



HOW CAN SMBS BENEFIT FROM CONSULTING SERVICES?

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Fortune 1000 companies have long benefited from big consulting firms and outside consulting advice and guidance. At Valenta our mission is to provide the same types of services to mid-sized and small businesses. We want to ensure that SMB companies can compete globally and are not left behind as our economy transforms towards a new Information Age and Information Economy. There are many benefits of consulting firm engagements which we will highlight in this paper. SMBs deserve to leverage these business services just as much as large companies.

SMB clients need goal oriented consulting. They need consulting companies that not only provide recommendations but can also solve problems and implement the solutions. SMB clients need flexible engagements and subscription based models when appropriate. At Valenta we offer all of this to our SMB customers.

In this paper we will first talk about the huge consulting firms and their service offer, then what a consulting firm does, how we approach consulting and what works best for SMBs, consulting projects that benefit SMBs, how consulting can be closely aligned with staff augmentation and digital transformation, and finally how business process maturity acceleration can be a game changer for SMB organizations.

Origins of Consulting Firms & Consulting for the Fortune 1000

The big time consulting and outsourcing firms primarily serve the Fortune 1000, and these companies are not interested in serving SMB clients. Furthermore, the rates they charge are not a match for SMB businesses. These firms are admirable trail blazers and have driven innovation and efficiency gains over the past several decades. Modern management consulting got its start when companies like McKinsey were founded at the start of the 20th century. Management consulting was kicked into high gear when the Big Four accounting firms also got into the act and added consulting to their services portfolio in the second half of that century. Tier-1 companies include the likes of McKinsey, Boston Consulting, Bain, Accenture, Deloitte, EY, and KPMG. The services of these firms typically comes with a hefty price tag and that is why they have been exclusively available to the Fortune 1000. When it comes to large firms typically the Fortune 1000 engages in multi quarter and annual expensive engagements to study and provide reports on a particular problem or issue. Most engagements for the big firms are at least one million dollars. This price tag is needed to support the army of staff that is put on projects.

The giant consulting companies mentioned above, plus the other large firms that support the Fortune 1000, fall into four categories. Those four include Strategy Consulting, Implementation Consulting, Functional Specialists, and Industry Specialists. McKinsey, Boston Consulting, and Bain are examples of companies that started as and are still primarily strategy consultants. They provide the answer to a problem or develop a strategy but typically do not implement a recommended solution. Although increasingly McKinsey, Boston Consulting, and Bain are starting to move downstream and offer implementation. There are now relatively few strategy only firms. Accenture and Deloitte are excellent examples of classical implementation firms. These two companies along with their accounting centric cousins EY and KPMG were the first to offer outsourcing and offshoring in a big way. Deloitte, Accenture, EY, and KPMG are increasingly moving upstream and offering strategy consulting as well.

Functional Specialists and Industry Specialists is an area that is much more fragmented. There is a large number of companies in this area that only focus on large enterprises and the Fortune 1000. When it comes to SMBs there are many small companies that only focus on one type of solution, or only implementing technology from one large vendor (like Salesforce for example). New technology areas also lead to new firms offering services. This is particularly true when it comes to digital transformation and AI. However, when it comes to all types of consulting companies whether they are strategy consultants, implementation firms, functional specialists, or industry specialists, ...SMBs have been left out. Again, at Valenta our goal is to change that. There are tons of gains and efficiencies to be had and many benefits of consulting and digital transformation that can elevate today's SMBs.

What Does a Consulting Firm Do?

The answer to the question of what a consulting firm does is very straightforward. They help solve problems. Sometimes those problems are known, and a company will come in to map out and implement a strategy to address them. Many times, they are unknown, and a company will come in and study different aspects of a business, offer advice, and then potentially provide implementation. The biggest reason companies contract with consulting firms is to obtain specific expertise that does not exist in house. Companies also engage consulting firms for fresh perspectives and unbiased opinions on business problems, issues, and topics. Simply put, consultants are brain power for hire.

Consulting firms frequently will come in map out SOPs or standard operating procedures. They will also define "to be processes" and define how companies get there. Consulting firms also can assist clients to define organizational structuring. They can help clients identify organizational risk and mitigate it. Increasingly, consulting firms are involved in helping businesses establish business continuity assessments and plans. Business continuity plans can address a myriad of issues from natural disasters, pandemics, war, or supply chain interruptions. Consulting firms can also be involved in defining and implementing software applications to solve business challenges or communications design. Frequently firms are engaged in training and development programs for a wide variety of issues ranging from general topics to specific software already in place in a business or new tools to be installed. At Valenta we have been involved in many projects where we have re implemented CRM or ERP installs that went poorly the first time they were integrated with other firms. Consulting firms can also be engaged with to provide outside program and project management support.

