

Calling in the consultants

Employing environmental consultants was once something relatively few companies did; it was usually limited to firms whose core business activities produced 'obvious' pollution. Nowadays, environmental consultancy services are required by many organisations. **Erin Gill** talks to experienced figures on both sides of the fence about getting the best out of the client-consultant relationship

The numbers speak for themselves. Environmental consultancy in the UK is no longer an emerging market, but a sizeable professional service sector boasting healthy year-on-year growth. According to data gathered by ENDS (see pp 10-17), annual growth of the UK environmental consultancy market has been averaging at just over 10% for the past three years. In 2004/05, the market was estimated to be worth some £1.23 billion.

The reasons for this sustained growth are varied. New environmental legislation is demanding more of companies in the way of environmental protection, mitigation and clean-up. There is growing emphasis within some large corporations on brand reputation and greater attention paid by some companies and investors to the financial implications of environmental liabilities. At the same time, the market has been buoyed by a relatively strong economy and sustained investment in major regeneration projects and new infrastructure.

All of these factors are prompting an increasing number of businesses to "call in the consultants". But faced with choosing between the hundreds of firms offering various environmental consultancy services, the challenge for clients is how to get what they need from consultants without too many trials, tears and tribulations.

At least 750 environmental consultants currently operate in the UK, according to ENDS' latest research. In fact, this is likely to be an underestimate given the number of very small consultancies and 'one-man bands' that can escape notice.

Even if a company has employed environmental consultants before, it can be a time-consuming process deciding which consultancy should be given a new piece of work or which should be added to an approved suppliers list for future consideration. With a fair number of consultant 'horror stories' in circulation, what is the best way to go about choosing a consultancy that genuinely offers quality and reliability?

Clients: do your homework

If you are a client in search of a consultant, it is worth devoting a bit of time to research. There is no point going around the houses, approaching consultancies that are not expert in the type of work you need done.

"Occasionally, we get people phoning up with the expectation that we offer services such as contaminated land remediation,"

says Mark Bates, director of ecology at Heritage Environmental. Frankly, this speaks volumes about the inexperience of such clients, since Heritage's website makes it abundantly clear that the company specialises in services such as wildlife and habitat surveys, ecological impact assessment and mitigation.

Mr Bates does take the time to recommend consultancies he believes to do good work in the relevant field to these callers, but in this age of the web such wildly misguided enquiries are surprising.

There are a number of directories that allow clients to identify potential consultants. The web version of the *ENDS Directory* (www.endsdirectory.com) allows users to pick out consultancies according to specialisms from 'geotechnical investigation' to 'strategic environmental assessment' and everything between. *ENDS Directory* also allows users to search for consultants by location, size and the types of client the consultancy has worked for previously.

Just like your local plumber and electrician, the best environmental consultants have built their reputations on keeping clients happy

It is also a good idea to combine web-based research with good old-fashioned, word-of-mouth recommendation. Just like your local plumber or electrician, the best environmental consultants have built their reputations on keeping clients happy. If someone you know has employed consultants for work similar to the type you are soon to commission, then ask them whether their consultants were any good. Equally useful could be a warning against a poor quality consultant.

In Shane McEntee's case, a particular consultancy was recommended by his colleagues. Mr McEntee - who is environment advisor for Tube Lines and part of its four-person environment team - needed a consultancy that was capable of undertaking an important piece of noise monitoring work. Candidate companies included several large multidisciplinary consultancies that boast →

EMPLOYING AN ENVIRONMENTAL CONSULTANCY

TUBE LINES: SUCCESS STORY

Tube Lines is the company responsible for operating and upgrading three of London Underground's dozen lines – the Piccadilly, Northern and Jubilee lines. It has recently had "a very good experience" with specialist noise consultancy MRCL. Tube Lines knew it was achieving substantial noise reductions by replacing old track with new, but it needed documentary evidence to prove it.

Word-of-mouth recommendation led Tube Lines environment advisor Shane McEntee to MRCL. As well as having the required noise monitoring expertise, the consultant had previously worked for the London Underground. "He had a massive pool of knowledge and he already knew our sites very well," says Mr McEntee.

