So you want to be a consultant:

now what should you do?

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So what is 'consulting' anyway?

It is a basic question, but one that many researchers are unsure about. For instance, does it mean…

- Putting on a suit, borrowing a briefcase, and working at your client's business for a few weeks? or
- Having only vague idea about what your client wants - and making up the rest? or
- Doing whatever your client tells you to do. That's it; end of story? or
- Dealing with narrow-minded people from soulless industries? or maybe
- Being the Guru with the answer to absolutely everything? …

The reality of course, is that consulting means working with people to help solve their business problem – whether their 'problem' is in fact a new opportunity, dealing with a competitive threat, or mitigating a risk. Fundamentally, 'consulting' means adding value to an organisation through the expertise, skills and advice of the consultant. In engaging you, your client has decided that your contribution is worth the price of your consultancy fee, because of the problem you can resolve. Thus, the need for consultancy arises because organisations have gaps in their knowledge and/or do not have the capacity to fulfil all objectives at this time.

Size and scope of projects

In our experience, consultancy projects vary in size, from say, a three-hour workshop run by one person, to a six month trial involving a team of researchers, to collaborative projects which run over several years. Depending on the project, the required output may include a report with recommendations, educational material, a new technique or method, or an actual product or product design. In any case, project requirements are included in a project brief or tender document which describes the project scope, milestones and deliverables. This is where Flinders Partners comes in to provide support in creating and meeting project requirements. But more on that later…

The fee and distribution of revenue

Flinders University Cost Recovery and Pricing Policy stipulates that the consulting fee will depend on marketplace demand as well as the amount required to recoup expenses and generate a margin for development activities. Once again, Flinders Partners can advise you on this. Once disbursements have been made in accordance with the policy, "surplus revenue" can be expended "for university purposes" at the discretion of the Cost Centre Head, and may include payment of salary or other university-related activities, such as conference attendance and the purchase of equipment.

University-Industry relationships

The story so far…

Traditionally, universities and industry entities operated and researched in isolation, given the dissimilar drivers behind, and desired outcomes of, their research and venture. But increasing competition and the speed with which knowledge is developed and utilised in a global context, however, have promoted open source innovation and the application of university research to industry problems. As innovations have become key drivers of economic performance and crucial for economic development in a global context, pressure from governments has increased on research institutions and industry to unite their efforts. From the very top levels of government down, it is a basic tenet that innovation holds the key to sustained economic development.

However, in spite of this government pressure, ABS reports that the majority of business involved in innovation do not collaborate with external organisations for innovative reasons and that, if they collaborated; only a small percentage of innovating businesses collaborated with higher education institutions.

Hence, in reality, universities' and firms' openness towards working with the respective other environment is still limited. While individual champions on both sides have embraced new opportunities, structural and cultural obstacles as well as belief systems are yet to enable larger-scale university-industry collaboration. This situation creates an ideal environment for innovative universities to become leaders in the commercialisation of research by creating pathways to engagement.

Why researchers do consultancies

There are both personal and organisational benefits when researchers conduct external consultancies. For researchers, the pursuit of research and teaching interests, gaining peer recognition, and achieving career advancement can all be supported through consultancy projects; while for university management, gaining external funding and securing a stable revenue stream are obvious benefits. However, the many demands on a researcher's time can make undertaking consultancy a low priority. The key is being able to align your personal goals with the consulting activities, and finding the easiest path to do this.

Why business use university researchers

Broadly speaking, the commercial sector is the sector that relies on the generation of profit for sustainability. Once we start to examine some commercial enterprises, you will see that they are not all that different from the university's goals; it is just that Flinders University's measures of commerciality are a little different. Indeed, the perceived gulf that exists between the private and public sectors is often more rhetorical than practical. In addition, the government and not-for-profit sectors - for whom 'the public good', rather than profit is the primary motivator - constitute a large proportion of Australian commerce. Thus, there is significant opportunity for dialogue, cooperation, and potentially, partnerships to be formed between university and external organisations.

The motivation underpinning research and development will be different for each organisation; different firms will have different objectives based on where they are in their business cycle, where they are positioned in their industry, how financially viable they are, and how dynamic their management is. And for governments and NGOs, their agenda for research and development is impacted by the political cycle, public sentiment, financial constraints, as well as, naturally, the dynamism of their management.