We find ourselves, and see other consulting firms, being brought in on newer 21st century projects. These areas include ESG (Environmental, Social & Governance) initiatives and compliance. They also include digital transformation and automation projects. Continuous improvement initiatives at businesses are still very much in demand but they are increasingly being replaced by process reengineering, process mapping and hyper innovation. So, as you can see what a consulting firm does can be quite varied. However, it always boils down to being outside expertise for hire. Also, in the case of SMB it typically means implementing a solution in addition to defining it.



How We Approach Consulting & What Works Best for SMBs

At Valenta, our service offering looks most like those of Accenture and Deloitte, but on a smaller and more affordable scale, and with a focus on SMB clients. The main service offerings of Valenta are business optimization consulting, digital transformation, staff augmentation and training. Our managing partners all have different domain and industry expertise, and we bring in the best partners to serve our clients. Our clients do not get an army of staff to address their engagements like they would at one of the tier 1 firms with the million dollar plus annual retainers. Instead, they get a special forces team. Our engagement teams consist of local Managing Partners and Managing Directors who are partners in our business. They also include local consultants who are often also partners plus offshore consultants and technical experts we have hired directly from large firms like Accenture, Deloitte, EY, and KPMG. Our approach is to provide partners who are in the same cities as our clients and the same offshore support you would find with a large tier 1 company.

When it comes to technology, we implement the same types of digital transformation projects as the tier 1 firms. We have deployed numerous RPA, IPA and Conversational AI projects and we work with all the leading vendors in these areas. We also provide ERP implementations and do many CRM roll outs for our clients. When we are tasked with engagements we are in and out in set periods of time and are always project driven. The same is true if we are contracted for business continuity projects, organizational structuring, organizational risk, business process documentation, training and development, or project management engagements. Our engagements are in shorter duration than the large consulting firms and we are project driven. We also offer subscription models where we can devote a dedicated number of hours per month to process improvement and process maturity acceleration (but more on that later). We conduct feasibility and ROI evaluations up front to ensure that every project pays for itself and deliver consulting, staff augmentation and digital transformation cost effectively and efficiently.

Consulting Projects that Benefit SMBs

The consulting projects that benefit SMBs the most are the ones that provide them with clarity and the ones that solve problems. We have already highlighted projects including business process and policy development, risk control and management, organizational structure planning, business continuity, MIS/IT/software communication-design and integration, training and development programs, program and project management, content creation, web development, digital transformation, and more. What we layer on top of these projects is a clear timeline, and an ROI.

Specific projects we find ourselves engaged in repeatedly include the implementation of CRM and ERP software and training for SMB. Every business no matter the size can benefit from these types of tools, but many smaller and mid-sized organizations lack the skills inhouse to pull off successful implementations. Third party vendor management and tech stack consulting are two other ways we are providing value to our clients. For financial institutions we are providing the above and also providing financial crime consulting and outsourcing. Human resource and talent management is another area that SMBs seek our assistance.

When it comes to digital transformation, we find that nearly all SMBs need assistance on any RPA (robotic process automation) bot projects. When our clients have decent volume of rules based repetitive tasks, they can nearly always justify the ROI of a bot to help them. Clients who need to address significant interaction with their customers and clients usually can benefit from our Conversational AI consulting and implementation resulting in smart chat bots and voice integrations. CX strategy and experience design are additional areas we consult on, as well as cloud and infrastructure requirements for IT. At Valenta we are serving clients in a wide variety of industries that range from financial services and banking, insurance, healthcare, logistics, manufacturing, retail, consumer goods, hospitality, automotive, aviation, energy, retail, telecom, utilities, and many more.

How Consulting is Aligned with Staff Augmentation and Digital Transformation

Business optimization is the primary benefit of consulting firms. Digital transformation is increasingly something that consulting firms offer. They are offering this more because automation is often times the solution to business problems. Digitally automating workflows in client back offices can lead to dramatic cost savings and efficiencies. Leveraging the benefits of digital transformation also is one more reason that consulting firms are engaged. Consulting and implementation firms will deliver on all kinds of technology. In addition to digital transformation technology like RPA, IPA, and Conversational AI they also work on large ERP implementations and other projects.