Because consultants working on the Underground have to go through a considerable amount of safety-related training before they can get near a site, finding one who was "ready to go" offered a huge advantage. "Getting him in early really cut down on the work I had to do in setting up the project," added Shane McEntee.

noise teams. But after several of Mr McEntee's colleagues recommended the same consultancy – which was not a national name – he approached the firm. It proved to be an ideal match (see box above).

Is big better?

One of the perennial questions facing companies seeking to employ environmental consultants is size. Do you opt for a large, multidisciplinary consultancy offering a wide range of services or a small specialist outfit with specific expertise that fits your requirements?

There is no easy answer to this question, but often you can come to a decision by examining your own company and its needs. For instance, you might be commissioning work that is

itself multidisciplinary. Perhaps you are after a 'green audit' for a chain of high street shops, which will take in everything from energy consumption rates to the provenance of wood shelving units. In that case, working with a multidisciplinary consultancy would make more sense than hiring a series of more specialised firms.

Equally, if yours is a large organisation requiring the services of consultants on a fairly regular basis for different types of work and at different locations, then it would probably be a good idea to develop relationships with several large multidisciplinary consultancies.

"Sometimes it's better to go with the more 'eager' consultant, the one who's going to put more of an effort in"

Mark Day, Environ

This has been Smiths Group's strategy. As an engineering firm operating globally, Smiths has framework agreements, also known as master service agreements, with three large environmental consultancies. "We wanted consultancies that themselves had a global presence, and we didn't want all our eggs in one basket," explains Jonathan Garrett, who until recently was Smiths' director of environment, health and safety (he is now safety, health and environment director at Rank Hovis McDougall).

"We came up with a pool of three consultancies. It was useful to have a small number of companies to call on to do work that was often – due to acquisitions by our company – at very short notice. However, when it came down to it one of the three consultancies got by far the biggest share of the work."



ANDY BISHOP / ALAMY

Calling in specialist consultancy MRCL to document noise reduction on the Underground cut down on preparatory time for the project

Framework agreements

The primary advantage of framework agreements is that they allow clients to hammer out contract terms and conditions with a consultancy once, rather than each time a new piece of work is on the table.

"With framework agreements all the terms and conditions and assurances are agreed in advance, so when a job is required it's like pushing a button," says Simon Pringle, director with consultancy WSP Environmental.

"You need to be a savvy client. You need to have frequent, honest and frank discussions. Don't let them get too blasé"

Shane McEntee, Tube Lines

"Having to negotiate everything every time isn't normally a big deal. But it obviously puts time in the system, time that can be better used to progress the project. I think a lot of the larger corporate entities are alive to this issue and are managing contracts with consultancies far more efficiently than they did in the past," Mr Pringle says.

The Environment Agency is another example of an organisation that makes use of framework agreements to ensure that the large volume of consultancy work it commissions can be undertaken with a minimum of delay. It is based on agreed rates, as well as on terms and conditions that have been carefully thought through.

The Agency has three major environment-related framework contracts: a national engineering and environmental agreement,

an environmental protection agreement and a strategic flood risk management agreement. Under each framework, the Agency currently has contracts with six consultancies, including one or two that have won places under more than one framework. That said, it does not only work with its 'framework consultancies'.

According to the Environment Agency's head of procurement, Mark Yeomans, it regularly employs non-framework consultancies and 60% of its top 500 suppliers are SMEs.

This is an important point to bear in mind: just because a client has a framework agreement with one or more consultancies that does not mean an obligation to use that consultancy every time. "There are some jobs that are better given to a specialist firm than a generalist," says Jonathan Garrett of Rank Hovis McDougall (RHM). "For example, radioactive contaminated land. There are a few companies that specialise in this area and it makes sense to use them."

Mark Day, a principal with international consultancy Environ, agrees. He also recommends that clients consider whether the consultant they are hiring is sufficiently motivated. "Although it's understandable for clients to think first of employing big consultancies with long-standing reputations, it's important to ensure that they really want the work. Sometimes it's better to go for the more 'eager' consultant, the one who's going to put more of an effort in," he suggests.

