

"As our circle of knowledge expands, so does the circumference of darkness surrounding it." - Albert Einstein

The great debate! Comparing the skill-set of a ***Specialist*** to that of a ***Generalist***? How beneficial would it be to have a team of "specialists" on your side for a change?

By JB Hargrave, CEO/President, LAAMB Consulting Services LLC

Executive Summary

We've all heard the phrase "learn from your mistakes". But wouldn't it be nice if companies (and people for that matter) had the built in ability and foresight to learn from the trials and pitfalls of their predecessors, competitors, or that of other successful businesses? Would that change the way you contract business? Could it save you time, money, and jobs? Equally important question, what would the effect be on your bottom line if you knew you weren't going to over-pay for technology, professional services, training, or annual maintenance again? Certainly gives you something to think about, doesn't it!

I think its pretty safe to assume the global recession has in all likelihood permanently re-shaped the way we conduct business. The adages of 'doing more with less' and 'multi-tasking' have taken on a much more profound meaning. To more thoroughly assess the long- and short-term effects of the recession, and determine whether the financial crisis and the 'new-norm' in unemployment was just a difficult but not insurmountable event for many small to medium sized business, or a turning point for creating a leaner more efficient model, LAAMB surveyed some 200 business executives and a number of diverse industry leaders over the past 12 months to find out how they are coping with this new business reality. The overwhelming running theme; make fewer mistakes, and put more decisions in the hands of experts or

specialists. So how have many of today's successful companies made the transition to a new way of competing? They've turned to industry experts and consultants.

While I can't speak to the qualifications to other consulting firms in the pool of diverse specialties, I can opine on the benefits and pitfalls of partnering with an IT Spend Management consulting firm. Below are some of the key components to consider when looking for the next 'specialist' to fill a cost-containment need within your IT department.

Five mistakes companies make when hiring an expert:

- Picking the wrong expert
- Waiting too long to hire an expert
- Not taking your expert's advice
- Limiting the information given
- Pulling the plug too soon

Picking the wrong expert

Today, more than at any other time, favorable IT contracts are either won or lost on the ability of an expert spend management consultant. The real difference between an expert that will help make or break your technology investment is the depth and diversity of the expert's background within the industry involved. Why is this important? That's easy; because you can take to the bank the knowledge the IT vendors sitting

across the table has a well-qualified expert in his own right trying to



get you to pay as much as possible. We've seen client agreements ranging for 10 to 50 % in licensing fees discrepancies for similar (if not the same) module profiles. An expert, who does not have diverse knowledge and understanding from an insider's perspective, can't possibly deliver the desired end result.

Waiting too long to hire an expert

There are three ways that waiting too long to hire an expert hurts your cause. Getting an early read from the perspective of an expert on budget and technology business direction you are heading, can save you a lot of aggravation in the RFI/RFP/RFQ process, as well as substantial money savings if you've never acquired a particular technology in the past.

Perhaps more important is the second reason; which is an expert can help you considerably in framing the issues of timing with your desired vendor. This gives the expert the ability to compare fees associated with 'like' technologies to those of your peers to make sure you are not over-paying. A *good expert* has the industry experience to immediately spot where standards and practices have been violated and can explain why these departures are important to the hiring companies bottom line. Additionally, qualified industry experts have also seen and participated in numerous similar negotiations, so they can translate pricing inaccuracies or omissions *before* long-term financial decisions are made. You lose this very valuable assistance if a partnership agreement is not in place with a qualified industry expert before negotiations begin.



And the third way waiting too long to hire an expert can hurt your business, is being retained after the contracts have been signed. A qualified expert can tell you exactly what to say and when to say

it throughout the negotiation process. What may not seem important or relevant at the time, or simply not thought of, can be very detrimental to your company's bottom line if not reviewed by an industry insider expert.

Not taking your experts advice

To someone who knows the industry and its related hedge words, not taking your expert to the negotiation table can be really damaging. Very often, vendors will say something that, to the uninitiated, may sound logical and reasonable; but, on the other hand the may have been carefully phrased and/or contain industry jargon that narrows or limits a particular technology use. An expert who is intimately familiar with the language of the trade can suggest questions to expose limiting language. The result of this ability to probe carefully hedged questions and answers can completely change the impressions intended to let the vendor/supplier know where you stand if negotiations and a subsequent contract is pending. Conversely, left to negotiate alone, sometimes companies give the vendors the wrong impression of budget and timing, thus delaying and in some cases completely stalling the negotiation process. This intern WILL cause you consternation and money.

Limiting the information given to your expert

Occasionally, a client will not give his expert all the information he has. Sometimes clients will discuss the information with their expert and both agree that it really would not add any value for the expert to continue to review the information. If that is the case, then "no harm... no foul." If it isn't, you could be headed for disaster. If a document contains information that the expert could use in your favor with a vendor and you don't show it to your expert; it's a safe bet that the vendor will attempt to exploit your representative's limited knowledge compared to theirs. Remember, vendors negotiate hundreds, sometimes thousands, of these contracts annually. Realistically, how many does your team engage in? Five, maybe ten? Either way, rest assured with a qualified expert on your side, the likelihood of making a bad decision drops significantly. If your expert loses credibility with a vendor because they have been left out of a particular topic or conversation; the result can be worse than if you had no expert at all.

Pulling the plug too soon

Giving an expert enough advance notice that you will need his or her services is one thing. Not giving them enough time

to show their merits is entirely another. A well-reasoned, logical approach to dealing with technology vendors needs to take into account a multitude of factors; timing of desired implementation schedules, annual budgets, vendor relationships, expertise in a given field, returns on investment, etc. Now, unless and of course your initial choice for expert representation completely falls short of expectations, failing to give qualified industry insider experts ample time to generate the desired results, could have an impact on your vendor relationship itself, as well as the desire to be represented by other qualified specialists. The consulting community is no different than the traditional business community. Consultant's talk and share notes on experiences with clients. Gaining a corporate reputation of one that is impatient and requesting of unreasonable demands, will do nothing but create an environment that reputable, qualified experts will not want to engage in.

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