

HRD CONSULTING — SHOULD YOU OR SHOULDN'T YOU?

Editor's Note: The following transcript was generated by members of ASTD's Human Resources Consultants special interest group during their annual meeting held at the Society's 1979 National Conference in St. Louis. 1979 Special Interest Group Chair Helen Clinard (Effectiveness Training & Consulting, Inc.) and 1980 Chair Walt Thompson (Center for Management Development) designed and conducted the meeting.

During the session, questions developed by participants (nonconsultants) were summarized and presented to six practicing consultants: Chip Bell, principal, LEAD Associates; James Farr, president, Farr Associates; John Jones, vice president, University Associates, Fredric Margolis, director, Institute for Planned Change; Leonard Nadler, professor, The George Washington University; and Edith Seashore, president, NTL Institute.

1. What is the quality of the working life as a consultant?

EDIE: Let me start by saying that a lot of work is being done around stress these days — workshops, etc. on how fast you run and how much you eat. When people hear of the life style some of us

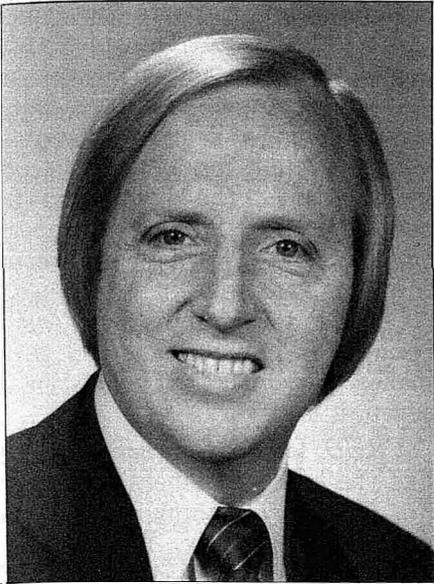
live, running to the airplanes; making sure you're in the right place; and having to be up for it everytime you get in a new setting; always eating out; lack of routine — the first thing they think is "stress" and start adding up the points. Now that's scary because I don't like people making predictions about me. What has occurred to me recently is that there is another kind of stress, that is, to me, perhaps even more significant than the regularity of permanent employment. That is, how in tune you are with what you are doing; how pleased you are with it; and how you feel about yourself in relation to the kind of work you are doing.

Sometimes I'm ambivalent about it because I would like to be in two places at the same time. I would like to be where I'm going because I get very excited about that; I would also like to be where I'm leaving because there is usually something going on there that I don't want to leave. That's my major point of stress. You really have to find the life consultants lead exciting because there are

enough external stress factors that impact on you. So, if it is exciting enough, you don't mind being held up in an airport for five hours, and don't get hysterical about airlines going on strike, then like me, you might find your enthusiasm for consulting not changing one bit in 20 years!

FRED: It's got to be exciting. I also find it personally fulfilling. When I was working for a consulting firm and sent to go hither and yon, I hated it. But when I'm asked to come hither and yon, there is something in me that allows that kind of excitement. They are calling me . . . not a name of a company. That makes a difference. Also, I must have friends with whom I can be intimate with in places I go. That's very important to me, and fortunately, this kind of work allows that.

JOHN: I like the stress of consulting, and tend to take contracts that offer some kind of challenge . . . not something that I know I can do well. This may involve intercultural stretching or working with difficult people within a system that is going to require



Chip Bell



Len Nadler



Edith Seashore

a lot of professional stretching on my part. I continue to choose that kind of stress for myself. It does have a "wear and tear" on your body and your family, but I continue to choose that kind of stress with my eyes open. I've had to develop ways to keep from being burned out, and I expect never to burn out, because I have a lot of ways to keep myself clear. For example, the most exciting thing in the last three to four years, is putting a lot of concentrated effort on my spiritual development to keep my core. I just claim my power and my peacefulness, and then I'm more accessible. I choose what I do. I think the main thing is not to be too hungry and to have

options. Then you are choosing what you are doing and you can approach it with a lot of vigor.

LEN: I think what we are hearing is that it depends on your value system — what do *you* want? For me personally, after seven years, I will not take an assignment in which my wife cannot work with me. We have worked together extensively in various parts of the world as well as in various parts of the U.S. I've turned down contracts where she cannot work along with me. So instead of leaving my problems at home, I take my problems with me.