OUR BEST CLIENT EVER

Talk to a few consultants and they can all remember their 'best' clients, the ones who were a joy to work for. Here, a selection of environmental consultants explain what makes one client stand out from the rest:

● "If you can get to a point with a client where they trust you and you trust them – it's got to run both ways – then you can be truly innovative. When people trust you to introduce new methodologies or allow you to take forward, say, enhancement mitigation opportunities that's ideal. And that's where we try to go as a company"

Kieran Conlan, Cascade Consulting

● "Our best client? It was their professionalism and desire to do things properly that made such a difference. They managed the project well and wanted to make sure that what we do, the ecology, was done right. There's a lot of talk about inclusiveness but often it's not achieved. I learned a lot from working with that particular client."

Mark Bates, Heritage Environmental

● "An educated client is a great client. They are educated in terms of being knowledgeable about their environmental obligations and the like. The questions they ask are well informed, insightful, and as a result the information we offer is valued and challenged. It's rewarding to know that you're part of a successful project that's meaningful to a client."

Simon Pringle, WSP Environmental

Small is beautiful

Although large environmental consultancies have their fans and are increasingly winning work precisely because they offer a wider range of services than smaller consultancies, there are clients who believe that employing smaller firms offers them more reliable access to expertise. "I've worked for big consultancies and now this one, which is much smaller. I'm convinced the 'one stop shop' approach doesn't work," says Kieran Conlan, managing director of Cascade Consulting, a consultancy specialising in water management and environmental planning with a staff of twenty.

"A big consultancy may be very good at one discipline, but the one stop shops aren't equally expert in all disciplines. It's impossible. The benefit of the type of consultancy I run is that we respond to clients' needs by forming project groups for specific jobs with other companies or with academics. This offers clients a higher level of expertise," says Dr Conlan.

"I know of large consultancies where in-house accountants will look at the consultancy's expenditure on sub-contracting – the practice of outsourcing part of a job to a smaller consultancy with specialist expertise – and announce that spending on sub-contracting must be taken down," he explains. "So, they keep part of a job in-house when perhaps they haven't got the right people to do it."

One option available to clients worried that their big consultancy may not have the necessary expertise in all areas can be to stipulate that it sub-contracts certain aspects of a job to niche specialists. This approach ensures you get the quality assurance of a big consultancy and the hands-on, detailed work of a specialist.

A substantial proportion of Heritage Environmental's work is →

SPIRALLING COSTS – IS IT YOUR FAULT OR THEIRS?

One of the perennial bug bears of consultancy work is the risk that projects will change shape dramatically or 'grow' after they've been commissioned. This invariably leads to increased costs. As head of procurement with the Environment Agency, part of Mark Yeomans' remit is to ensure that budgets are adhered to.

"It is very easy for a client who is not properly managing a project to find that he/she is led into additional work. It's not difficult for this to happen, especially if the client project manager is highly

enthusiastic. They may say, 'Yes, I like that suggestion' But by the nature of that statement they may be agreeing to additional work."

To prevent any confusion, Mr Yeomans suggests that some form of change control is essential.

"The client needs to be aware of the cost implications of any 'change decisions' and responsibility for who is proposing the changes needs to be properly documented.

"It is essential to cost those changes when they're under discussion if the client is to make an informed decision

about whether to go ahead with them. And it's essential to refer back to the original business need: what is the business need that is justifying this work?"

"It can be highly embarrassing for a client to discover that something they thought would cost £20,000 now costs £50-60,000."

That is good advice, but clients need to be prepared to devote time during projects to make decisions about changes in direction or alterations to the scope of work. Clients often tell

consultants they want to be informed of every change to a specification and associated increases in cost, but then resist the information when it is provided, according to Mark Day of Environ

"Clients sometimes expect consultants to tell them about every single extra cost but when they are told they tend to hate it. Thankfully, the majority of our clients are happy to sanction changes if they're necessary. A 'no surprises' approach by the client is not a basis for good consulting," says Mr Day ruefully.

sub-contracted in. "We're generally happy to work for the larger consultancies," says Mark Bates. "For example, they will manage the process of preparing environmental statements for an environmental impact assessment, but because there are very specialist requirements within a statement they need us. The ecological aspects may require hundreds of field hours undertaken by a considerable number of staff.