Drivers

Industry recognises that it needs to conduct R&D in order to compete in the long term. Such R&D may be conducted with in-house expertise and skills, but increasingly, industry is realising that cooperation with other organisations can be extremely beneficial to its ability to innovate. Governments are also encouraging industry-university collaboration with financial inducements such as ARC Linkage grants.

Research on university-industry partnerships has shown that key drivers for firms working with universities include:

1. Taking knowledge to practical application;
2. Generation of knowledge;

3. Applied research; and

4. Development of technology.

Interestingly, the same research shows that the top three motivators for industry to work with universities (above) are also the top three motivators for researchers to work with industry. Clearly, this common ground can provide a firm basis for beneficial partnerships.

Barriers

On the other hand, industry personnel still perceive that significant barriers exist for it to engage successfully with university researchers in achieving their R&D aims. They believe that universities are slow to respond to requests and in their dealings with researchers generally. They feel that universities are bureaucratic and inflexible, and that individual researchers are inevitably tarred by the same brush – that they will have difficulty adapting to new situations or doing something that is 'non-standard'.

Industry personnel also perceive that researchers often do not complete and project deliverables on time, and nor do they have a market orientation. They are thus frustrated that researchers do not understand critical business factors which underpin a firm's operations, and therefore do not respond appropriately. In summary, these negative industry perceptions mean that industry may be reluctant to engage university researchers.

Therefore, we suggest some good practices that will help overcome these barriers.

Good practice for working with industry

Adhering to Budget

- Set milestones – plan the costs and outcomes of the research in several stages that are still flexible enough to be adapted if circumstances change. This is the key to managing your client's expectations.
- Control costs – seek the expertise of people who can 'manage the money'. This presents a professional front to members of industry and allows you to focus on your core tasks – the research.
- Have a commercial attitude towards money and deliverables – demonstrate that you are conscious of both the costs and achieved performance of your research shows your focus on the client's needs. Doing so will allow you to build trust, confidence and reliability with your client.
- Use a flexible approach to pricing – seek to adopt a flexible approach to pricing to ensure a win-win situation. Different clients will have different needs. The price of a consulting project should reflect its benefits to the client.

Knowledge exchange

- Involve the client – seek to actively involve your client in the research process. Create a highly collaborative environment to ensure that your client gains the greatest understanding and benefit from the research, and you can best understand their needs.
- Create opportunities for teamwork – hold regular formal presentations (such as workshops, seminars, short courses and programs) to guarantee effective knowledge exchange. This way, targeted information reaches every relevant person involved.
- Facilitate industry recruitment of graduates – create programs where graduates and post-graduates who have worked on industry projects

can be recruited by clients. This can be a powerful way of creating trust, commitment and satisfaction.

- Utilise informal contacts – interact with industry members of a consulting project in an informal context on a frequent basis to build trust and personal networks. Some of the best knowledge exchange and thinking can happen in an informal situation, such as over morning tea or lunch.
- Provide background information – understand that 'enlightening' clients on your field of expertise is part of the service. The client's 'realisation' of this knowledge exchange is controlled by you, the researcher.

Intelligible presentation of R&D results

Provide continuous information to the client – continuously include the customer in the research process. The benefits they derive from the knowledge exchange process will be increased by being informed about intermediate results or being included in the research process generally.

Focus on the client's conditions and language – speak the client's language. Make certain that presentations use language, tone and structure which is consistent with the client's frame of reference. That is, presentations should be easily understandable and ideally presented by people who have worked within industry.

Focus on the client's benefits - presentations should focus specifically on the benefits and most relevant aspects of the R&D results for your client. The entirety of technical details can be included in appendices of a written report.

Involvement in project selection and definition

Collaborate with your client – ensure that the definition and direction of your consulting project is created through mutual collaboration with your client. You should discuss the opportunities and research approach directly with the client, and establish problem areas at the start of the research process. Including the client in this process helps secure their trust and commitment.

The Flinders Partners' Researcher Cheat Sheet on how to partner with industry offers further ideas on how researchers can find and work with industry partners to achieve the best possible outcomes from the relationship.

