

5 Reasons for CEO's to seek external advice

Abstract

A Chief Executive Officer (CEO) carries the mental weight of their organization through the inevitable ups and downs of the business cycles and are ultimately held responsible and accountable for the success or failure of the company's result. In most cases the CEO knows its business inside out and may have spent considerable time building a strong management team. So why would a CEO seek external advice?

The CEO often needs to navigate through a long journey of imperfect decisions and know how to stretch reality in the interest of the company. He or she also needs to ask the right questions inside and outside the organization, know how to decipher and integrate all information, and how to use this in his advantage. The best independent consultant will provide you a sense of wholeness to the value they will provide, not only having ideas but having operational experience to guide initiatives through to completion.

Knowing the business inside out has its "flip side". When being deep in the day to day operation or always surrounded by the same group of people, he or she will most likely become a bias and most likely will not see the opportunities ahead. They will tend to repeat their optimum routine to solve a problem encountered in the past. Bringing someone in that could have a fresh look at the known issues and offer a new perspective on how to tackle a given problem will definitely provide a true boost, and even re-energize an initiative.

From experience, it will take some time to build the right level of trust when working with an independent consultant, but being able to discuss the company issues with no frictions or unnecessary storytelling is not only liberating, it is simultaneously the key to truly map all alternatives for the right solution. Being able to isolate and formulate a business problem and all its implications to someone that works with you on a 1 to 1 format that will not judge is often half the problem solved. But do not shrug it off, if you do not believe you

have a great chemistry with your independent consultant as you are likely to hinder the engagement from the start.

Furthermore, it has also proven to be beneficial to utilize independent consultants when the CEO needs to deal with sensitive matters, for example succession planning, reorganization or management team changes, it would be almost impossible to involve his or her direct reports for obvious reasons.

Using an independent consultant on a specific topic within your organization can free-up your hands and get the value you need. There is no long process to get him on board, you do not have to take care of performance reviews, incentive schemes, or personal conflicts with peers and you do not have to go through the bureaucratic process to get him / her on board or to terminate the engagement.

Another angle of attack is that the independent consultant can be leveraged for the initial data collection and for facilitating the decision-making process. In some case, the CEO and his/her management team do not have the expertise to address a specific issue. This is also a common practice to mitigate risk or unusual corporate events; the first acquisition, new regulations, an IPO, or joint Venture.

Most of the time the independent consultant is not emotionally involved in the process and can assist to reflect the information to obtain the right perception to make agonizing decisions promptly. This also in terms

of execution, acting fast is a decisive factor in making the process less painful for the company.

An independent consultant should tell you when he or she thinks you are wrong despite the fact you are paying him/her. Due to groupthink and their personal agenda, your direct subordinates will tend not to fight too much over time. This obviously depends on culture, background, norms and values. The short-term and independent nature of the independent consultant engagement could have its virtue. They can open sensitive topics much easier than the CEO without harm, making topics discussable without biases.

Issue processing is a common thread across all CEO's given their efficacy in presenting an issue, surfacing overlooked assumptions, generating a multitude of recommendations, and generating a commitment to action. Time is never on your side, being able to leverage with an independent consultant can be truly a game changer, creating a different perspective and accelerate the decision-making process to achieve the outstanding results you are looking for.

In conclusion, hiring an independent consultant is a little different from making an executive hire. You're looking for someone to quickly engage and add value. The alignment to your needs – and to your values – is critical to maximize your return from this strategic investment. A subtle benefit by working with an independent consultant is the obtainment of the perspective of expertise outside their core business, thereby bringing best-practices to the forefront.

CEOs have a challenging role, but the independent consultant provides a pathway to increase their success in leading the organization while also lowering stress along the way. One of the most valued features of our engagements is that the CEO benefit from the independent consultant's pre-vetting whether they are a "single shingle" consultant, or part of a mid-sized firm, or one of the major enterprise consulting firms.

The selection of the independent consultant may get back to finding the right industry fit, but there's also affordability to consider. In conclusion, hiring a management consultant is a little different from making

an executive hire. You're looking for someone to quickly engage and add value. The alignment to your needs – and to your values – is critical to maximize your return from such strategic investment.

There are some key critical dimensions or qualities to asses when hiring an independent consultant for your business;

- 1) Work with someone whom is not involved in the day-to-day politics of the company.
- 2) Handling unpleasant business processes faster, without being self-exposed.
- 3) Stop direct involvement of day-to-day issues and think more strategically.
- 4) Leverage external expertise and capabilities for a predetermined period.
- 5) Self-reflection providing better decision-making processes.

About OilXetra Consulting

OilXetra Consulting is a consulting company with a pragmatic approach underpinned by a wealth of industry knowledge that our consultants have accumulated through decades of engagements within the their sectors. Combine with our pragmatism, we deliver tangible, measurable results in a cost-effective manner. OilXetra consulting works closely with you to create a bespoke solution aligned specifically to your organization's strengths to maximize your probability and long-term success.

References

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