

Strategic Advisor vs Coach vs Consultant. V2

What is the purpose of this article?

Enable your company's corporate leadership (board of directors-Suite, and any controlling shareholders) to discuss the need and value of Strategic Advisors, Coaches, Consultants, and Trainers.

What are the critical learnings in this article?

There are many differences between working with a Strategic Advisor vs a Consultant.

The greatest difference is "Who is accountable for making recommendations, based on what they've learned?"

- 1) A Consultant is accountable.
- 2) Corporate Leadership is accountable. The Strategic Advisor has helped them learn and think through what needs to be done.

What are the key differences between working with a Strategic Advisor vs a Consultant?

#1 Who is accountable for making recommendation(s)?

Consultant: makes the recommendation(s)

Strategic Advisor: Corporate leadership (e.g. Board director, CEO, C-Suite, controlling shareholder (if there is one) makes the recommendation(s). The Strategic Advisor has helped the leader think through.

#2 Who is accountable for achieving results and outcomes (i.e. your company's value creation and preservation?) from recommendations?

Corporate leadership has the ultimate accountability. Neither Strategic Advisors nor Consultants are accountable.

#3 How does Corporate Leadership Strategic Advisors vs Consultants

Consultant: contract objectives, deliverables, terms, and conditions met.

Strategic Advisor: Corporate Leadership's opinion (or facts) regarding the impact on value creation or preservation.

#4 Who prepares the plans & milestones; and prepares materials for meetings with either the Consultant or Strategic Advisor?

Consultant: prepared plans and materials.

Strategic Advisor: Corporate Leadership prepares plans and materials.

#5 What capabilities do they bring to the table?

Consultant: deep industry and/or functional expertise, knowledge, and relationships. Deep analytical skills. Subject matter expert.

Strategic Advisor: mentoring, problem identification processes, decision making processes, human behaviour change management (ranging from individuals to entire organizations)

Why do you need Strategic Advisors, Coaches, Consultants, and Trainers?

- 1) Your leadership talent will not improve by itself.
- 2) In today's competitive business environment capital is unlimited but talent remains scarce.
- 3) Olympic gold medal winners need world class coaches.
- 4) Sports teams need coaches and trainers.
- 5) All levels of the military have ongoing talent development.
- 6) The best Strategic Advisors, Coaches, Consultants, and Trainers are rarely the best company leaders or the best athletes.

When does your board of directors or C-suite need the four different types of third-party support?

- 1) Strategic Advisor: There may be little clarity regarding: your company's direction; what the major problems actually are, rather than just the observable symptoms; how to make a strategic decision; or your goals are unclear. You may also want your directions, goals, and decisions challenged, etc.
- 2) Coach: your leader(s) need help in thinking through how to reach their goal(s).
- 3) Consultant: you need external expertise and external resources to collect data, analyse it, make recommendations, or implement a solution. Your company's direction is clear and you know what problems are
- 4) Trainer: providing your leader(s) with specific skills.

What are the three types of coaches?

- 1) Life coach – this focuses on dealing with life challenges. Many companies make therapists, psychiatrists and other medical professionals available.
- 2) Career and behavioural coaching – this includes helping executive settle into new roles, prepare for new roles, and managing the people complexities of existing roles. Psychologists and psychological testing are often used.
- 3) Business coach: Thinking through business problems, issues, and risks. The leader is accountable for recommendations, decision making, and successful execution. The coach helps the leader think things through. The coach does not prepare any reports, presentations, or recommendations – the leader does this

What are some of the biggest mistakes you make when obtaining third-party support?