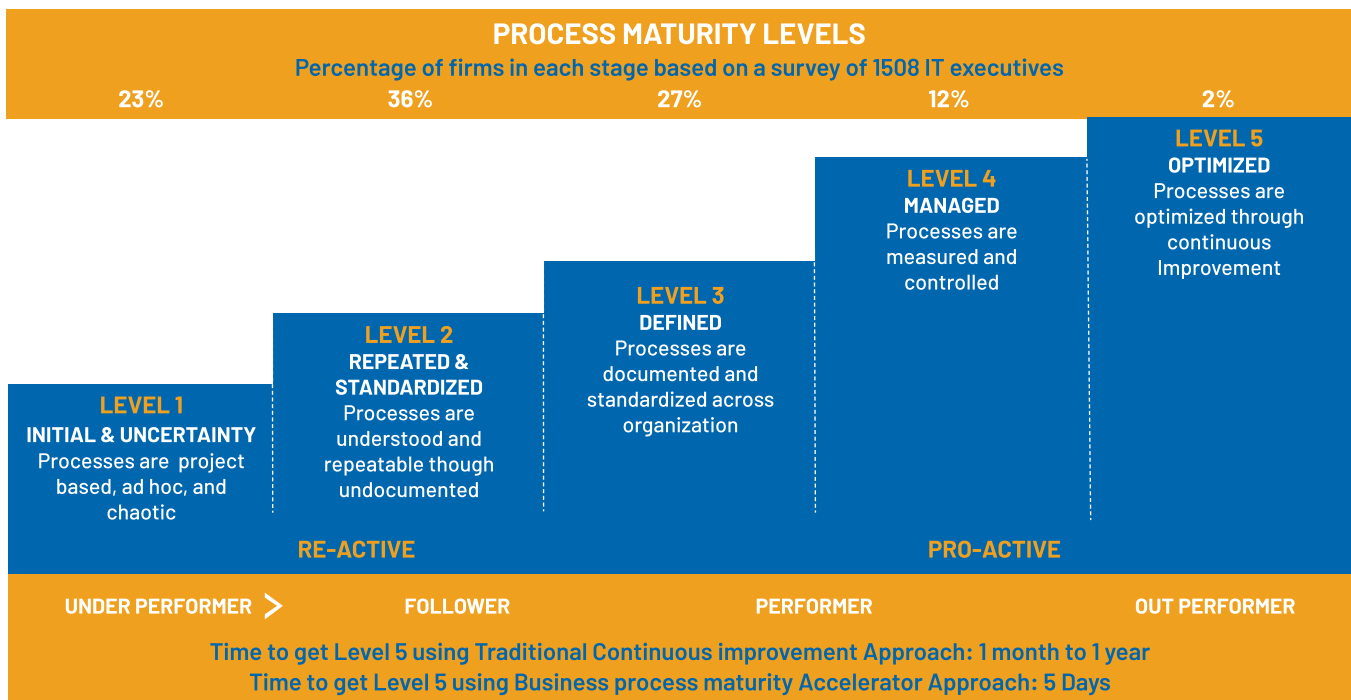
Outsourcing and offshoring are frequently the solution to many business issues and challenges. Sometimes consulting firms will offer this as a service, and other times they will not. At Valenta we offer this in combination with our consulting engagements and automation capabilities. Sometimes businesses cannot find staff locally to fulfill business requirements. It can also often make sense to use staff augmentation for non-core back office tasks so that onshore staff can focus on the core business. Putting the people who are closest to the customers and closest to where strategy needs to be developed fully focused on those roles is perhaps the biggest benefit of staff augmentation. Cost savings can be dramatic when comparing offshore resources to onshore ones. However, the ability to have the right people in the right roles is usually the biggest reason to leverage staff augmentation. Clearly there are many benefits of staff augmentation just like there are numerous benefits of digital transformation.



How Business Process Maturity Acceleration can be a Game Changer

One thing that is often neglected in SMBs is a Continuous Improvement Process. Applying Six Sigma and Lean Methodology can be a huge benefit to SMB companies. We are increasingly involved in these types of activities in a subscription model or for an engagement period as we train people inhouse on Six Sigma and Lean methodology. Six Sigma and Lean can take Continuous Improvement and turn it on its head and bring it into the 21st Century. When we do this, we are typically looking at Business Process Maturity Acceleration. In the remainder of this paper, we will focus on this topic. It is one of the primary ways we are assisting our SMB clientele with consulting services when we are not called in for one specific task or process.

There are many different business process maturity models in use. Most operate on a five level system, but sometimes the definitions of each level can get convoluted and confusing. At Valenta our goal is to always simplify the innovation process. In the below table we have taken liberty to adapt one of the best models for business process maturity that can be found at bpmhandbook.com and present it in a way that we can build a simple and actionable approach to rapidly mature business processes for SMB clients.



