



Principles and Value-Based Consulting

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Business leaders often utilize consultants to help them achieve their strategic and operational objectives, and help them improve the effectiveness and efficiency of the business. Over the years, two very different models of consulting have evolved toward those ends, and each model has very different premises and approaches. One model is the “task-and-tools” model; the other is a “value and principles” based consulting approach. The task-and-tools model is the oldest and most popular model, but is considerably less effective than the value/principles approach. Why?

Let’s compare the two approaches. First, we’ll compare task-based consulting to value-based consulting. Then we’ll compare tools-based consulting to principles-based consulting.

Task-Based Consulting

Traditionally, consulting practice has focused on tasks; i.e. the consulting contract specifies a sequence of tasks the consultant will perform to create a deliverable – such as a report, a plan, recommended changes, etc. The consulting project is generally based on a pre-negotiated or pre-determined, and often fairly rigid, project plan. Task-based consulting is generally tactical in nature and operationally focused.

Traditional task-driven consulting is generally based on a subject matter expert “pair-of-hands” model. The consultant is “hired” for their specific content knowledge and experience, and in essence, serves as a temporary employee charged with the responsibility to “fix” or “build” something, generally with little or no involvement by the client or the client organization.

While business leaders tend to rely most heavily on this approach, it brings with it some serious limitations. Basically, the client outsources part of their own job responsibilities, and charges the consultant with driving change in that area. Structurally, however, the consultant does not have – and cannot ever have – the requisite organizational power and authority to implement change. Thus, the old model carries within itself the seeds of its own failure because its foundational premises are self-contradictory.

The traditional consulting approach also precludes the possibility of the client, or the client’s organization, learning something new or building new capabilities, because the client and the organization are not struggling with the problem themselves. It also precludes the possibility of the client organization achieving a significant breakthrough in results – for themselves – that would stem from intensive client/organizational involvement, learning, adapting, and empowerment. Without fully realizing it, the

client/organization adopts a posture of “learned helplessness” and becomes dependent on the consultant. Hardly a good basis for sustainable growth!

It has one more, very significant, disadvantage. Because the client and the client’s employees had no real hand in developing the recommendations or change plan, the probability of successful implementation is low. This is because nobody in the client organization feels genuine ownership for the recommendations or implementation plan. Ownership stems from active client involvement, and the traditional consulting approach often lacks such involvement.

Value-Based Consulting

Value-based consulting is much more powerful, dynamic and adaptive than traditional consulting. Value-based consulting focuses on:

- Strategic value drivers (rather than localized, tactical, operational “improvements”)
- Outcomes, rather than tasks
- Improving both the performance AND capabilities of the client and the client organization (via organizational learning)
- Dynamic, flexible consulting and change processes
- Client involvement, commitment and ownership
- Organizational empowerment – to create new results

Value-based consulting is driven by strategy and outcomes, not a fixed, predetermined set of steps or phases. It operates within the unique strategic, operational and political setting of each client organization. It recognizes that in real life, situations and situational dynamics are so complex and fluid that very often the project approach must mirror that complexity and dynamism by taking on the character of a “living document” – an adaptive response capability rather than a rigidly predetermined project plan.

In value-based consulting, the client and the client organization are intensively involved as the true subject matter experts and determine project priorities dynamically, based on their intimate understanding of the organization’s strategic drivers and priorities. The client and the client organization become increasingly empowered to make significant, long-lasting change, and in parallel with that, develop increasing levels of built-in capability for making other, related kinds of changes in the future. Client involvement also creates client and organizational commitment, which tremendously improves the probability of a successful outcome.

Tools-Based Consulting

Many consultants learn their trade and expand their marketability through a life-long process of learning more and more, new and different consulting “tools” (well-defined organizational interventions) that they can add to their “toolkit” (and resume). When marketing themselves, tool-based consultants attempt to impress the client with the wide range of tools they are competent to implement. Some of these tools include strategy development processes, process improvement and redesign technologies, Six

Sigma, team building, whole system change, appreciative inquiry, etc., etc. The list of tools could go on for pages.