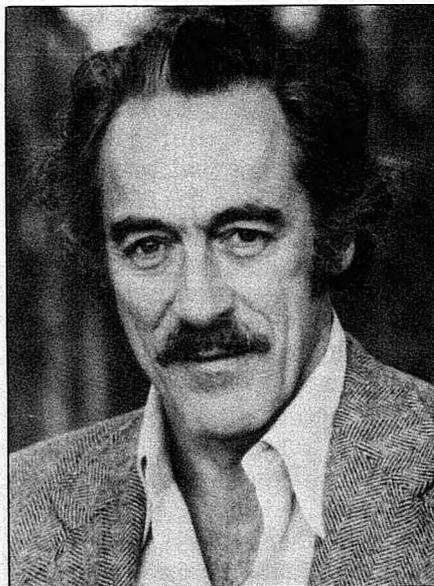
CHIP: As a former full-time internal consultant, a full-time writer, and now a full-time external

consultant, I feel the need to be very focused in each of these areas. I have found that you ought to wire things together so you're doing internal and external consulting, and writing about the same kinds of things.

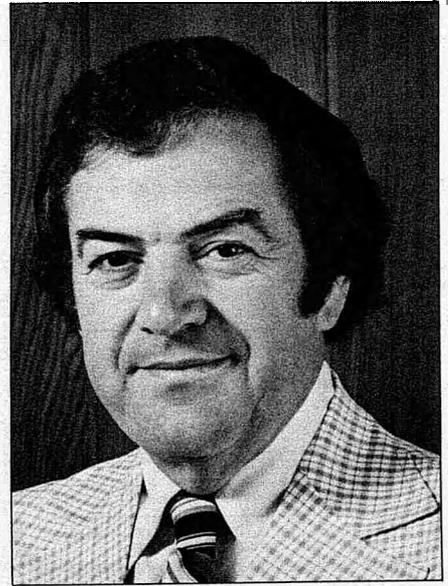
EDIE: I would like to pick up just one second about Len's comments on the family . . . I think that is a strong issue. A lot of my work requires travel, while I still have children that are 10 and 13. A lot of their friends' mothers work, so I'm not unusual in that sense. I am unusual in my travel, because other mothers are more accessible. What I've had to do, and it is becoming more difficult since I'm getting older, is to be there much



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more. Because they seem to be more demanding on me personally, I've had to build in things, at least for my own comfort. I call home every single day, twice a day. So I stay in touch with them, first thing in the morning, and every evening . . . sometimes late afternoon, sometimes more often than twice, if there is something going on. That way, when I get home, I don't have to hear whole weeks' worth of stuff.

JIM: I guess I move away a little from where everyone else is at. For the first 12 years I found travel exciting; not that it was exciting but that I didn't know what I was doing and I was learning. After I began to feel comfortable, I found that I really didn't like traveling very much. I began to see what was out there and then began to move in toward internal, spiritual development. I moved ahead to devise situations where the client came to me and have become fairly successful with that.

2. What factors should be considered when you are forming an association of consultants for the purpose of professional, financial and marketing support and operation (i.e. networking)?

JOHN: It's damn hard to manage a network because people bring conflicting agendas to networking, and sometimes those preclude any smooth organization. So don't be the manager — be a member. A lot of times, the motivation for being in a network is to "rip off" the network, not to build it. You don't have a motivation to contribute to it but to have it use you or give you goodies. I know that National Training Laboratories (NTL) has had to face that for a long time and has faced it well and openly. It is far more desirable to form a closely held company where the motivation and roles are very, very clear (the controls are clear, the rules are clear, etc.). That's my personal preference simply because networking often becomes a source of dissatisfaction. It can become a source of bad politics.

EDIE: There always seems to be those who feel they are more "in." It fluctuates as to who is in, but

also means that there are people who feel they are more "out," and that's unfortunate. The thing that seems to keep a network together is the feeling of learning from members and colleagues. There is something in it for their continued growth. One of the challenges is to continue to provide growth opportunities. Either have people create them, or create them yourselves. As long as there seems to be some reason for being associated that makes personal and professional sense, it can work.

FRED: I think you really have to like the other members and have fun. One more, I think it has to be developed mentally. If you have the equivalent of by-laws, or a set of rules you are going to follow, you will fail fairly quickly. You spend so much energy creating the "what ifs," you don't do the "do's." A great deal of liking and caring is important.

