



CHA's 'Winning Work' survey highlights major shift in the new business landscape

By Jim Horsley, chief executive of CHA
Insideout Communications



The age of austerity has brought about a shift in new business attitudes in large corporates as a survey of board-level buyers of business and management consultancy services shows that the need for substance wins hands down

The 'Winning Work' survey has identified the most important decision-making criteria in selecting consultants. The problem is directors of corporates believe that incumbent consultants under-perform on the important factors and over-perform on the unimportant ones.

Despite the threat of a double-dip recession, a low or competitive price is not what finance directors, chief execs and marketing directors are looking for from business consultancies.

Criteria such as local, national and global presence are anchored at the bottom of the list and factors such as reputation, presentation style and even a firm's ethics are decreasing in importance in 2010.

The message from directors of FTSE 350 and Times Top 1000 companies is loud and clear. Their priorities are based around choosing organisations that show a real understanding of the issues facing their company and sector plus creativity of thought in addressing those issues.

They also want access to the best brains in your business with the knowledge and experience to solve the problems. It is experience and fit with the company culture that strikes the right chord with corporates. "I like firms that understand my issues and show they have creative solutions." was the statement that 94% of respondents either agreed or strongly agreed with.

One has to ask how many consultancies are saying and doing the wrong things in their attempts to win business. How much of their communication is based around scale and stature instead of around the issues that count.

82 per cent of survey respondents say that if they don't know much about the consultancy's key people or what they believe in then consultancies don't stand much of a chance of winning their business. A further 46 per cent say that if consultancies have made no effort to engage them before the tender process then they are at a disadvantage.

Companies need to spend less time and money on building their reputation and focus more on getting their senior people talking about issues and creative ideas to solve problems. They need to invest in creating and communicating fresh ideas if they're going to build real engagement and interest with the people they're looking to sell to.

HOW DO YOU GET YOUR JUST REWARDS?

Around half of corporates appoint business consultants at least once every two years. Consultancies need to focus on engaging FDs as they're more involved in the appointment of consultants than other board functions. The majority of projects require a formal pitch. Presentation content is fifth on list of criteria even if style of presentation is 16th. Focus on the substance, however, rather than the style.

ADVICE FROM CHA

Invest in researching key issues both directly with your target prospects and through the media. You need to stay on top of what's worrying your customers and prospects. Spend time developing creative, original thoughts around those issues. Don't be another 'me too' consultancy. Get your senior people out – both physically and in the media – talking about what you'd do to address the issues. You need to engage your audience.

THE SURVEY

Telephone research was conducted on behalf of CHA by Illuma Research amongst a cross section of 50 board level directors within FTSE 350 and Times Top 1000 companies. Respondents included finance directors (42%), IT directors and CIOs (14%), HR Directors (12%) plus CEOs, marketing and operations directors. Fieldwork took place in late May 2010.



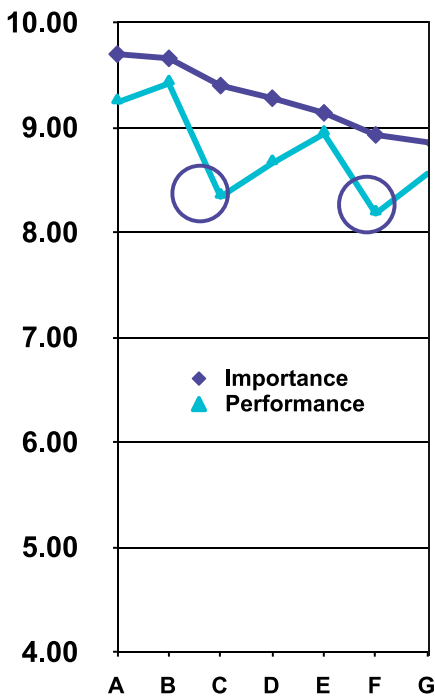
**most important
criteria in
choosing
consultancies**

