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*None of these warnings about the dangers inherent in a systems engagement is new or unknown. But, in toto, they encompass most of the common risks that can determine success or failure —*

## PITFALLS IN GETTING YOUR PLAN ADOPTED

*by Maurice B. T. Davies*

*Lybrand, Ross Bros. & Montgomery*

CPAs ARE BECOMING more actively involved in business consulting but sometimes find it hard to get their clients to accept their work. To their dismay they sometimes find, too, that their clients have employed other—nonCPA—management consultants and are satisfied with their work.

Is this failure one of lack of charm or persuasiveness? Does the glitter that seems to accompany the typical management consultant act as a vehicle for getting his ideas accepted?

Probably not.

What on the surface may appear to be a matter of a superior understanding of human relations turns

out, on deeper scrutiny, to be rather a question of adherence to a few useful principles in consulting on management matters. It is our purpose now to consider some of these techniques. We shall start by considering what not to do, and, from this, we shall build a few guidelines that may be helpful in consulting with our clients.

For ease in examining our subject we shall divide the areas of interest into four types:

1. Those that arise before work starts, when the consultant is taking steps preliminary to authorization to begin work

2. Those that occur while work is in progress—and we are considering the field work here, the fact-gathering, analysis, and routine client relations

3. Those that we encounter at

the end of the job, when we are submitting our findings, conclusions, and recommendations to the client in their ultimate form

4. Those that occur after acceptance, when we are no longer under active assignment by the client and he is left to enjoy the benefits of our work in our absence.

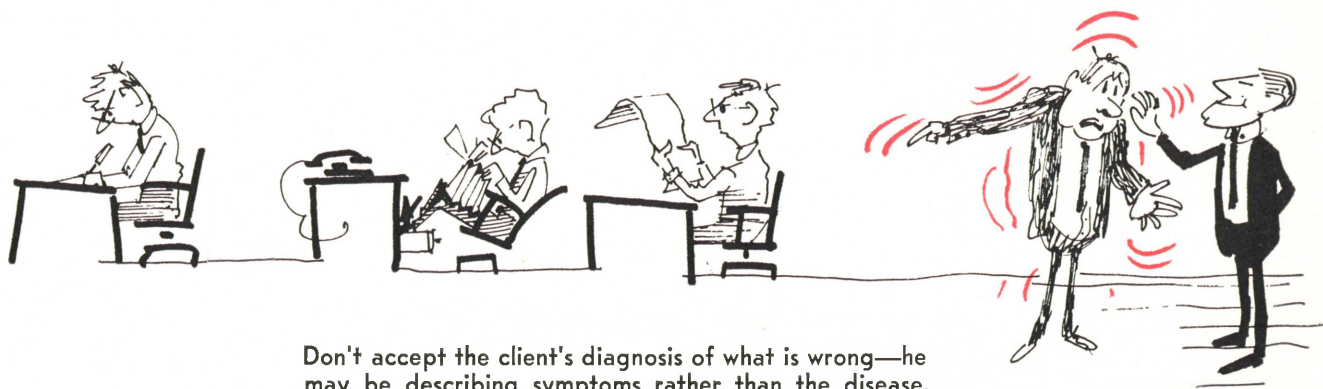
### *Before work starts*

Success at the end of a consulting engagement is significantly affected by having set the stage properly when the work was first conceived.

Remember how, when at school, you used your protractor to measure an angle? If you missed by a degree or two and your figure was going to involve only short lines, you probably got away with

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Don't accept the client's diagnosis of what is wrong—he may be describing symptoms rather than the disease.

it. The error wasn't too noticeable. But the larger the figure the more significant repercussions your small error created.

In such a light we should consider the small mistakes we can make during the formative stages of an engagement. If we take steps to avoid them we'll produce more acceptable end results and have the client in a better frame of mind to accept our final plans.

Every consulting engagement is a potential disaster. Whenever a client engages you to work for him there's a possibility you're not going to please him. And because the consultant is only human—and therefore fallible—he's going to make mistakes. They may be irretrievable. On the other hand, if he takes soundings properly, he can spot potential troubles and avoid or correct them in time.