JIM: I've avoided networking and other forms of association after a couple of early experiences. I've never had anyone approach me for a network purpose that has made sense to me in terms of my own operations. At this point, the only motivation that I can see that would move me toward it is if we had some network function that would be served better by a network. For me, that would have to be some kind of social development or field development function. Nobody has ever brought that to me, so I avoid them.

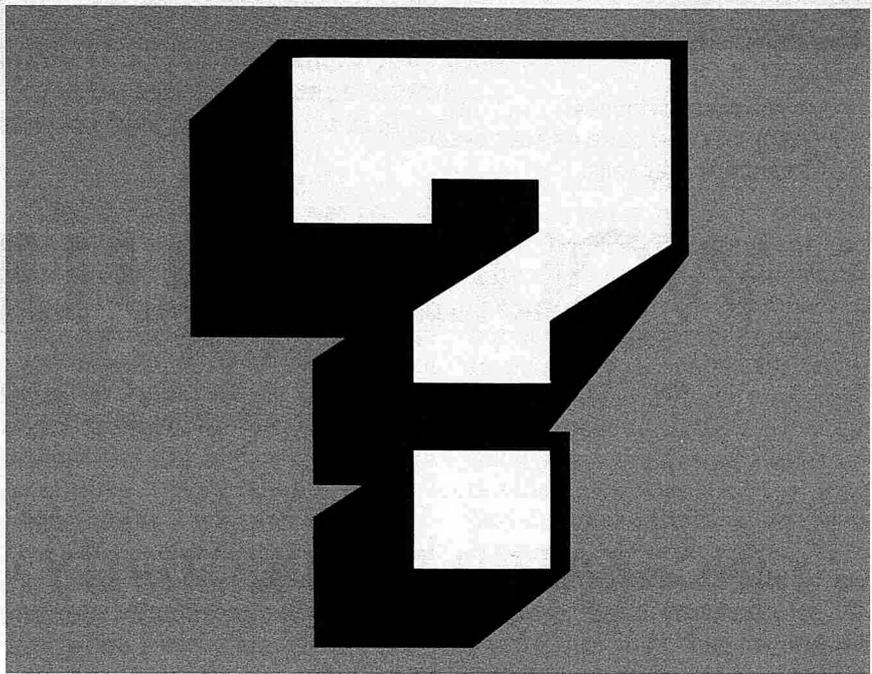
I've spent years finding out how to do it for my own organization. In the beginning, I set up a company as the owner and it worked all right, but it kept me running all the time. In the last few years I've come to the idea that an association of this kind needs to be set up to provide services and support that can't be gained or given *individually*. As far as I'm concerned, such an organization is a professional home for the people in it. It belongs to them . . . never mind that I have the legal control and the decision making powers. I believe the only way to make it work the way I want it to work is to find a way where we have total participation, where what we gain

is distributed and shared on some input basis, and where any distinctions made in roles are those necessary to maintain the organization. Otherwise, I find it very hard to handle a group of consultants, mavericks, and creative individuals, etc.

3. How do you go about becoming an external consultant, getting clients, etc.? What steps do you need to take to start moving out from internal to external?

CHIP: I'll start since that is primarily a role I'm in. I guess the way it started for me was through getting a few speaking engagements. I was working full-time internally and would begin by saying "I need a few days off to go and do such and such." Then someone asked me to do a workshop for them and they were going to pay me. I sat down quarterly and negotiated with someone to look at projects and so forth going on internally and then negotiate so many days for external projects. My boss knew that this was the only way I would stay. If I didn't have an opportunity to do external work, I had less motivation to stay. It happened gradually over a long period of time. My staff, who were also internal consultants, were getting the same license. I felt a lot more effective as an internal consultant if I had some outside work. It built a diversity I didn't have internally. Credibility was also part of it. I did not do consulting with a potential competitor. The concern regarding time and energy spent externally was built into the negotiating every quarter.

JOHN: I have a good friend who worked in a paper company in the midwest as the head of sales training. I thought the guy was dynamite and really terrific . . . incredible energy, a lot of creativity. It was clear to me that he was underemployed. There was no way that that company could consume his energy and creativity. I confronted him with that and told him he was really too big for the pond he was in and told him to renegotiate his role with his company and make



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"A general rule is 60 percent of your time has got to be billable to make a living. That's one hell of a lot of marketing!"

them his major client. He quit the company. He went into business as a private consultant with his former employer as his major client system. He's turning away work and his clients are getting very high quality energy from him.

