Your customers. . .

When they win, you win!