Our first exposure to trouble is *accepting the client's diagnosis*.

The consultant is acting in a capacity somewhat comparable to a medical practitioner, and one can draw many analogies. Here's one: If you go to see your doctor with a pain in your abdomen and tell him you have appendicitis, you'd hardly expect him to start a surgical operation without some type of precautions.

However, some consultants are quite naive when it comes to accepting a client diagnosis. I remember some seven years or so

ago being called in by a dictatorial client president whose company, so he said, was suffering from a bad purchasing system, and he wanted it improved.

Accepting his word that this was the problem, we soon had a team at work on the job. Fortunately, in this case, there were indeed some weaknesses in the purchasing system. They were duly corrected. The critical issue, however, was not in purchasing, but in production control. This the president found hard to accept, and it was only by bringing him face to face with incontrovertible facts that he realized that his problem was other than as diagnosed.

### **Substance before form**

To the consultant who has a predominantly accounting background, this word of warning applies in cases such as this: "Aim for substance rather than form." The form is the accounting portrayal. The substance is the body of facts lying behind the accounting and often quite latent. As illustrations:

- A client may call for a change in his inventory accounting and recordkeeping when his real problem lies in inventory replenishment rules.
- He may want better receivables accounting when his problem is one of credit management.

- He may be concerned with inventory control when his trouble is one of loose sales forecasting.

These are just a few of the cases you may encounter.

The doctor regards symptoms as merely a guide for the diagnosis; they have to be considered in conjunction with other symptoms that he must seek out. So the consultant must accept his client's self-diagnosis, as often as not, as a superficial evaluation based on those apparent symptoms he has recognized.

Our second potential source of disaster is *not getting the salient facts*.

The client calls you in, tells you what his problems are and what he wants done. You ask a few questions, get supporting information, and are ready to prescribe a course of action.

You may have missed some vital issues here, and, thus, you could launch into a program that's headed for disaster.

Consider, as an illustration, this case where common sense thinking on the part of a consultant prevented a problem that could have been costly to the client:

The company was in a service industry and was negotiating with a nationwide company that was rendering a different, but compatible, type of service. The two companies saw advantages to be gained by setting up joint services in se-

*All too often, more attention is paid to the equipment than what it's supposed to do.*

lected communities throughout the nation.

Their planning was plausible, and they were forecasting high profits. However, the proposed joint venture was intricate and raised ticklish questions of organization, procedures, and finances. They employed consultants to help resolve these questions.

The clients' requirement was that the consultants resolve these problems and then help them with the mechanics of each joint venture from there on—on a city-by-city basis.

The consultants saw the work differently and were not convinced that all the facts had been considered. By agreement with their clients, they pursued the assignment by examining the proposed pilot operation in detail.

They found—and the clients concurred—that the market wasn't nearly as fertile as the clients had believed; profits from the venture would, at the best, have been marginal.

The consultants could have accepted their client's assignment as stated. They would have earned

substantially more in fees. But the client would have suffered.

Next comes the question of *emphasizing mechanics*. This is another case of considering the form rather than the substance, and is a case where accountants, as consultants, are greatly exposed to failure. The reason is that many businesses are these days considering the installation of computers or other office equipment and seek their accountants' advice.

**Equipment is secondary**

All too often they—or sometimes the consultants—devote greater concern to the type of equipment required, and how to make it work, than to the services that equipment should provide.

A somewhat dramatic instance of this occurred when a company decided to get a computer. It had made the usual mistake of inviting a few manufacturers to examine the situation and submit proposals without firmly stating its objectives or providing well considered specifications.