LEN: As contrasted with a nice orderly transition, mine was a little more traumatic. I quit my job and for a month was wondering what I was going to do to feed my three kids, aside from myself and my wife. My good friend, Gordon Lippitt, said "How about joining a network," which included Malcolm Knowles, Warren Schmidt, etc. I found myself as a consultant. I never planned that piece of my life and am very pleased and happy, but it was not an orderly procedure from a full-time employee to a consultant.

FRED: I run into a lot of people who ask if they should quit their jobs and go into consulting. My first reaction to most of them is "DON'T," because it looks very romantic and very easy. They say "Look at those rates," taking whatever figure they have in their head and multiplying by 365, even though it doesn't work that way. Responding to these people, I begin to ask questions because I think there are certain qualities a freelance consultant must have. They are qualities like the ability to deal with ambiguity, the ability to live with high degree of insecurity, and a combination of a dedication to professionalism and a sense of entrepreneurship. I have found that many of the most competent people have somehow had entrepreneurship in their families — either they have had a business association, or a gambler, or someone in the field. Malcolm Knowles many years ago raised two qualities that he thought people in adult education and consultants needed . . . "a sense of professionalism, and a flair." I know a lot of people who are terribly competent and not making it. If you're all flair and no professionalism, forget it. Unfortunately, some people who don't

have flair aren't making it.

EDIE: I just want to add one to your list, and that is friends. I started with a consultant firm, and when I went out on my own business was slow in coming. A good friend asked "What are you going to do — sit on a rock and pout?" I said "No, I'm going to call all my friends and tell them I'm available." And that's what I began to do. I was a crisis consultant. It's astounding to me that I survived. When someone couldn't make it, when it was the last minute, when I was a stand-in, when I was asked to go — I went. And that's where I learned. My friends learned that they could begin to count on me. That was very important.

JOHN: Let me just add one footnote. I've been in business with my partner for 11 years and I'm a reluctant businessperson. I come from an academic counseling back-

ground and didn't have a marketing orientation which I've developed as a maturing consultant. A lot of internal consultants do not have marketing orientation, unless they are in a charge-back system. It is surprising how much you have to market yourself, if you are an independent consultant. One major thing you have to learn is to think in billable days and a lot of people find that idea offensive, or foreign. A general rule is 60 percent of your time has got to be billable to make a living. That's one hell of a lot of marketing! If people are not comfortable, as Edie says, leaning on their friends and letting them know they are available, then beginning self-employed consultants wonder why it's not more glamorous. It's really not a glamorous field — it's just another way to work. There is no glamour in it whatsoever.

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have been most effective for you as external consultants, and how do you secure clients?

JOHN: I never do consulting with people I don't know. I don't take contracts from people I don't know. I generally find clients in some kind of training that I've done. They've seen me at work with groups of people and they come to my training because they have seen something that I've written. That formula works for me.

LEN: The big thing in this field is *visibility*. There is a very thin line between being an extrovert and being a severe exhibitionist and I'm not sure which side many of us are on. You have to be visible. If you are not visible, clients aren't going to go digging around for you. Whether it's a training program you run, whether it's speaking at an ASTD meeting or some other group, whether it's being published in some erudite journal — all provide visibility. Don't expect a direct return. Don't expect at the end of it that they will come up and say, "Hey, you're the guy I need." It doesn't work that way. However, three years later someone may say, "Hey, remember what you did in St. Louis that morning?" and you think, "My God! What's in St. Louis — where is that?" "Would you take that development further for us?" Or, "Remember when I spoke to you in the escalator? I mentioned I would like you to do something."

EDIE: That's where networking does come in. Very often I find I am a large referral system. When people call, they'll say I heard so and so speak of you and said he/she couldn't do this type of thing, but suggested you might be a possibility. What I try and do in that type of case is hear very carefully who that person was and say thanks. I also discovered that it isn't reciprocal. I long since got over that. I have three or four people that I give a lot of my work to because I like the way they work. However, I don't get work from them. Interestingly enough, I get it from someone else. It's a big system out there. That's what I

think networking is all about.

FRED: It's like casting your bread upon the water and never knowing where or when it's going to come back. I know a lot of people who cast their bread and nothing ever comes back. It works and it doesn't work. Client referrals are successful for me.