"It's very difficult for the larger consultancies to maintain the staff necessary for that kind of work," he adds. "What do they do? Wait for a fisheries contract to come in and in the meantime allow their whole fisheries team to tap their fingers?"

Don't forget insurance

Any consultancy you are considering for work must hold adequate professional indemnity (PI) insurance and in some cases, should be willing to purchase specific cover for a project. PI insurance allows consultancies to claim for losses incurred as a result of work they carry out on behalf of clients.

The amount of cover needed depends on the type of work being undertaken. For example, the amount of PI cover necessary for a complex land remediation job is likely to be substantially greater than the amount of cover necessary for an assessment of a hotel's water use.

Although PI insurance is essential and held by all reputable environmental consultancies, it is not meant to act as environmental liability insurance for the client, as some on the client side seem to believe. PI pay-outs to clients are rare and are only made if a consultancy is proved to have been negligent. Perhaps the wisest approach is to view PI as a marker of a consultancy's professionalism. A good consultancy has adequate levels of PI cover because it plans to be in business for many years to come.

Money, money, money

Whatever type of consultancy you choose, finding quality should be the goal. And quality often costs. "If you take the lower quote, you can't complain about not getting enough time from senior people within the consultancy," says Environ's Mark Day. "We don't overcharge, if anything our rates are a little on the low side, but there are some clients who say they can get something cheaper from someone else. That's fine, but I doubt they'll get the level of service we offer."

This view is echoed by Kieran Conlan of Cascade Consulting: "Companies like ours don't have the economy of scale that larger companies do and are therefore relatively expensive to run, so we have to win on quality. Obviously we do because people keep coming back, but clients need to understand that we tend not to win on a least-cost basis."

Commissioning a consultant is not about passing work on to someone else and forgetting about it

The question of price is a sensitive one. There are wide variations in terms of the fees charged by consultants, but some generalisations can be made. "Environmental consultancy rates don't sit in the same league as those of the big management consultancy and accountancy firms. They tend to be closer to engineering consultancy rates," says Mark Yeomans of the Environment Agency. "Some people will charge what the market can stand and if they're very specialised their rates may be higher than the sector average. It depends on the amount of competition."

Mr Yeomans has a word of warning for clients with branches dotted around the country: "You have to guard against differential pricing. A particular consultancy may price differently to each of your offices. You can be exploited if you have fragmented procurement, so it makes sense to agree national rates with consultancies if you employ them from a range of locations."

Nurture your relationship

The one thing everyone agrees on, whether they are a consultant or a client, is that the quality of the client-consultant relationship is hugely important to the success of any job.

As a client, it pays to devote time and thought to your relationship with a consultant. Commissioning a consultant is not about passing work on to someone else and forgetting about it. "I see consultancies as an extension of my own team," explains RHM's

Jonathan Garrett, "and they need a degree of management."

Shane McEntee of Tube Lines agrees: "You need to be a savvy client. You need to have frequent, honest and frank discussions. Don't let them get too blasé."

Whose responsibility?

Indeed, if the relationship between client and consultant is not progressing well, it may be that the client should first look close to home to see the root of the problem. This is the view of the Agency's Mark Yeomans. "Effective project management is a client responsibility. The client should ensure it is managing a project properly. In particular, if the client is spending public money it must ensure the public is getting what it has paid for. The work should be of an acceptable standard and it must be delivered on time. Any client that allows the consultant to project manage a high-value commission is naive, in my opinion."

Understandably, consultants see things slightly differently. Simon Pringle of WSP believes that maintaining a good relationship between client and consultant is primarily the responsibility of the consultant. "If a consultant is complaining about the relationship with a client then it tends to be the consultant's fault. That might be perceived as quite a hard line to take, but it is the line I take."

"If a client is chasing the consultant, it's normally the consultant's fault. It shouldn't happen," he explains. "As the consultant, you should be able to anticipate what your client requires and manage those expectations and the communication effectively."

