



# salterbaker

*Specialist Healthcare Management Consultants*

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## **Why Use Management Consultants?**

Management consultancy is used extensively throughout the NHS. The amount spent in 2008-9 was £350 million, enough to run a large acute Trust! So why use management consultants?

### **Specialism**

Management consultants are usually hired for a defined project, for completion within a defined period of time. The consultancy brief may be to undertake a task which requires a specialist skills set or knowledge e.g. setting up a new clinical service; undertaking efficient, OJEU-compliant market testing; or meaningful benchmarking of service performance against a database which has been compiled in a standardised way.

### **Workforce Capacity**

Trusts are generally making workforce cuts in order to contribute to financial recovery plans. The cuts tend to be applied as something of a 'blunt instrument' which can leave core support and back-office functions understaffed. Consultants are hired with a specific short-term brief, to fill this gap on a non-pay cost basis. Once appointed, they have the advantage of being able to proceed unencumbered by the day-to-day interruptions of an operational NHS job.

The benefits of appointing the right consultancy for the right assignment are:

### **Functional Benefits**

- **Quick Turnaround** – the specificity of the brief facilitates speedy project completion. Any reasonable consultancy will also recognise that the level of their daily fees justifies client expectation that they will work well beyond 9 to 5, as required, for the period of the project.
- **Quality of Outcomes** – achievable through the specialist skills and total focus that the consultants are able to bring to the project. This is very much in the consultancy's interests. Repeat business is essential to most consultancies, and this will not happen without a sufficient degree of client satisfaction. Equally, marketing to attract new business is impossible for companies with poor word of mouth reputation.
- **Prospect of Added Value** – decent service from your consultants will require that they take every opportunity to provide added value beyond the scope of the brief (e.g. general advice on issues which touch upon their project but fall outside its parameters).

- **Impartial External View** – management consultants can afford to deliver an unpalatable truth to their clients if necessary – or, put another way, they cannot afford not to, as their credibility would not withstand this. The issue for the consultant is to find a way of doing so with sufficient skill to leave the client satisfied that the brief has been fulfilled, with a suitable level of awareness of the organisational environment, and sensitivity to the report’s audience.

### Financial Benefits

- **...Depending on whom you use.** Reputable consultancies will fulfil the brief, advise on risks associated with the brief, suggest next steps, and provide informal follow-up advice with no additional cost. This approach normally leads to the client judging that they have received value for money. Many consultancies charge upwards of £1000-1200/day, which is 50% or so more than Salterbaker Ltd. Do they provide 50% more value for money? **Ask our clients – see their testimonials on our website.**
- **...Depending on in-house management of pay costs.** This is relevant to the question of whether to “retain substantive staff and do it ourselves”, or “reduce substantive Wte and contract in the help for a particular task”. All sorts of factors can contribute to difficulties in the management of a Trust’s pay budget, some of which are entirely beyond the Trust’s control, e.g. maternity leave and the associated costs of cover, in addition to maternity pay, within the terms and conditions prevalent in the NHS (Consultants’ contract, A4C). So the true cost of employing a manager on £60k, allowing 22% for NI and pension plus another 3% for all types of leave, is actually £75k, or £330 per day worked, all year: less expensive than consultancy day by day, but not necessarily over the year, and in all likelihood a far greater number of management days spent on a project like-for-like.
- **...Depending on what you use them for.** For services such as “project-manage the establishment of a new clinical service”, the client’s evaluation of value for money may have a limited number of tangible aspects, and be largely experience-based. Other projects, such as a Salterbaker cost savings review, are based on share of agreed cash-releasing savings, i.e. “No win, no fee”.

### How do I Choose a Consultancy?

Ask colleagues whose judgement you trust.

Use a consultancy which can quote testimonials, attributed, from satisfied clients.

Ask the consultancy about their flexibility, samples of their work, what added value they can achieve in addition to the brief.

Have a clear conception of the evaluation criteria for deciding “Were they value for money?”

**For any further details, please contact Tim Hebditch at Salterbaker Ltd on (01489) 611630**

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