LEN: Beware of this seduction: You get your first client and things are going great and you cut all your other ties. Then suddenly that client dries up and you are no place.

5. How do you set your prices? Do you have different prices for different clients?

JOHN: There's a story — two consultants talking about a third consultant. One of them is saying, "Hey, did you hear so and so inherited \$1 million bucks?" "No, what did he do with it?" "Kept consulting until the money ran out." A general formula that I advise is if you're doing it part time, look at one percent of your annual salary as the lower limit of your daily fee. If you are going to do it full time, one and one-half percent of your annual salary is the lower limit of your daily fee.

FRED: I'm working on a book now that is a buyers' guide on how to hire consultants, and trying to face that question. I don't know if I'm going to succeed or not, but I'll tell you what I'm *thinking* of doing. If you are dealing with a vice president who is making \$50,000 per year, then you know they're getting another 20-25 percent fringes. If their overhead figure is 100 percent which is really low, you're up to \$125,000 per year. Then you divide by 200 and begin to say, "Why shouldn't I be in the same ballpark?"

EDIE: I've always been fascinated by people who escalate the market for us. There are certain people who are guideposts in that respect. I remember when Doug MacGregor was consulting during the '50s. He had a lot to do with changing the price structure for consultants by simply changing his. Everybody used him as a model. I ask consultants who are doing very well what they are charging these days, then I change

my price structure. One of the things I believe is that our tendency is to underprice ourselves. I keep thinking it's obscene to ask the kinds of prices we do, because I don't go through all the formulas.

LEN: I'm afraid I join Edie in the fact that our pricing is an exercise in logic. If I get an assignment in Charlotte, North Carolina or Chicago, where we have sons, I'm more likely to go for a lower fee because it gives us a chance to visit. If they want me without my wife, my fee will be higher and therefore I can take her along anyhow because I'll pay her expenses, shopping bills, etc. They can get two of us cheaper than they can get one of us. All this is very illogical, but that's the way we do it. We do a lot of international work and if it's a country we haven't been to before, we might go for a little less.

CHIP: I believe in having a flexible rate. I wouldn't think of paying a surgeon the same amount for an office call as I would when he or she has a scalpel over my head. I try to fit the fee to the complexity. Another thing to consider upon starting out is the fee might be different depending on the national press you are getting. I might be willing to charge less to do a workshop for which there are brochures going out all over the world than if I'm doing one for an unknown company.

FRED: I want to disagree with you in principle. I do not have a flexible fee. Ninety-five percent of my work is at one fee and five percent is "pro-bono." My view is I'm selling time and my time is valuable and useful. If there are 20 people in a room or 200 in a room, my time is my time and as long as it's used well, that's how I like to look at it. So, I don't have a flexible scale.

JOHN: I just have one price and I don't negotiate that price. It's a daily rate, not hourly. I negotiate how much time I'm going to spend. Another thing: I fly the same class as the client. If they fly first class, I fly first class.

6. The fee that you charge has always been related to a hidden number, mainly salary. What are

your fees?

JOHN: I charge \$1,000 per day plus expenses, travel time and planning time.

LEN: Mine is based on the fact that my son is also a consultant and I have to get more than he does. It goes from \$50 per day for people who I feel need it desperately and can't afford it, etc. But most of the work we do is pretty much in the same category. It's about \$1,000 or better a day depending upon the work. We raised our fees sometime ago. It's been escalating every year, etc., and we've been scared with every hike. We found that quite to the contrary, it seems the more we charge, the more business we keep getting.

EDIE: One of the issues for me has been what to do with the clients that I've had for several years. Because of new clients I work with now, I've been going in for \$850 per day and I thought I was doing pretty well.

JOHN: There are a couple of formulas for planning time and travel time that we use in our or-

ganization. Without going into a whole lot of technicalities about travel time, or the clock is running and time equals money, the formula we use is to give a client two hours of free travel time for each day I'm working. So if I have to travel all the way to London to do a three-day thing, that's a lot of hours. I calculate, from airport to airport, how many hours it's going to take to get there and back and then I subtract two hours for every day I'm there. I charge them my usual hourly fee which is one-eighth of my daily fee which is about \$125 per hour travel time. At planning time, if it's training, it's different than if it's team-building, etc. For a training instance, I have to put materials together, assemble staff, build a design, orient staff, etc. But there is a simple formula: It's a minimum of two hours of planning time in addition to (if it's a training contract) the number of people times the number of days divided by 18 and add two, and multiply that by the hourly fee.