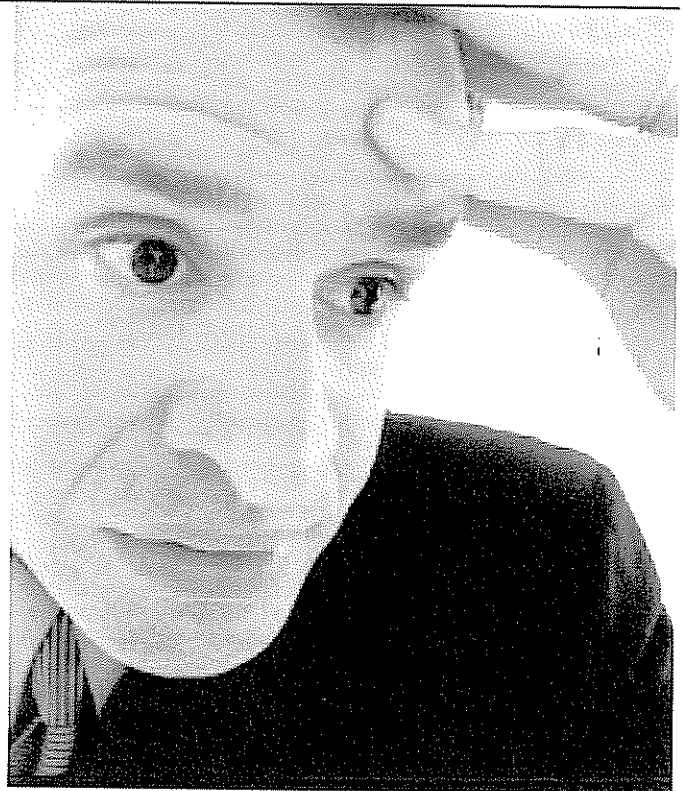
Communication counts

Mr Yeomans and Mr Pringle are both right - responsibility for the client-consultant relationship rests with all parties. The best relationships are those in which both sides are intent on maintaining good communication and focusing on the job in hand. Neither party can afford to sit back and assume that the other will keep things ticking over.

However, clients tend to agree that there are certain important things that consultants must ensure they get right:

- ◆ keeping to deadlines
- ◆ keeping the client's needs in mind
- ◆ keeping to budget

Jonathan Garrett believes that consultants sometimes need to be reminded that the client's needs are paramount. "One thing I want from consultants is for them to tell me what is, in their



Stress: lack of communication between client and consultant can lead to unnecessary trials, tears and tribulation

expert opinion, the preferred option. It's really important to get firm advice," he explains. "Consultancies usually outline a range of options in a report but the client can still be left fumbling in the dark about which to choose. I ask consultants: 'if you were in our shoes, what would you do?'"

A great many of the secrets to getting the best out of consultants boil down to common sense and good communication. Clients need to talk with their consultants frequently and be clear about their organisation's needs. Consultants should be allowed to describe how they see the issue they have been asked to work on and then develop solutions together with the client. If you can create a genuine partnership with your consultants, then you're already three-quarters of the way to a successful outcome. ■

AVOIDING CONSULTANCY NIGHTMARES

No one would claim that the client-consultant relationship always runs smoothly. Here are some recollections of 'difficult' projects:

● "The measure of a good consultant is how they respond when things don't go well. We had one case - it was a building contamination issue, a very complicated piece of work. It involved a lot of investigation and there was frustration internally about how long the investigation

took and how good the results would be.

"We were dealing with environmental toxicology, which is complex. That was a really tough project and it didn't go well, but the consultancy stuck at it and delivered in the end."

*Jonathan Garrett,
Rank Hovis McDougall.*

● "Our biggest challenge is dealing with client expectations. The scope of the work they wish to do and

their expectations of how quickly we can do it are often wide of the mark. For example, a client might want planning permission in three months and we have to explain that the consultation period is 16 weeks, so they're never going to hit that three-month target. That sort of thing can come as a shock to 'non-expert' clients."

*Kieran Corlan,
Cascade Consulting*

● "What I've found is that bad clients are generally pretty bad from the outset. Possibly, they think they can bully their way into achieving what they want, but with most people you can calm things down. In nine years, we've only had one client who refused to accept what we were saying. We made the decision that we wouldn't work for them again, but that's only one client in almost a decade."

*Mark Bates,
Heritage Environmental*

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