In the illustration above, Level 1 organizations do not really have defined processes at all. Processes (even recurring ones) are handled more like project tasks. They are often not scheduled but completed ad-hoc and are frequently chaotic. Unfortunately, 23% of organizations operate this way. Many level 1 processes originate from the start-up phase of a company or are new processes that an organization is trying to figure out. Most process start at this level until organizations can figure out the best way to do them on an on-going basis. The key is to standardize the process once a company determines the best way to do them, however ... this is not always done.

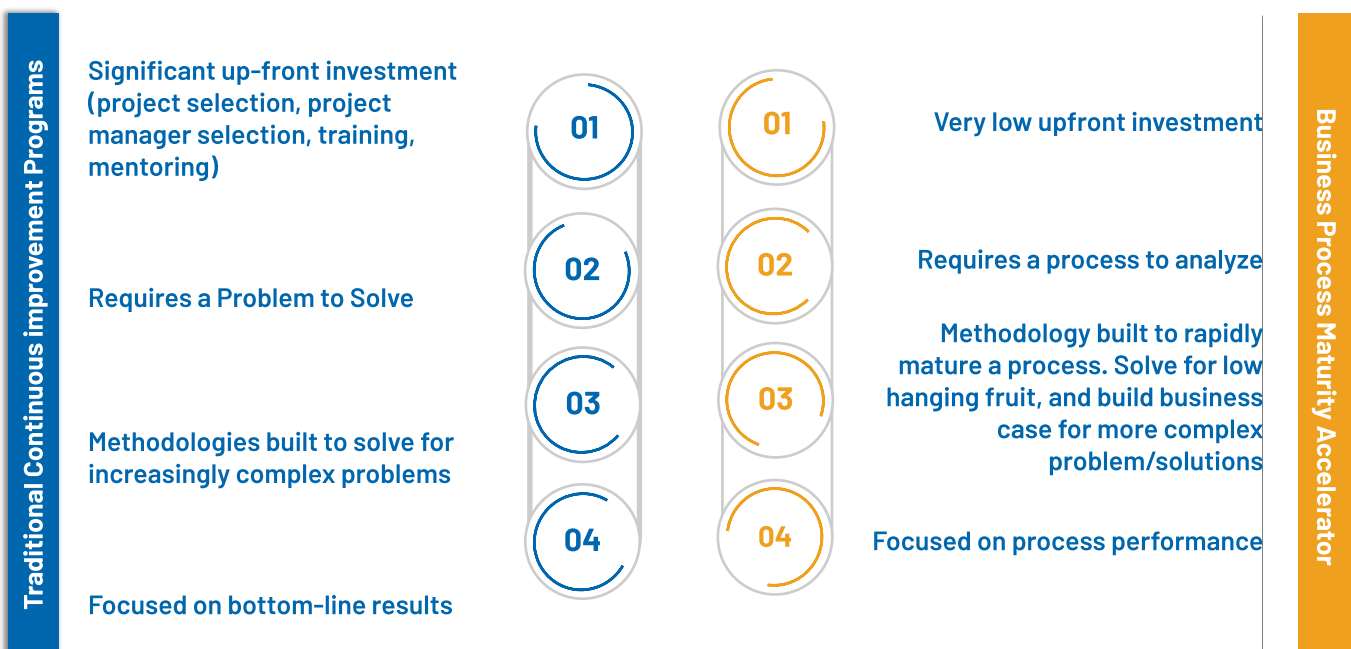
Level 2 is where a repeatable and standardized process that is understood by the operator sit. The key differentiator between level 2 and level 3 processes is that level 2 processes, though understood, are not documented. Many organizations seem to do OK operating at level 2, however they are fragile and easily disrupted. Level 2 comes with risk such as, what happens when the person who has the process knowledge in their head leaves the organization. What happens when auditors come in and want to see process documentation to resolve an issue. Also, level 2 processes make innovation hard because an organization cannot actually see its process flow.

Once a process is documented, an organization is at a level 3 of maturity. The organization begins to move from a reactive to a proactive state. Documents now exist that can be used for business continuity when the person with all the process knowledge in their head leaves the organization. Also, now that you visualize the process, an organization will have one of the most foundational artifacts that will be needed for innovation – a process map. Every innovation methodology depends on a basic process map. Once the process is documented, a business can look to add performance metrics to key steps in the process map. Monitoring these metrics will help workers control and manage the process. Putting a process through even a basic methodology that includes simple analysis, identifying and executing on low hanging fruit, and scheduling a regular review of the process will have process maturity operating at level 5. However, only 2% of organization maintain their processes, document them and institute continuous improvement initiatives. Companies that do though will be way ahead of their competition and an outperformer in their industry.