Pricing your services

Researchers often face a dilemma when considering what price to put on their consulting services. Many feel unsure about quoting a fee that seems 'too high' when they add together salary rates, university levies and other additional costs. They feel that the client will balk at the fee and reject the offer.

However, there are three key points to bear in mind if you are concerned by this:

1. Flinders University has a policy of price parity with industry so as not to undercut the private sector in its provision of similar services. In other words, your quoted fee must be competitive. See Cost Recovery and Pricing Policy

2. Your clients will place a greater value on the consulting service you provide if it is priced accordingly. This is because price is a strong indicator of product quality – this is how consumers judge something before they buy it. Therefore, do not be afraid to quote a 'high' price for your high quality service.

3. Business, government and NGOs are used to paying commercial consultancy rates and should not be surprised by your quoted fees. It is good to remember that you are providing a very high quality service, which cannot necessarily be replicated elsewhere.

4. Flinders Partners can advise you on appropriate fees for different types of consultancy projects on a case-by-case basis.

Making it happen

There are several pathways to finding a consultancy project, but the most common way is through people you already know, especially peers in industry. Opportunities may become evident through informal conversations, participation in industry networks, referral from others, and formal approaches from a business contact. It is therefore best to have an open mind when speaking with people from your industry. Think about where your expertise may help them solve their business-related problems, and offer some suggestions. And don't be afraid to offer your assistance in a consulting capacity. Most of the time, people in industry simply don't realise what is might be available to them until it is offered.

Tenders are another way of securing consultancy projects, and once again we have found that informal networks are important in identifying these opportunities. Once again, if you see a tender that looks interesting to you, let us know so that we can work with you on a response. Finally, Flinders Partners is always on the lookout for tenders for which Flinders University has the expertise needed, and not surprisingly many of these opportunities come to fruition via our own networks – both with the university and with industry.

"It's about who you know, not what you know."

On the other hand, the least likely way to win consultancy work is for people in industry to log on to the Flinders University website, find your webpage, see your impressive list of co-authored papers, and phone you demanding that you drop everything because you are exactly what they've been looking for.

Cold contact like this is rare. It is always best put your energy into developing your networks rather than a "Shop Open" sign on your webpage, because it is from personal contacts that most consulting opportunities come about.

What you can offer to industry

It's probably good to start by thinking about what you can offer to the commercial, government or NGO sectors. The following questions can get you started:

1. Have you worked in industry before? Where?
2. What have others done in your field?
3. What gaps in industry knowledge exist? Can you help address these?
4. What are the most pressing business needs? Can you tailor your services to help meet these?
5. Who are your industry contacts? Who do they know?
6. What industry networks are you involved in? Can these be expanded?
7. Have you seen any interesting tenders over the past months? Who put them out?
8. What would you really like to do?

Essentially, you need to think about where the demand might exist for your expertise, and then how we can tap into it.

Working with Flinders Partners

To recap… you are well-placed to provide consultancy to industry:

You have expertise and skills that are not readily available elsewhere. This means that you have a competitive advantage in the marketplace – you have something that others can't offer.

You know the latest information. Because of this, you can give your clients a competitive edge in their marketplace, and you can help governments and NGOs achieve their objectives.

You have the support of a large institution and peers with experience in the field. And you have Flinders Partners – a team which is dedicated to making consultancy accessible to all researchers.

What we do

Flinders Partners is an agent of the university, and therefore acts on your behalf in contracting your services industry. Your contracts are in fact, between Flinders Partners and the client, not you and the client.

Our services

Flinders Partners can be engaged to help you convert your expert knowledge into commercial services, and to advise on the most appropriate type of agreement to formalise contractual arrangements. We can also be engaged to provide advice on strengthening a tender submission proposal, and to negotiate the terms of tender contracts.

More specifically, in terms of contract review and advice Flinders Partners can:

- review external agreements (client initiated);
- draft agreements and other legal documents, including utilisation of standard University agreement templates (University initiated);
- negotiate terms of contract and conditions;
- undertake contract landscaping exercise where prior contracts relate to new contract;
- advice on delegations for contract sign-off;
- contract execution; and contract registration.

In relation to tenders, Flinders Partners can:

- assist with compliance and submission of an identified tender opportunity;
- check eligibility relating to submission criteria;
- legal review of terms and conditions (where applicable);
- budget advice, including commercial pricing;
- provision of key information on management abilities, financial credentials, insurance and any relevant policies;
- quality check on final draft; and
- submission in accordance with tender guidelines.

