

# Change Management - Internal Resource vs External Consultancy.



The on-going economic pressures mean that organisations need to be constantly looking at ways to improve business processes and be a step ahead of the game. Organisations that incorporate change into their day-to-day operations are more likely to be successful than organisations that merely “react” to problems.

Whether change has been driven from things that are going on within an organisation (growth, budget cuts, product line changes) or things that happen externally (customer expectations, market changes, etc), it needs to be managed effectively.

We all know that change can be difficult for the people within the organisation, because as humans we are creatures of habit and change can upset routines, processes and sometimes requires relearning how to do things. People resist change because there is fear of the unknown, this can create conflict and fear in the workplace. Good communication is a critical concern during all times of change. Strong communication processes helps to minimise the uncertainty and the fear associated with change.

The question is - should we use our internal resource or bring in an external Change Agent?

**Advantages of internal change consultants'** Internal advisors are usually more cost effective than external advisors, although this does not always need to be the case. In comparison with the most expensive (external) consultants in the market – strategy consultants – that claim definitely holds up, but there has been a growing number of professional HR and Change Consultants opting for a self-employed, flexible working approach and therefore available at competitive rates.

Internal advisors have a more instant understanding of the organisation they advise – they understand the language and culture of the organisation immediately. Their deep knowledge of the organisation make internal consultants valuable, for instance, in the implementation of strategic change trajectories or culture transformations; with managing processes and projects; or integrating initiatives within the organisation. In addition, internal consultants have existing relationships with other employees within the organisation, improving their means and channels of communication from the very beginning.

Internal resource is normally available longer term and therefore the adviser could still be working for the organisation long after each change initiative, so that they can be freed up to pick up any variations or further related change at a later date.

**Advantages of external change consultants** Bringing in external advisors can also come with many benefits. External consultants are seen as independent players, contrary to internal advisors who can depend on their leaders within the organisation. This could possibly lead to a trust issue between advisor and client, which is also essentially the employer. Research has shown that clients have more confidence in external consultants than internal consultants.

Strategic change will often demand an inquisitive and firm approach, a role that external advisors frequently fulfil, and one more difficult to fill by internal advisors. They possibly hold just as much expertise, but as an employee at an organisation it is conceivably harder for internal consultants to switch approaches.

External consultants, can regularly draw from a broader business perspective gained from their vast experience with various clients, markets and sectors, and bring new ideas and best practices along to clients. Especially, the ability to benchmark in respect of other parties is a big advantage of external consultants.

In general, many assume that external consultants have a higher level of expertise and experience, largely because they are completely focused on their consultancy role, and

deal with multifaceted issues at various clients. Internal consultants possibly miss certain industry knowledge, which external consultants have encountered in previous assignments.

Organisations opting to use external expertise have access to a wider choice of skills and expertise to fulfil the requirement of each assignment. Organisations with internal consultants are usually limited to the talent they have in-house.

**Choosing the most suitable option.** Organisations that are faced with the decision to either build internal consultancy teams or hiring external advisors, should weigh out the advantages and disadvantages of each option ahead of time.

External consultants can be (in some cases better) used when deeply specialist knowledge is needed for a large-scale project, or when a neutral, independent view is needed on a problem. Sometimes, an organisation simply has insufficient capacity in-house to tackle a specific issue, or the board is in need of external expertise to properly assess the risks of the alternatives at hand. Internal advisors, on their side, know the organisation well and, for example, are aware of what is taking place with the organisation – as they speak the language of the organisation and understand the culture of the professionals working there.

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