When three of these proposals

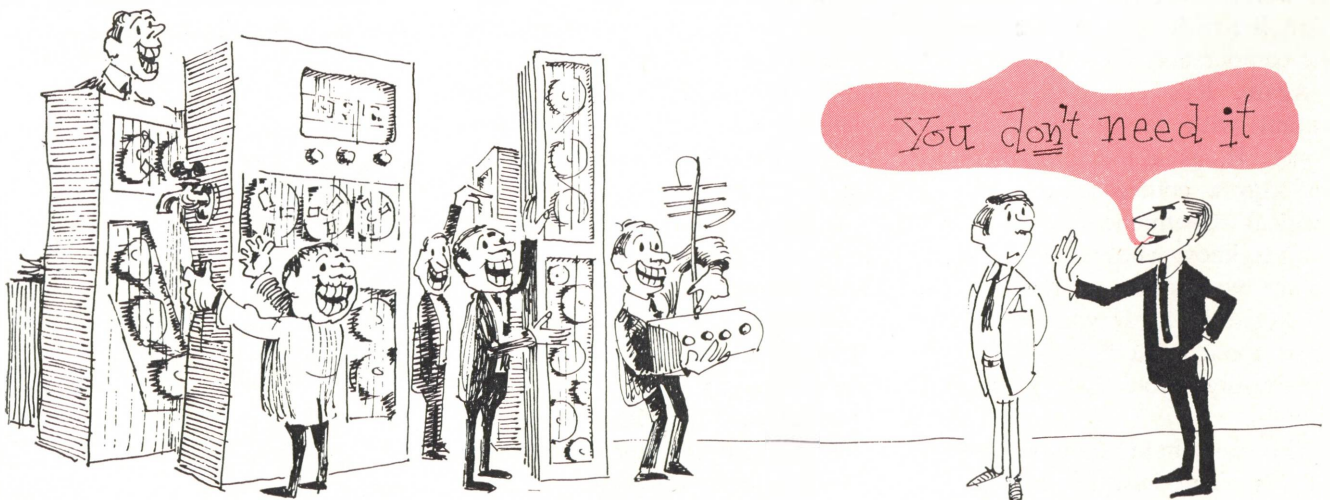
were in, the client became confused by the fact that three manufacturers were suggesting quite different approaches, each leading to the conclusion the particular manufacturer's equipment was the obvious solution.

So the company called on its accountants to help it select a computer.

Superficial examination readily showed, however, that this wasn't a computer selection problem, but rather one of developing a system to cure a situation where office costs had been mounting excessively. The client was producing a quantity of data in excess of reasonable needs. By getting a computer, it would only have been able to process this unnecessary information more speedily and accurately.

The solution hinged around improving the management information system itself. Over half the employees in the office were found to be surplus, and a little support from an outside tabulating agency substituted for the installation of a computer.

Amusingly enough, the client



Some clients, determined to get a computer, don't really need one; the machine would only process unnecessary information faster.





The consultant should always tell the client what he's going to do and how he'll set about it.

was upset that a computer didn't prove necessary, because it had become a status symbol in the eyes of management. But the dramatic reduction in costs produced by taking a different course convinced those concerned that the solution recommended was the better one to follow.

Our next pitfall is that of *ignoring a work plan*.

The accountant is particularly exposed to this danger because, generally speaking, he doesn't reveal to his client the work plan he proposes to adopt for an audit. In that case it's often neither necessary nor desirable.

As a consultant, however, the CPA is helping the client do what he would otherwise have done for himself had he possessed the time, the competence, the objectivity.

Again, let's compare the consultant with the medical practitioner. If, as a patient, you're to undergo a course of medical or surgical treatment, you usually want to know what it's going to be before you allow yourself to be subjected to it. If you are suspicious about it, or if you have any uncertainty, you get a second opinion.

The consultant should likewise tell his client how he is going to set about the job. And this should be acceptable to the client before the work starts. This may involve

the entire concept of the approach, the mechanics, or the depth.

This illustration shows how a misunderstanding as to depth had some significant, and adverse, repercussions:

The consultants had been engaged by a public body to conduct an organization study. As you well realize, in estimating the fee for such work, a key factor is the number of people to be interviewed.

As this was a public body and had to approve a budget and contract in advance, the consultants met with the key management group and described their proposed work plan. In discussing the number of people to be interviewed—out of a payroll of some 50,000 people—the client enumerated between 80 and 90. The consultants thought this a little on the slender side and allowed for a hundred in developing the fee estimate.

A contract was executed on the basis of this fee estimate, and work began.

However, political considerations demanded interview of 250 people instead of the 100 originally contemplated. Needless to say, the work was quite unprofitable from the economic viewpoint.

