

# Contracting the right professional

by Chris Jones, MBA FCMC

**A**S A CERTIFIED MANAGEMENT consultant (FCMC) and a member of the Canadian Evaluation Society (CES), I am frequently invited to perform both management consulting and program evaluation engagements for the federal and provincial governments in Canada. There are occasions when the client asks for a program evaluation when he/she really needs a management consultant and (less frequently) vice versa. Why is this? While they sometimes use similar diagnostic techniques, these disciplines are quite different from one another, as are the skills of the professionals who typically perform them. What are the main differences between the two techniques? And when should you use one approach and not the other? First let's define the terms.

A program might be defined as a collection of activities grouped together to serve some particular government purpose. As such, it should have measurable goals, clear strategies and a means of measuring its performance.

Program evaluation is a systematic examination of the program's implementation and outcomes to see whether it has achieved its purpose and to guide decisions on policy, funding and program adjustment. Program evaluation does not normally address the management aspects of the program, though it might do so if this

Management consulting is entirely different. It is an advisory service designed to identify and analyze management problems, recommend solutions and, if necessary, to help implement the solutions. The management problems might be related to the program, to its administration or to its performance measurement system. The scope of management consulting services is broader than program evaluation. However, once the problems are properly identified and analyzed, its focus might become narrower.

## Warning signs

We have undertaken program evaluations where the initial discussions of "issues" with program managers identified management problems largely unrelated to the objectives of either the program or the evaluation. For example:

- "I know broadly what my program costs are, but I have no way to know why it costs as much as it does and why the costs keep exceeding my budgets."
- "Which of my contractors are the best at what they do, which are not so good, and what can I do to bring them into alignment and get the best out of all of them?"
- "The accounting process tells me what we spent, but it is not designed to identify the costs of our program outputs. What can I do to measure our outputs and identify their costs?"

I don't think we do. And I have no easy way to find out."

- "I think the data is in there somewhere but I don't have the time or resources to summarize it or use it."
- "And while you are about it..."

Comments such as these should be red flags to the evaluator because they could reflect serious management problems and not program issues. Few evaluators have the necessary management consulting skills and experience to deal with management issues in areas such as IT, HR, output costing, financial management, business strategy or decision support. Unless they are certified management consultants (CMC), they are unfamiliar with the management consulting processes used by the members of CMC Canada ([www.cmc-canada.ca](http://www.cmc-canada.ca)). Further, the evaluator might have to confront the legal issue of undertaking management consulting work that he/she is not professionally qualified to perform. If the problems are not addressed they will, of course, persist.

Most of the differences between the disciplines fall into three categories – culture, drivers, and process. In turn, these differences lead to significant differences in the skills needed to do the job.

## Different cultures

**Program evaluation** – One reason why program managers ask for a program evaluation is cultural – it relates to the world they live in. Many program managers have received training in program evaluation and performance measurement either in their post-graduate degrees (MPA for example) or elsewhere. Program evaluation is frequently discussed in government circles and their program's "marching orders" or enabling documents often refer to the need for program evaluation as an accountability measure.

## Understanding the difference between program evaluation and management consulting can help you help your clients choose the right person

would shed light on the nature of the outcomes. Program evaluation is frequently done mid-term or at the end of a program, commonly by specialist evaluators. When program evaluation is done internally, using continuous performance data designed for the purpose, it is often referred to as performance measurement.

- "The performance information is received far too late for me to do much about it."
- "We should do exactly the same things in all the locations where we operate but

<sup>1</sup> For example, MBA graduates at Royal Roads University, where the author teaches, may specialize in management consulting. A sizable proportion of these graduates are government program managers.

**Management consulting** – With exceptions,<sup>1</sup> while program managers know what program evaluation is about and what it can do for them, they have a lesser appreciation for the management consulting process and what it can do for them.

Internal procurement departments in government are more familiar with program evaluation services than they are with management consulting services, so they are unlikely to ask the questions which would enable them to spot the different needs and advise their clients accordingly.

Since RFPs are public documents, government managers are reluctant to publicize their management problems by posting them on the Web for all to see. It is more palatable for government to ask vendors to “address these issues” than it is to “solve these management problems.”