Why doesn't every organization document process, define performance metrics, and conduct basic innovation activities on their processes? Because historically, setting up a process improvement program has been very time consuming and expensive. This is an area that Valenta can really help with. Most companies approach this effort by standing up a continuous improvement program. This generally involves significant upfront prep-work in identifying improvement opportunities, selecting people who can drive the improvements, training those people as well as leadership on a complex continuous improvement methodology, regular mentoring from a consultant or coach throughout the 1 month to even 1 year that the project is conducted. The average continuous improvement manager salary alone is around \$127k a year and that does not consider taxes, benefits, and overhead. At Valenta we can do this for dramatically less and bring a team of skilled people to an engagement.

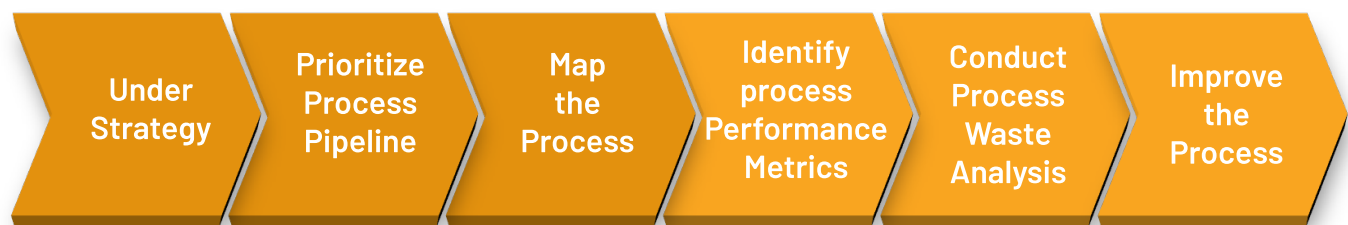
The below diagram highlights the difference we have developed for a BPM Accelerator versus traditional Continuous Improvement Process. This is not something new, but at Valenta we have taken the most important process management and analysis tools and streamlined already effective methodologies to create a an extremely lite yet highly effective approach for taking any process from any level to level 5 in about 5 hours per process. One of the ways the Business Process Maturity Accelerator compares with the traditional CI approach is that the BPM accelerator has a very low upfront investment.

Traditional CI vs BPM Accelerator



CI programs spend a lot of time with leaders to figure out the business and process problems that the program will solve. However, we have found more times than not leaders know they have problems, but they do not know what they are. The BPM Accelerator does not require the pre-work of identifying problems upfront to be successful. Documenting and analyzing processes, which is a part of this approach, will yield problem and opportunity identification immediately. We will then fix the low hanging fruit and document the rest of the problems for traditional CI to fix later. Because the BPM Accelerator approach is focused solely on increasing the process maturity level, we can be very straightforward in communicating the results of our efforts (how many processes have we matured to level 5 for example).

When it comes to Business Process Maturity Acceleration, we would like to share one last diagram. The below six steps are what BPM can be boiled down to. Again, this is not a new method, or an end-all be all for innovation, ... in fact, think of this as the starting point of innovation. It is a simple and basic streamlined approach to initiate the flywheel of continuous improvement a hyper innovative organization. And as we like to say, there is beauty in simplicity.



About Valenta

Everything we do at Valenta is about helping companies focus on and have time for what they do best and their core mission. We do this through process consulting, digital transformation, the automation of tasks, and by providing staff augmentation. Our consulting conversations and engagements often lead to discussions and client relationships where we provide additional services. Valenta is focused exclusively on SMB clients, typically enterprise customers with 10-1,000 employees. We have Managing Partners located in cities across the US, Canada, the UK, the EU, and Australia. Our Managing Partners work with other onshore consultants, plus offshore consultants, developers, and managers of outsourced staff to deliver the best services to our clients.

When it comes to process consulting, consulting for digital transformation, or other business projects, our goals are as follows:

- Increase our clients revenue and profitability
- Increase our clients productivity and efficiency
- Help businesses bring skills into their organizations that may not be in house
- Help our clients focus on their customers
- Offer flexible engagements and commercial terms
- Complement and work hand in glove with existing staff

If you would like to discuss your consulting requirements at any time. We look forward to serving you and helping your business., please reach out to us here:

[HTTPS://US.VALENTA.IO/CONTACT-US/](https://us.valenta.io/contact-us/)