The next danger of failure is *overestimating client competence*.

Consulting often results in the

construction of a new order of conduct for the client. Effective results are attained only if the plan can be administered by people capable of making it work.

### *Check personnel level*

The consultant should be alert to this before he commits himself to the client. You have undoubtedly been faced with such circumstances as these:

- The client wants a more informative accounting system, but has only a second-rate bookkeeper in charge.

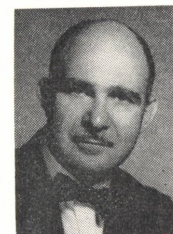
- The client wants a computer, but has nobody in the organization with more than elementary knowledge of even EAM.

- The client wants to reduce costs in the plant, but has no industrial engineer on the payroll.

The consultant should be on the watch, before starting to work, as to what the client's ultimate needs might be and what types of skills will be needed to satisfy them.

He should reach with the client an advance understanding that these new skills may have to be recruited. If the client doesn't have the available skills—whether already in existence or available through upgrading—and if he has no intention of recruiting them if they are needed, the consultant should consider declining the engagement.

Another situation that can undermine the chances of client acceptance is *leaving fee determina-*



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tion until late in the engagement. Davies: Pitfalls in Getting Your Plan Adopted

The client who is used to recurring and well defined services, such as audits and tax service, is often ill prepared for the higher fees that consulting services sometimes entail. If the fee catches the client by surprise it may make him less receptive, to say the least.

The consultant should try to reach agreement on the fee—or the basis for the fee—preferably before work is begun or, in any event, very shortly after that.

A danger to guard against is the case of the client in difficulties who seeks help “regardless of cost.” As the work progresses and his problems are dispelled, and as he is struck with the apparent ease with which this state of affairs is achieved, his attitude toward fee is inclined to change.

### **Be businesslike**

Never forget that the fee has a significant emotional effect on the client’s willingness to accept the consultant’s work. If a businesslike arrangement is made at the very beginning, the possibility of friction later on is considerably reduced.

Yet another problem to be considered in the opening stages of an engagement is *losing sight of benefits*.

The consultant should be satisfied that the benefits to the client can reasonably be expected to outweigh the cost.

These benefits, of course, need not be measurable in precise terms. Can you put a price on peace of mind? Can you put a price on better managerial information?

The consultant should understand these factors and should make sure that the client appreciates not only the benefits he should derive but also the benefits that he might *not* gain.

Two illustrations come to mind here:

The first, which is typical of one many consultants encounter, is when the client engages you for an EDP feasibility study and you

advise him that he should not adopt a computer. Unless he recognizes this contingency at the outset, he may be disillusioned.

### **The OR study**

The other case is the operations research study. The research involved may be inconclusive or may result in a realization that the cost of using advanced techniques will not justify the attainable benefits.

So much, then, for the precautions the consultant should take before starting his work. If he recognizes the following seven rules he should have laid the groundwork for better acceptance later on:

1. Regard the client’s diagnosis as a mere statement of one or more symptoms. Probe deeper before accepting it.

2. Before submitting a plan of action to the client, be sure you have as many relevant facts as circumstances permit.

3. Consider the basic objectives the client should be seeking rather than the question of what equipment or procedures may be needed. This comes later.

4. See that you develop a plan of attack before starting work. And see that it has client understanding and concurrence.

5. Work for a client only if you are satisfied that he has the resources to make use of your work or he is prepared to acquire them.

6. Get an early understanding with the client as to what your services will cost.

7. Seek agreement from the client that he understands what benefits your work should produce—and what risks are entailed—and that the client recognizes these as being worth the cost and effort he is about to accept.

After the preliminaries, work starts and the consultant now faces a different set of circumstances. New hazards expose themselves. Let us consider them, and what can be done about them.

*Work alone.* The client has a need. You go in and meet it. You

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The consultant who works more or less alone may find a good solution but find that company management and personnel resent and resist it.

to cause it to change direction.

The emphasis of the work may change.

The objectives may change.

The plan of attack may change.

Or the duration of the work may lengthen or shorten.