- 1 Understanding of issues**
- 2 Understanding of business objectives**
- 3 Accessibility of key personnel**
- 4 Knowledge/background of key personnel**
- 5 Content of pitch presentation**
- 6 Experience and fit**
- 7 Creativity of thought and their ideas**

- 1 They have a local presence**
- 2 Lowest price**
- 3 They are a national firm**
- 4 They are a global firm**
- 5 Style of pitch presentation**
- 6 Competitive price**
- 7 Ethics, practices and attitudes of management**



**criteria in
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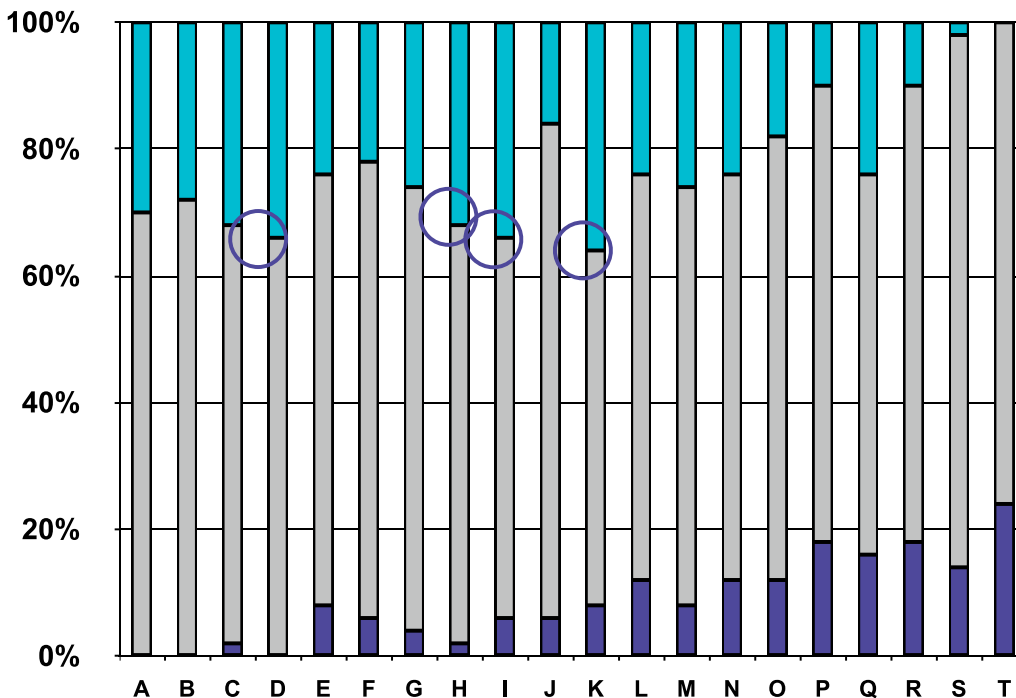


Performance of incumbent or recent business consultant

All respondents: mean score out of 10

In general, incumbent consultants under-perform on the important factors and over-perform on the unimportant ones. Key areas of under-performance are accessibility of key personnel, fit with their culture, environmental credentials, and how well they are managed.

Has the importance of these factors increased or decreased in the last few years



In general, the important factors have become more important and the unimportant ones less important. Four factors are significantly increasing in importance (D, H, I, K)

■ Increased
■ No change
■ Decreased

- A Understanding of issues facing your company or sector
- B Understanding of your business objectives
- C Accessibility of key personnel
- D Knowledge/background of key personnel
- E Content of pitch presentation
- F Experience & fit with your company's culture
- G Creativity of thought & their ideas to address the issues
- H That you or your colleagues have had previous experience of them
- I Their environmental record
- J Quality to written response to tender

- K Their experience of your industry sector
- L How well you feel their firm is managed
- M Their firm's reputation
- N Ethics, practices and attitudes of their management
- O Competitive price
- P The style of their pitch presentation
- Q That they are a global firm
- R That they are a national firm
- S Lowest price
- T That they have a local presence / branch / office

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