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The Holistic Approach to More Effective Consulting

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A business is a complex system. CEOs view the business as a whole, not as individual functions. This *holistic* perspective sets the CEO/owner apart from functional managers and other employees.

CEOs must watch cash flow while they work on marketing. They must manage resources profitably and simultaneously satisfy employees, shareholders, suppliers, government, and the public.

Adopt the CEO's perspective

Consultants providing advice in *any* functional area should adopt the CEO's holistic approach when diagnosing issues. Imagine a financial consultant who recommends changes in policy with no thought to market impact or potential employee turnover. Think about the potential insolvency caused by a marketing consultant who blindly helps generate new business without considering the increased working capital required!

Consider an operations consultant who recommends changing processes or delivery capabilities without concern for impacts on major accounts or likely competitive responses.

Real world example

A prospective client asked me to help develop a marketing program to increase sales. He had his own ideas including a fancy brochure, direct mail, and advertising.

Here was a tempting prospect to be sure. Rather than plunge ahead with a plan, I asked to see current financial reports. Puzzled, the owner produced a report. He explained that current reports were still not available—a bad sign.

My review showed reasonable margins but also indicated serious liquidity problems. The owner admitted that the company was on C.O.D. with suppliers and lenders had denied any credit line increase. Low inventory turns and slow collections were soaking up working capital. The company was technically insolvent!

Real world holistic solution

After review, I advised him that more sales were the last things he needed. Greater sales would increase the demand for cash. I recommended that we get to work on his out-of-balance business situation. Marketing plans and growth would have to wait.

My holistic perspective helped the owner see his true situation and seek a better solution. He saw that it was necessary to regain the company's balance between marketing, finance, and operations before sustained growth could occur.

Today, the same company enjoys three times its previous revenues, along with healthy profits, utilizing the same facility. Had I taken a solely marketing approach, the company might have achieved sales growth, while succumbing to financial ruin.

Conclusion

Make significant changes in a *holistic* manner. Recommendations should help clients become more profitable and competitive, or at least stay competitive. You must consider the impact of recommendations for one function on all of the other functions. Suggest what is best for the client as a whole. Adopt a *holistic* approach to consulting projects. Demonstrate your ability to contribute to the firm's progress in a balanced manner. You will gain the CEO's gratitude and respect. In some cases, your *holistic* perspective may help you avoid making matters worse for your client.

Richard P. Morgan CMC, FIMC (rpmorgan@morganmarketingsolutions.com) helps leaders tackle major issues and become better marketers using a holistic business approach. Dick's prior experience includes 26 years in corporate management. He served on the board of IMC USA and now is the chair of PRET. He is past president of IMC-DFW.

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