You modify your course of action accordingly; you pursue your work diligently; and you eventually come up with your answers.

The client is aghast: "This isn't what I hired you to do."

No matter how well you did your job, you have antagonized the client despite your good faith and your competence.

Change in objectives, scope, or content of a consulting engagement is a very common phenomenon. You should always be alert to its happening. What's more, you should always adopt a questioning attitude to see whether the client would be better served by making a change.

### Three objectives

But once you do believe a change necessary, aim for three things:

1. Present your case for change logically and convincingly.
2. Seek the approval of the person or persons who authorized the work in the first place, and see that they understand all the implications.
3. Get the change evidenced in writing.

If you do these things you are on safer ground. And your risk of encountering opposition later is substantially reduced.

*Impose demands on the client.* As we considered before, you shouldn't work in an atmosphere of isolation from the client. But consider the other side of the coin. The more you involve the client, the greater will be the inroads you make into his time.

The client should understand that the more time and effort his staff devotes to the assignment the more he will benefit because:

1. Your time and, as a conse-

produce a solution. You give it to the client.

Your work has progressed fast. You have involved minimum client disruption. Your arguments are well organized and well presented. Your recommendations are explicit and practical. But the client reacts unfavorably.

What happened?

By working alone you failed to get sufficient client involvement. The solution was yours. It was foreign. No member of the client organization had any feeling of proprietary interest in your solution.

Nobody became familiar enough with your reasoning to understand why you propounded this particular course of action instead of other alternatives.

Nobody gained sufficient grasp of your ideas to put them into effect later.

You caught the client by surprise. He resented it. And he will always be likely to resent it.

How should you overcome this risk?

Perhaps the best way is to arrange with the client that somebody in authority be assigned as your point of liaison. And if nobody is officially appointed, seek out a key person and select him informally yourself.

Use him as a basis for testing

your ideas as you go along and for protecting you against false conclusions. Get him to respond candidly. And, finally, try to get him thoroughly conversant with your findings and conclusions so that he can act as your ambassador from within.

*Accept facts at face value.* This is one of the most dangerous pitfalls into which the consultant may drop.

He builds up his body of facts, draws conclusions from them, and uses them as a basis for his recommendations.

Get the facts wrong, and the whole castle is built on sand.

Remember that the facts you gather are, as likely as not, going to be inaccurate, irrelevant, incomplete, or slanted. The facts as they appear to your informant may tell you other than the proper story.

Substantiate these facts. Do it by observation, by research, by questioning others, by testing their validity in some other way.

If I were put into the difficult position of confining this entire dissertation to one warning alone, it would be this. For what may appear to be true has a habit, as your study progresses, of changing its appearance to a half-truth, a non-truth, or an outright lie.

*Change scope and content.* Many incidents and conditions occur dur-



quence, your fees will be lower;

**Write it down**

2. His staff will gain a greater understanding of the job and should be able to implement your recommendations more easily;

3. Safeguards are created against your coming up with unacceptable conclusions.

But the degree of imposition on client time should be known in advance. If you can estimate who, how often, when, how much, etc.—and if you can get a client understanding of this—your chances of heading for this type of trouble should be minimal.

*Fail to take soundings.* Have you ever been progressing merrily on an engagement of some duration when suddenly, right out of the blue, you are aware of client concern and disillusionment? You have an unexpected crisis on your hands.

You can help avoid this by setting up periodic progress sessions. How frequent, how formal, what level, and how heavily attended you will have to decide according to the circumstances of each case.

By meeting face to face with the client and having a free and frank interchange you can avoid many difficulties.

In long engagements, and particularly in installations, it is good practice to set staging points or "milestones" and to use them as a basis for assessing progress. PERT, CPM, or some other form of network analysis may provide a useful tool here.

In evaluating progress, try to anticipate events lying ahead. Warn the client so that preventive steps can be taken so that neither you nor he will be caught by surprise.

Frequent progress meetings, however informal, enable you and the client to establish a mutual understanding and, when problems do arise, to meet them more harmoniously.

*Don't worry about records.* There is a misconception among some consultants that working papers aren't really necessary.

Nothing could be further from the truth.