Strategiize™

Strategiize™ is exciting, new web-based 'opportunity management' software, designed to assist with your commercialisation and consulting activities. The software provides valuable resources to get your project moving, for example, easy project disclosure, and it helps you collaborate and share information within your consultancy team, as well as with Flinders Partners. And, it allows for and simple customised reporting.

Getting started is easy...

If you already have a Strategiize™ user account, you can login here.

Otherwise just give Flinders Partners a call and we will promptly setup a user account for you.

Once logged in, you can quickly and painlessly enter the details of a new consultancy project through the "New Project Wizard" tab. You can choose to either disclose your project to Flinders Partners from the beginning, by un-checking the "private" tick box, allowing us to contact you and offer help from the start. Or, if you like, you can keep your project private between you and your consultancy team, and utilise the resources in Strategiize™. This means you can get your idea moving even if you don't yet have funding.

The resources in Strategiize™ include templates for conducting an opportunity assessment, creating a budget, and running through a service agreement checklist (just to name a few). Strategiize™ provides a platform to advance your project through improved collaboration – with your consulting team and with Flinders Partners. It has capacity to add team members, assign tasks, share relevant documents and post important notes. And finally, Strategiize™ also allows for fully customised reporting at the click of a button.

What happens next

Once you have made contact with Flinders Partners we will work with you to establish what your needs are and how we can add value to your project.

If you come to us with an existing consulting opportunity, we will typically go through the following process. Some stages of this process require informational inputs from you. Before coming to see us, perhaps just have a quick read through of this checklist and see what information we require from you. It will help to speed up the process and ensure that you get the most out of your consulting opportunity.

Flinders Information

Basic information we require you to provide:

1. Name, Faculty and School
2. Cluster membership (if applicable)

Related Information

Do you have:

1. Initial application/tender/proposal?
2. Certification Form (is it fully filled out and signed)?
3. Any other relevant Agreements for example
4. an, MOU, head agreement or previous variations?

Ethics/BioSafety

1. Is Ethics/Biosafety approval required?
2. Has it been applied for?
3. Has it been approved?
4. If not when will this happen?

Students

1. Is a student involved?
2. Who are they? (Note they will require IP counseling for an IP assignment through the Faculty Registrar)
3. Have IP provisions regarding the student retaining copyright in their thesis been included?
4. Have publication provisions regarding delays in publication for no longer than 12 months and putting a copy of the thesis in the FU library been included?

Partner Information

1. Business name and ABN?
2. Who is the contact person?
3. Does due diligence need to be performed on the company?

Timeline

1. Is there a deadline for execution either for Flinders or the other party/ies?
2. When is the expectation for this to be done by?

Details

1. Are the contracting parties' details correct?
2. Are there appropriate definitions if required?
3. Is the start date and end date clear?
4. Is there sufficient description of the deliverables/services and reporting requirements?

5. Are the personnel detailed?

6. Are the milestones clearly outlined and dated if necessary?

7. Does the agreement reflect details of any primary agreement if applicable?

8. Are the roles and responsibilities defined?

Money

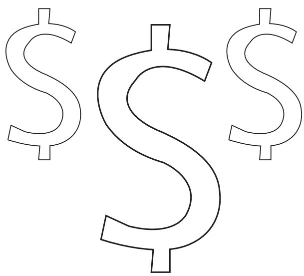
1. Confirm the payment details – are they consistent with any initial application/tender/proposal?

2. Has payment been correctly calculated at a commercial rate?

3. Should a license fee for existing or future intellectual property be considered?

4. Is it clear what is to be paid, when and to whom?

5. Is there an infrastructure levy – has it been included?



Due Diligence

1. Have all the commercial implications of the IP arrangement been considered?

2. Is the IP already licensed or assigned to another party?

3. Are any indemnities or warranties included appropriate?

4. Are the insurance provisions appropriate?

5. Does the signatory for both parties have the appropriate authority to enter into the agreement?

Getting the ball rolling

If you have a consulting project that you would like to get moving, you can contact us by phone, email or use StrategiizeTM to let us know of your project details.

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