These mistakes include:

- 1) You have your Strategic Advisor present recommendations to your board for their approval. You should be the one committing to the board the results you promise to achieve, and be able to justify your recommendations and decisions to the board.
 - 2) You hire a Consultant to recommend a direction or solution to a major problem. Consultants can provide significant value by: doing fact-based analysis of your company, your customers, your competitors and your company's ecosystem. Consultants should only provide input to your decision-making process or assist with implementation. You need a Strategic Advisor if you don't have an appropriate decision-making process in place.
 - 3) You hire a Coach but the goals are not clear. What you need is a Strategic Advisor.
 - 4) You hire a Strategic Advisor to implement a solution. What you need is a consultant.
 - 5) You hire a Trainer but the skills are not focused on addressing critical long or short-term value creation needs.
- The greatest mistake is hiring a Strategic Advisor or Coach but being unable or unwilling to: learn new things, unlearn old things, change how you think and behave.

What are the characteristics of working with each type of third-party support?

- 1) Strategic Advisor and Coach; Typically, they do not prepare reports or do analysis. That is your accountability. You may draw upon your staff, Consultants, and other third parties (e.g. lawyers) to assist you.
- 2) Consultant: Prepares reports and analysis based on the information they collect from: your company, others in your ecosystem, benchmarking, and other research. Implementation consultants may require significant resources from your company and work with others in your ecosystem.
- 3) Trainer: You go through a structured process to transfer skills and knowledge to people at any level in your company, including the board of directors.

The third-party support may work with just one person e.g. the CEO or a team e.g. the board of directors.

Roles may overlap e.g. A Strategic Advisor may help with the decision-making process for a strategy and then coach the CEO on how to get everyone in the company focused on the strategy as well thinking through how to make the necessary compensation and process changes. It may be easy to approve a strategy. You only get value if people are focused on the right actions, behaviours and daily decision making.

What is the support time frame?

- 1) Strategic Advisors may have a multi-year time frame. E.g. They may be on the CEO's advisory board, meeting quarterly. The real benefit of strategic advice is achieving measurable value, which may take many months or several years.
- 2) Coaches have no more than a 90-day timeline. The focus is on short-term progress and results. There may be a series of consecutive coaching contracts, with evolving outcomes.
- 3) Consultants may have a broad range of time frames. E.g. achieving results from a global enterprise-wide software installation may take several years.
- 4) Trainers have less than a 90-day time, ranging from a few hours to a few weeks of training. Training may be followed by coaching to ensure that results are being achieved. E.g. there is a difference between taking a sales training course and actually increasing sales.

How do you determine the value of third-party support?

- 1) Who has the problem, need, or opportunity? How do others perceive the problem, need, or opportunity?
- 2) Why now? What is the impact if there is no 3rd party support or the support fails?
- 3) What are the desired outcomes and metrics e.g. financial results? C-Suite members not quitting due to a toxic CEO? Improved 360 evaluations? Increased shareholder support for the board and CEO?
- 4) How will the members of your company's ecosystem perceive the value of the outcome?
- 5) Are the goals and long-term directly clear and supported by everyone in the company?
- 6) When do you need an impact? E.g. within 90 days? Within 5 years?

- 7) What degree of improvement is required? 5% 25% 100%
- 8) How important is this to the individual(s) overall role and performance expectations? How will the individual(s) be personally better off?
- 9) What are the intangible benefits? E.g. risk reduction?
- 10) Who and how will the judgement be made regarding value? E.g. A Strategic Advisor who is fun to work with may be of little value. A Strategic Advisor who asks difficult questions and helps a CEO undergo a stressful major personal transformation may be of tremendous value.
- 11) Why will the impact if the third-party support is a failure?

What are your next steps?

- 1) Answer the questions in the above section “How do you determine the value of third-party support?”
- 2) If the answers are unknown, or unclear, you should first start with a Strategic Advisor to enable you to answer the questions. It’s you, and not your Strategic Advisor, who must be able to answer the questions and explain your answers.

What further reading should you do?

- 1) “Your company will fail” Most companies will fail, disappear, or provide poor investor returns.
<http://koorandassociates.org/avoiding-business-failure/your-company-will-fail-v1/>
- 2) “Is your company planning to fail?” I’ve observed that many, if not most, companies are passionately executing their plans to fail.
<http://koorandassociates.org/avoiding-business-failure/is-your-company-planning-to-fail/>