

Consultants Come and Settle In for a Spell

By Myra A. Thomas

Times have changed, and these hired guns handle a wider variety of roles for longer.

In this age of high employment and high competition, businesses grab any advantage they can. One way to supplement an overstretched staff's abilities is to hire a consultant. This practice is growing and changing as executives find new ways to use an extra pair of hands and a set of skills.

At one time, consultants handled short-term work for a business then quickly moved on to another company and another project. Now, experienced executives may consult on a marketing or operational project for months at a time, even for a number of years. These independent contractors are also acting in senior management roles at companies, handling sensitive financial information and directing the efforts of permanent staff.

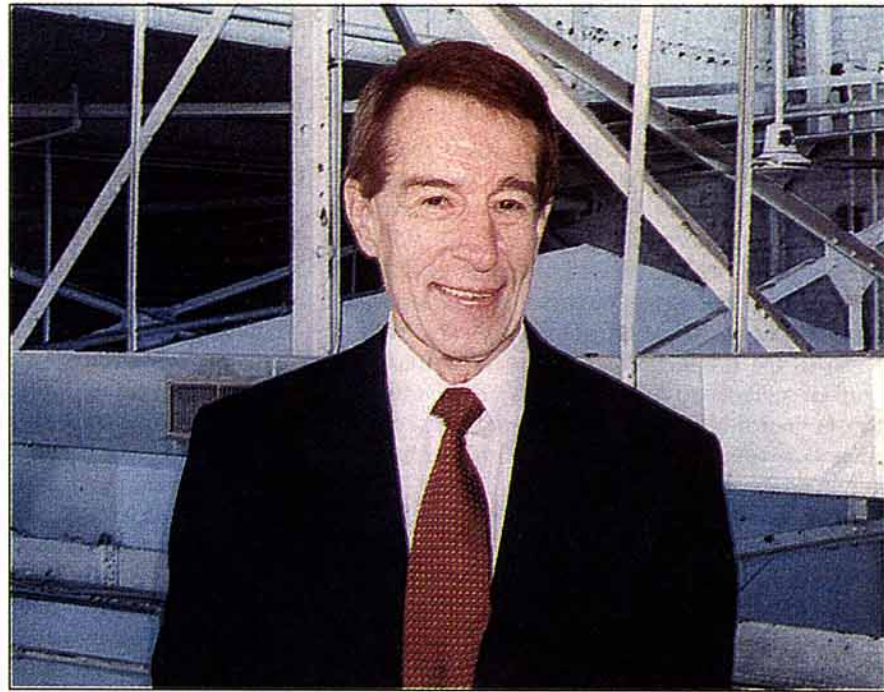
"Consultants are becoming more of the fabric of a business," says Gerald Savin, chairman of the Washington, D.C.-based Institute of Management

Consultants USA. His group represents about 2,500 members working in more than 300 fields at more than 100 types of companies.

One of the benefits companies seek from enlisting an outsider is a fresh perspective. An October 1999 survey titled "The Management Consulting Client Intelligence Report," from the Kennedy Resource Group in Fitzwilliam, New Hampshire, found "new thinking" cited as the predominant reason for bringing a consultant on board. Kennedy Resource Group provides industry research on a variety of professional services.

Management consultants also provide employers with expert talent at the right price. "Companies use highly experienced consultants to expand the knowledge base of the company without adding significantly to the payroll," says Savin. Not having to pay for and administer medical benefits, paid sick leave and vacation time makes the consultant relationship even more attractive for employers.

Ultimately, says Paul Gondek, president of the Princeton Chapter of the Institute of Management Consultants, a trade group for consultants in the southern half of the state, companies see engaging a consultant as a less risky propo-



sition than hiring a new employee. If the consultant doesn't work out, the consultant's contract is simply not renewed. The employer is not responsible for reimbursing unused vacation time or paying unemployment benefits as they might be for a fired full-time worker.

This less complicated, limited relationship is one of the attractions driving the rising demand for senior-level consultants in New Jersey. Gondek says his organization's membership has been growing briskly, increasing 15% a year for each of the last four years to its current 75.

John McCrae, managing director of Renaissance Resource Group in New Brunswick, says his firm works primar-

Renaissance Resource Group's John McCrae says successful senior level consultants need to fit into the corporate culture of the client.

ily with manufacturing, distribution and service companies in periods of fast growth or rapid decline. Renaissance often sends two or more individuals to work on a project, combining their expertise to deal with an assignment more effectively. Each of the trio of partners has at least 20 years of upper-level management experience, with backgrounds in finance, marketing and sales. At any given time, McCrae's firm is working with five to 10 clients, most of which find the company through word-of-

mouth and professional contacts. Consultants can also connect with clients through professional placement firms.

According to McCrae, a typical upper-level consultant has at least 10 years of relevant experience and receives \$150 to \$350 an hour. Despite the tidy earnings, McCrae points out a downside to consulting. "You always have to be working on new assignments to avoid any dry spells," he says. "And you have to take care of your own retirement and health benefits."

In a current assignment, McCrae and his partner, Gary Griffin, work two days a week for a 100-employee manufacturing company. The pair has worked for the mid-sized business for four years, with McCrae handling marketing and operational efforts. Griffin works on the financial end of the business, helping the client purchase another company.

Kathleen Kinka, president of Aurora Management Consultancy in Lawrenceville, says companies are relying more than ever on "virtual vice presidents" to do managerial level work. Kinka coined the term "virtual VP" to de-

Top 5 Reasons Clients Hire Consultants

New Thinking/ Analytical Techniques	15%
Objective/Outside Perspective, Facilitator	14%
Strategies/Options/Goals	12%
Processes/Policies/Costs	2%
IT/Systems Improvement	10%

Source: Kennedy Information Research Group

scribe the unique role that experienced senior-level consultants play. The term also reflects the fact that these workers often fulfill their responsibilities from a home office, using the Internet or telephone to communicate with the client.

Kinka provides strategic marketing services for technology companies, a class of business that often faces high start-up costs, making it difficult to afford a permanent marketing director. Business has been so good, Kinka says, that she has had to farm out some of her assignments to other consultants.

There's another facet of today's work environment encouraging the use of consultants. According to Loraine Kasprzak, president of Advantage Marketing & Associates in Westfield, many businesses do not have enough time to devote to recruiting the skilled managers they desperately need.

Kasprzak's assignments take in the range of public relations and marketing communications, from creating brochures to offering advice on Web site design. Her clients have included *Fortune* 500 businesses and smaller firms, primarily in the construction and manufacturing fields.

One of Kasprzak's former clients is West Caldwell-based Monarch Electric Company. Kasprzak worked with the company for about three years, setting up its internal marketing department. Steven Perlman, Monarch's co-owner, also used a management consultant to evaluate operations and develop a long-term business strategy. He is enthusiastic about the experience, saying, "If you're successful in using a consultant, you accomplish your goal and achieve a cost savings."

Bringing in outsiders and handing them responsibility can raise some office hackles, however. Perlman has observed that at his business. So has McCrae, who says, "Some may want you there and some may not. If you're going to be a virtual VP in a company, then you have to fit into the corporate culture."

But those who have to think about a company's future find bruised egos a price worth paying. With unemployment still lingering near a record low and employers battling to find seasoned workers while controlling labor costs, highly skilled management consultants will find plenty of spots to fill—temporarily. ■

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