

How to Select and Manage Environmental Consultants

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Unless you have a fully staffed environmental department, chances are you will need consultants at one time or another. Selecting the right consultant is more an art than a science - something few people have mastered.

I can speak with some authority in this area. I worked as an environmental consultant for over 14 years before joining a Fortune 100 company as its corporate environmental manager 19 years ago. In that corporate capacity, I hired and fired numerous consultants.

Here are some no-holds barred practical tips on how to select and manage your environmental consultants - from the perspective of someone who has been on both sides of the desk.

1. Hire Consultants with Real World Experience

Few environmental consultants have actual hands-on experience working in a corporate or manufacturing plant setting. Many come from government agencies or worse yet, straight from college. If you don't believe me, just take a look at the classified ads section in your local newspaper. You will see employment ads for "environmental consultants" with 0 to 3 years of experience! There are even fewer consultants who have had personal experience of having to manage a corporate environmental compliance program on limited budgets the way you have to do it.

If at all possible, you want to hire consultants with real and actual industrial compliance experience - someone with experience similar to yours. You will develop much better rapport and communication with these consultants. The next choice is perhaps someone with regulatory experience at federal or state environmental agencies. If you hire someone straight out of school as your consultant, you are in effect paying him to learn while he earns. The last choice should be

the academic types. Bright as they may be, these folks have the tendency to want to study a problem to death. They can't help it - it is the academic curiosity in them.

2. Never Hire Big Firms to Do Small Jobs.

This point cannot be over emphasized. Do not hire a nationwide environmental consulting firm with 95 offices in 35 countries on 5 continents to pull an underground storage tank for you. You are asking for trouble if you do. Why? You will end up paying for the firm's huge overhead costs. You will be subsidizing their vice presidents' worldwide travel.

The young engineer assigned to your yank-a-tank project is billed out to you at \$95 an hour. His paycheck is closer to \$20 an hour. The other \$75 an hour goes to pay for his firm's large overhead. For small jobs, say under \$50,000, you are better off in many instances by hiring a small firm that specializes in the specific area of interest to you. Experienced freelance consultants are also excellent candidates for these kinds of small projects. These are professionals who have left large consulting firms to start their own businesses.

You will be better served by paying \$50 an hour to a freelance consultant with comparable experience. She more than doubles her income and you save \$45 an hour! A win-win situation for both of you. My experience is that these freelance consultants generally produce a much higher quality work product at a much lower cost. The reason? You get the same experience and knowledge as you would get from a large firm but without the high overhead. It simply makes good economic sense.

It has been my experience that smaller firms or freelance consultants are generally more accessible and responsive to their clients' needs. They own their practices and they tend to pay more attention to your needs.

The salesmen/consultants from the large firms – the ones with 95 offices in 35 countries on 5 continents - will of course tell you that you would benefit greatly from their firm's vast array of expert resources available to you at your beck and call. That's nothing but sales talk.

Most large firms are so spread out that most of their employees have no idea what their colleagues are doing much of the time. Each consultant is assigned to his/her own individual projects and could care less about yours. Synergy simply does not exist.

In short, there is a time to go big and a time to go small - for the same reason that you would not retain a 500-person international law firm to contest a parking ticket for you in traffic court.

3. Be Wary of Those "full service and uniquely qualified" Consultants.

How many times have you been approached by consultants/salesmen who tell you they are a "full service consulting firm" and are "uniquely qualified" to do whatever your needs are? That's even before you tell them what you need. These days, it seems that any firm with more than 5 persons is billed out as "full-service".

The truth is that NO consulting firm, large or small, can provide full service to all clients. You will find large firms that are very strong in some areas but totally lacking expertise in others. When faced with a project that requires multi-faceted talents, most firms will team up with others. Even national firms with 4000 employees do that. There is nothing wrong with this approach except that the team members will inevitably mark up each other's work. And guess who ends up paying the 15 to 20 percent subcontractor markup? You – the client.

4. Watch out for the Bait-n-Switchers.

How many times have you listened to sales pitches from big consulting firms during the proposal stage promising that this particular Project Director with 20 years of experience will be dedicated to your job only to find out later that a recent college graduate with one year of experience is now working (or learning) on it?

Be very specific in demanding that the person promised to the project be the one actually working on it. Stipulate that any personnel change can only be made with prior written consent from you – the client.

5. Watch Out for Senior Executive Review by Consultants.

When reviewing proposals from large consulting firms, always watch out for the number of hours proposed for QA (Quality Assurance) review. Many large consulting firms put in these hours just to keep their top executives more billable.

There is a fundamental reason why I take great exception to these charges of quality assurance. Here you have a firm just finished proposing to assign "the best" environmental consultant to your project at an hour rate of \$140 for 100 hours. And at the same time, the same firm wants a Senior Executive to spend an additional 20 hours at \$250 per hour to "review" this top consultant's work in order to assure quality! Does that make sense? Quality assurance is not the real reason here. That Senior Executive needs billable hours!

Quality assurance is the lifeblood of a consulting firm's work and should be built into the hourly rate of the person assigned to the project. It is part of the firm's cost of doing business – it is legitimate overhead.

6. Withhold final payment and provide incentives and reward.

Always try to hold back at least 10 percent of payment until you are completely satisfied that the consultant has completed the job to your satisfaction. On major projects that have deadlines and/or savings from early completion, it is also a good idea to include a penalty clause for missing deadline and/or a cash bonus for early completion. The savings can be shared with your consultants as an incentive.

7. Be Wary of Change Orders

When I was with a major environmental consulting firm in the Los Angeles area many years ago, I spent a good number of hours preparing change orders. It got to a point that one of our clients got so concerned about the cost over-runs that they demanded a tracking system be set up and the numbers of hours spent by each consultant on different tasks be reported on a monthly basis. We were only too happy to comply with this demand. That meant an extra 15 billable hours per month for me to prepare the spreadsheet and submit the

monthly report to the client. The client paid for the time to track cost over-run charges as well as the actual cost over-run. Good work if you can get it.

8. Hire Consultants Who Are Not Confrontational

Last but not least - make sure your consultant has the proper temperament and personality to work with and get along with folks at regulatory agencies. After all, this person is representing your company before the agencies. An antagonistic attitude from a consultant representing you can cost you time and money and goodwill with the regulatory agencies. These are things you can ill afford.

About the author



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