



TenStep Supplemental Paper

1 January 2004

Consider Small and Medium-Sized Consulting Firms

As more companies look for outside help with their fast changing information technology requirements, they're finding that one size does not necessarily fit all needs when choosing the right consulting firm. In many cases one or more mid-sized firms can be an attractive alternative to the large companies.

Making the right choice is largely a function of alignment between what both the client and consulting firm expect from a relationship. Before even beginning the selection process, the client must have a clear understanding of their requirements. Only then can the organization choose the firm that provides the right combination of services, quality, flexibility and cost competitiveness.

Consulting Services to Consider

Typically, mid-sized companies offer many of the same areas of expertise as larger companies. These include:

- Strategic planning
- Business process re-engineering
- E-commerce solutions
- Project management
- Software development
- Quality assurance
- Outsourcing services

A large firm may offer every service imaginable. However, any one client company rarely has needs for all of these services. A smaller consulting company may have just the right combination of services to meet your needs.

Many mid-sized companies are also niche market players and have strong expertise in a particular industry, technology or business practice. They have developed an in-depth business expertise within that specific market that supports and enhances their ability to meet the majority of a client's needs. For example, if a consulting firm focuses on services for the utility industry, it is a benefit to other companies in that market to deal with a company that already knows their business.

While mid-sized firms may not have the geographic footprint to provide the one-stop shopping of a global consulting firm, they can partner with a global firm to provide expertise in a way that gives a seamless interface with the client. Large clients may also choose a network of smaller consulting firm to gain access to the best expertise in many specific areas.

Focused Market Responsiveness



TenStep Supplemental Paper

A firm's combination of smaller size and in-depth knowledge in a specific niche market can also work to a client's advantage when it comes to responding more quickly to the new technologies and business practices. Smaller firms often work on smaller projects, particularly those related to their niche market expertise. In many cases, it is easier to try out a new technology or business practices on a smaller project than on one that has global implications. Therefore, in many cases, these smaller consulting companies end up working in newer areas first, which further enhances their niche and specialty status.

Conclusion

The bottom line is that small and medium sized consulting firms are not the right choice for every situation. However, neither are the very large consulting firms. A company should start with an evaluation of its needs and requirements. Then look to the marketplace for the best way to meet those needs. The best choice may be a large consulting firm. It may be one or more smaller consulting firms. It all boils down to determining how to gain the most value based on the amount the company is willing to spend. Start the process with an open mind and look at all the alternatives before making your decisions.