### Different drivers

**Program evaluation** – The goals of a program evaluation are usually to find out whether a program has achieved its objectives and why – and if it didn’t, why not. It does not typically react to events taking place in the program such as specific management problems. While an evaluation might result in recommendations, not all do. And there is a school of thought in the North American evaluation community that evaluators should not provide management recommendations but should only evaluate outcomes.

**Management consulting** – By contrast, management consulting design their engagements expressly to react to problems and provide solutions. So recommendations and implementation plans are paramount. While the symptoms might be different from the underlying causes, there is invariably a problem – or a symptom of a problem – which initiates the management consulting engagement.

Management consultants are driven by the competitive environment in which their clients operate. Governments do not operate in a competitive environment.

### Different processes

**Program evaluation** – Program evaluation processes arose primarily from the culture of social sciences research. They are issue driven, not problem driven, and most of them use a common and rigorous process along the following lines:

- Determine the evaluation questions which will address the issues
- Identify the indicators, data and data sources needed to address the issues and questions
- Design the data collection instruments
- Collect and analyze the data
- Produce the findings, conclusions (and, perhaps, recommendations)

Program evaluations are sometimes focussed on specific areas within a program. If they are, the above process is still applicable.

**Management consulting** – Whether in government or industry, the management consultant’s job is to examine the symptoms, trace the underlying causes, make specific recommendations for change and develop a change management plan. While a good deal of the process is necessarily evaluative, the focus of the process is firmly on the development of recommendations for management improvement, not whether or not the program has achieved its goals.

Consultants will typically identify the symptomatic problems, diagnose their

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underlying causes, compare their findings with best management practices, develop an action plan to improve performance by addressing the underlying causes and design and/or implement the necessary changes.

During the process, management consultants in government will use a variety of tools which might include:

- Analysis of the program's strengths, weaknesses, opportunities and threats ("SWOT") for each of seven business areas – strategy, finance, HR, IT, program operations (service delivery), marketing (program "reach") and innovation.
- Analysis of the political, environmental, sociological and technological circumstances ("PEST") in which the program operates.
- Evaluation of strategic decision-making capability (how key decisions are reached).
- Evaluation of resourcing capability (how key program resources are selected and used).
- Evaluation of the internal performance measurement capability.
- Identification of the critical issues and problems in each business area, describing:
  - how they are manifested;
  - the underlying causes;
  - their importance; and
  - their likely consequences if not addressed.
- A formal and objective evaluation of the possible solutions.
- Development of recommendations for implementation.

As noted, the focus on the management consulting engagement is squarely on the recommendations for management improvement, not on the program outcomes.

### Different skill requirements

**Program evaluation** – These cultural, driver and process differences lead to different requirements for who should perform program evaluation and management

consulting engagements. For a program evaluation, external consultants need to be able to show suitable program evaluation process and program domain expertise (though the former is far more important than the latter). Useful qualifications are an MPA and membership in the Canadian Evaluation Society.

**Management consulting** – A management consultant needs to be able to demonstrate expertise and experience in the management consulting process, the management discipline(s) required, government programs and the program domain – probably in that order. The management consultant is more likely to be an MBA and a certified management consultant.

### Lessons

When they have a management problem, governments prefer to use program evaluators rather than management consultants. This is partly because governments do not work in a competitive environment and they prefer not to bring public attention to their management problems.

Few evaluators have both program evaluation and management consulting qualifications and experience. When engaging specialist assistance from outside, the program manager or buyer must be fully conversant with the differences between program evaluation services and management consulting services and the benefits each is likely to provide.

An evaluator presented with management problems should discuss them with the client, who might well change the terms of reference, call for assistance from a qualified management consultant or cause one to be added to the evaluation team.

If the program manager knows that the program has management problems, or even symptoms of management problems, he/she should consider engaging a management consultant familiar with government processes rather than a program evaluator. If you are lucky enough to find a program evaluator with management consulting experience, or vice versa, so much the better. ❧

Summary table of differences available on the web.

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