Tool-based consulting has some significant advantages: 1) Marketing is easier. It is much easier to describe a concrete set of discrete services than it is to sell a dynamic, interactive, adaptive process for improving performance and building capability. 2) Clients often feel safer and more secure with a pre-planned and packaged "program." 3) Clients like the fact that it's often less expensive and less demanding to "tweak" a pre-existing package for the client than it is to embark on a totally customized process that is invented, and potentially re-invented in real-time, to align with the client's evolving needs.

While these advantages may be quite appealing, they bring with them some very significant, but somewhat hidden, down-sides.

While the sense of security "promised" by a pre-set process is quite seductive, very often it cannot deliver on that promise. The very rigidity that offers the sense of security also precludes the possibility of dynamic course correction that is nearly always needed in a rapidly changing business environment. The "follow-the-rules" approach very often ends up addressing a situation whose nature has changed, but the means to address it has not. The client and consultant end up working on the wrong problem, using the wrong set of tools. The seductive safety and security promised by the "follow-the-rules" tool-based approach is counterfeit.

There is another deep flaw with the tool-based approach. The flaw is paradoxical: the client is asking the consultant for a pre-determined, standardized, replicable, unchanging, linear step-by-step method for improving performance, creativity and innovation in a world where the rules and the foundations for operating are changing all the time! Deep underneath this desire for standardization and replicability is a secret yearning for stability. The truth, however, is that in a post-twentieth-century world, the yearning for stability will remain forever unfulfilled. Stability and ongoing replicability have become chimeras.

The last limitation of tools-based consulting is its disconnect from a profound understanding of the underlying organizational, interpersonal, and individual dynamics that are at the heart of the "presenting problem." Without a comprehensive understanding of the somewhat invisible deep roots or "drivers" of the presenting problem, the consultant is thrown back on using their favorite tool, or just grabbing one that seems "right." This is hardly the best way to proceed.

The best way to proceed must stem from clarity – regarding what is "really going on" – that is, from a clear awareness of the core dynamics underlying surface problem(s).

Principles-Based Consulting

The most secure and effective way of intervening in a dynamically-changing situation is real-time, appropriate response to the current state of that continually-changing situation. Appropriateness of response is dependent on, or informed by, a deep understanding of the drivers of human and organizational dynamics. A coherent and integrated theory base provides the consultant – and the client – with profound insight

into the true nature of the situation, its drivers, its dynamics, and of how and why the situation is evolving.

Thus, ongoing response to that changing situation is more effective, because it is continually closely aligned with the true core issues driving that situation. At any given time, the most appropriate tool – the one that is fully aligned with the deep issues at the core of the situation – is either chosen with greater wisdom or created in real-time. The consulting response is real-time, appropriately aligned, and continually adaptive to ongoing situational change. This is the essence of principles-based consulting.

At the Center for Corporate Renewal, we operate from a powerful position founded on a deep, research-based theoretical understanding of the underlying drivers of human and organizational behavior, combined with many years of concrete, practical experience in addressing thorny organizational problems. We also focus intensively on creating sustainable value together with our clients. Our experience has been that this approach is most highly effective in dealing with client issues, embedded in a complex, dynamic, and rapidly-changing business world.

About Dean Robb, Ph.D.

Dr. Dean Robb is Founder and Executive Director of the Center for Corporate Renewal (www.ctrforcorporaterenewal.com). Since 1994, he has helped numerous domestic and foreign business leaders build high-performing, innovative, entrepreneurial enterprises. His expertise combines 26 years of practical, real-world experience in corporate America with in-depth research in human and organizational systems.

The Center for Corporate Renewal helps senior executives build the capability to:

- Strategic Focus: Make sense of a changing environment and gain focus on the next right strategic move
- Disciplined Execution: Align and mobilize the entire organization behind this new strategic focus
- Creative Renewal: Renew the entrepreneurial spirit by repeating these two actions over and over again.

For information on how Dr. Dean Robb can work with your organization to instill a spirit and ethic of renewable corporate entrepreneurship, email him at drobb@ctrforcorporaterenewal.com or call him at 908-757-4721,

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