

EDITORIAL – OCTOBER 2007

The Important but Under-appreciated Role of Consultants in the Project Management World!

By David L. Pells

In my opinion, project management consultants get a bad rap. PM consultants seem to often be held in lower regard than project managers or executives, even if the consultant previously held an executive position with a major firm. Maybe this is the natural extension of that old adage that a consultant is someone who “borrows your watch to tell you what time it is.” While it is true that consultants often point out the obvious, often things that insiders already knew, it is also true that there are many organizations today at a low level of PM maturity where help is truly needed. In fact, there is a higher demand for PM consulting services now than ever before.

One problem is that the PM consulting field may not be well understood, even by those practicing for many years. PM consultants are not yet fully appreciated for the critical role they play in improving organizations and managing projects. There are also some trends in the business world that have led to more consultants entering the market, trends that may not be recognized or acknowledged. So this article is an attempt to educate some people by making a few points about the PM consulting practice. The first point is: consulting is a natural phase in many project management careers.

Consulting as natural career change

In the August PM World Today editorial entitled *The Seven Natural Phases of a Project Management Career*, it was mentioned that in many project management careers, individuals reach a point where he or she faces a choice, to either take a less challenging position or leave the company. Due to the temporary nature of project work, and the limited number of major projects in individual companies, it is often necessary to change employers in order to continue advancing on a project management career ladder. In some cases, it may be easier or more convenient to start work on a new assignment as a “contractor” or “consultant”.

An important point here is that many PM consultants who appear independent, or who are operating as a small business, may in fact have significant experience on programs and projects in larger organizations. In some cases, they have been senior project managers or corporate executives. This is more likely to be true of older consultants, many of whom have taken early retirement, or may be partially retired. In some cases, people come out of retirement to consult on a part time basis. Many of these individuals have extremely useful and valuable experience and expertise.

Another point is that many employers now prefer contractors rather than employees.

Consultants as contractor vs. employee

Many employers today prefer to hire project managers and project management staff on a contract basis rather than as full-time employees. The reason may vary from the project being a short-term assignment to a reluctance to hire more full time employees. This approach has several benefits, not the least of which is that it provides an opportunity for evaluating performance before making long term employment decisions. It can also help companies avoid higher costs of employee benefits, for example health care, holiday pay, etc. In some industries, it is also quite difficult to fire employees once retained, making temporary employees more attractive.

For project managers, however, this will mean that they will be acting as PM consultants, with that title and resume. From a personal standpoint, this might be ok. But it can also immediately lead to the PM consultant label and misconception of instability.

A third common scenario is that people become PM consultants to be independent and to make money.

Consulting as a Business

Some people become PM consultants because it can mean more independence. Working for yourself can seem an attractive alternative for some professionals who are less concerned about employee "benefits". Consulting can also appear to be profitable, when hourly charging rates range from \$50 – \$250 per hour, depending on the industry and person. In my experience, however, this is an illusion, as all PM consultants that I know work far more hours than they invoice to clients, so the average real income is much less.

A fourth reason to become a consultant is that there really is a need, and a demand, for project management advisors and expert consultants.

Consultants as PM advisors and experts

Many organizations need help, with their programs and projects, with implementing enterprise PM or PM Offices, or with any number of project management-related issues. Few organizations are at the highest level of PM maturity, suggesting that they still need help in order to improve their PM practices or capabilities. Many organizations have major projects for the first time, or major project with which they need expert assistance, and that help is often needed at short notice. For many of those organizations, a PM consultant or consulting firm can offer a solution.

Of even greater significance, outside independent PM advisors or experts are needed for PM governance purposes, to provide independent outside review of projects and PM policies, systems and performance. This is an increasingly important role for the PM

consulting industry, as corporate governance requirements are embraced by or imposed on project-based enterprises.

In summary, there are a variety of reasons why PM professionals become consultants. Now I want to suggest the following reasons why consultants are critically important to the project management profession.

- Expert PM advice or assistance is often needed by organizations, programs and projects that do not have those resources internally.
- Independent outside PM oversight or review services are needed for PM governance purposes, for major projects and project-based organizations.
- PM consulting is a natural service that project and program managers, and PM experts, can provide after retirement from their primary organizations, especially on a part-time basis.
- PM consulting is a natural phase for many PM professionals, given the temporary nature of project work and the need for many people to change employers in order to advance their careers.
- PM consultants can offer temporary qualified resources for organizations that do not want to “staff up” or hire full time employees for temporary projects or project work.

As project work and project management increase in economies and societies worldwide, we should expect the number of PM consultants to also increase. This should not be viewed negatively, however. PM consultants are a natural, useful and important element of the world of modern project management.

Good luck on your projects!

*David L. Pells
Managing Editor
PM World Today*

www.pmworldtoday.net
www.pmforum.org



David L. Pells
Managing Editor PM World Today



David L. Pells is the Managing Editor of PM World Today and of www.pmforum.org one of the world's leading online sources of project management news and information. David is an internationally recognized leader in the field of professional project management, with over thirty years' experience in project management related activities and positions. His professional experience includes a wide variety of programs and projects, including engineering, construction, transit, defense and high technology, and project sizes ranging from several thousand to ten billion dollars. He served on the board of directors of the Project Management Institute (PMI®) twice, and was awarded PMI's Person of the Year award in 1998 and Fellow Award in 1999. David can be reached via email at: editor@pmforum.org