You will many a time be grateful for a good record of events, decisions, acceptance of forms and flowcharts, and other such evidence. You will find, too, that the very act of requiring the client to give written record of acceptance compels him to be more disciplined, to regard you with greater respect, and to be a sounder working companion than the man who gives you oral assurances and later questions your statement that he did so.

In summary, then, your chances of acceptance should be greater if you subscribe to these six rules while work is in progress:

1. See that the client is knitted in with your work, preferably through a formal point of liaison, and do your best to avoid any element of surprise.

2. Never accept facts as gospel until you have substantiated them.

3. Change the scope and content of an engagement only with the formal understanding of the person or persons who authorized the assignment in the first instance.

4. Let the client know in advance how you will be calling on his resources for help, and get that assistance judiciously.

5. Keep the client acquainted with progress, and try to anticipate difficulties before they occur.

6. Keep good working papers.

Your field work is complete. The important issue now is that the client accept your recommendations.

You've followed the rules previously discussed: for example, you took precautions before starting work, you worked in harmony with the client, you kept him properly informed, you tested ideas with him as work progressed, you exercised good professional care.

If you've done all this, you may ask how it is possible to fail to gain acceptance at the final stage—when you digest all the previously agreed detail into a total program for action.

Obviously, there are many ways

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Only by telling the client how to make use of your recommendations have you provided the necessary finishing step.

to come a cropper at this last hurdle. We shall consider a few of them and how we may guard against them.

*Assume acceptance.* Why, one may wonder, if there has been positive acceptance of each individual step as the work went ahead, should one be worried about acceptance of the program in its entirety?

Here are some reasons:

1. A new perspective has to be considered.
2. New people become involved.
3. Memories tend to be short.

For these reasons, every single recommendation should be reiterated. What were the facts? What were the implications of these facts on a need for action? What action is being recommended? What is to be gained by accepting the recommendation?

Each recommendation should be represented—clearly, concisely, convincingly.

People who were not involved in the original acceptance may now come into the act. Though you had not thought them primarily involved, they may—through past association with the circumstances or through their present in-

terest—have some cogent thoughts to offer. They may resist—and they may be vocal and persuasive in their resistance.

*Ignore presentation structure.* If the consultant's story is to carry conviction, it should be interesting to read and to listen to.

A series of recommendations, however well presented individually, assumes the characteristics of a catalog if submitted seriatim without some form of structure.

The consultant should group his recommendations into homogenous selections. He should knit the groups into a cohesive story. He should start off by providing the broad picture and should then unfold his points one by one in interesting and logical sequence. Finally he should bring them to a forceful close, which brings us to our next point.

*Disregard implementation.* See that the client is given a series of actions to pursue only with adequate guidelines for getting that action taken.

Individual steps have to be put into time sequence. Some need action before others. Some can be pursued concurrently with others, others introduced at any time.

Remember that they won't get adopted unless somebody in authority coordinates the effort. Explain who and how.

Only by telling the client how to make use of your recommendations have you provided the necessary finishing touch.

To summarize, your steps to gain acceptance in the closing phase of the work should be these:

1. Support each recommendation with a convincing argument, backed by facts and action statements.

2. Build the findings and recommendations into an interesting and well structured presentation.

3. Conclude your presentation with some guidelines showing how to put your plans into effect.

Mention was made earlier of the analogy between the consultant and the medical practitioner.

All is not over when the appendix is removed and the stitches are taken away. The doctor provides post-operative care. So should the consultant.

Even though his assignment is complete, things can still go wrong—and generally do.

Conditions change. People change. New ideas develop.

The consultant should check every now and again. A visit, perhaps, or even a telephone call.

After all, acceptance in its truest form is not achieved until the handiwork of the consultant is in operation and providing for the client the benefits that were intended when the work began.

If any particular message can be emphasized from these words it is that client acceptance in a consulting engagement stems mainly from skilled workmanship.

No matter how much charm you possess, how persuasive you are, how articulate you are, the proof of the pudding lies in your workmanship.

Plan your work carefully, conduct it efficiently, produce your results lucidly, and follow up for client satisfaction. These are the finest forms of professional salesmanship.