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8. How about standards in other qualities of professional work? Do you as professional HRD consultants have any responsibilities? If so, is there any way you could help monitor or set professional standards for our profession?

JOHN: I want to build on something Jim said. Consultants are hard to manage. They are maverick types. They come in all sizes, shapes and colors, and it is exceedingly difficult to manage a group of professional people . . . particularly, those who are using their own personal energy (the force of their individual personalities) in trying to be helpful to clients and to ensure some minimum standards of quality. That's very, very difficult. We approached that problem extremely carefully. We have to know a consultant for several years before they work for us. Our major concern in working with consultants and ensuring some kind of standard of professional quality is their personal integration. So we use outside consultants

a lot in our own organization.

We do a lot of internal OD, using external consultants who don't have a vested interest in coming to work for us. We tell them if you don't confront us on our collusion, we'll fire you. There's a good chance we will be colluding to take care of each other and that we will not confront each other on "How healthy are you this week? I have some concerns about you." A consultant who is temporarily or otherwise maladjusted is a loaded gun. My concern in working with consultants is ensuring adequate professional standards. Are they leading lives that are personally productive, or are they toxic people. For me, my major concern is their personal integration.

JIM: I've been very interested in this during the last few years and I agree with the personal integration concept. We've arrived at the point that everybody in our organization goes through self-awareness exercises periodically. We're moving to regular "meditative" sessions with the staff,

exposing themselves as to where they are at and what's going on. We're also moving toward having someone regularly contact clients in a quality evaluation activity. I find that the most significant thing is keeping the kind of work and exposure where you are examining yourself, your relationship, your ethics, your problems, your emotions.

EDIE: We have a membership now in NTL of 350 consultants and trainers. Many of them trained professionally in an era that has gone by. One of our issues is what to do about that? The people who are doing the confronting are people who have a different set of values to some extent. I'll just use two obvious areas that we are struggling with; the whole kind of personal integration people have around sex and race. We have tried very hard to understand what we do in our own professional organization to get people to change (a different set of values around some of that). Some of it has been around what is consider-

"I don't know. Haven't made up my mind yet. Are you going?"

"You seem very excited about this Conference."

"Maybe I should go too. What will we be doing when we go?"

"Sounds like a lot! Isn't there an exposition too?"

"When is the Conference?"

"What brochure?"

"How can I get my own brochure?"

"Thanks! See you in Anaheim!"

"Going to the National Conference in Anaheim this spring?"

"Definitely! I talked with some people who went last year, and they said that they came away with a profusion of ideas for their career development, as well as for their departments."

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ed professionalism. For many years a lot of professionalism, in our organization, was around what degrees you had, who you trained under, who your mentors were. A lot of the new people who are coming in don't have those kinds of degrees. They are being developed internally.

9. The ethics issue is a strong issue on a number of cards, particularly regarding coming into a situation where a previous consultant has been in and really blown it. What's your obligation? How do you deal with the client? How do you handle that?

JIM: I don't run into that much, but I would merely say I don't do it that way, I will do it this way. If they raise the question of a specific practice or technique, I feel free to criticize it from my own position. But I somehow avoid being the judge of other consultants.

FRED: My first reaction is wanting to know who the other consultant was. That's important to me, because if it is someone I know well and have a lot of respect for, my first question is, "Is the client in sync rather than the consultant being in error?" and I don't want to compound that.

JOHN: It is easy to criticize consultants and scape-goat them. And, there is a good chance that whoever preceded me had a bad contract or the client may have changed the rules. A lot of things can happen. Ethically, I don't want to get into a position of being critical of colleagues without any data. If a colleague is engaging in some kind of irresponsible or unethical practice, I take it as my responsibility as a professional to confront that person, but not to talk about that person to other people!

10. What do you do when you find yourself working with an organization whose ethics you find personally offensive?

JIM: I quit.

JOHN: I was invited to give a speech to the executives of a very large corporation at an executive development seminar. I have a rule — never surprise the client and never be surprised by the client (as a high survival value). In this case, I didn't ask the right

questions. I came in to do my talk and here are 80 white men, one white woman, and one black man. That's illegal, immoral, unethical and fattening. Guess what I said — "Hey, I feel uncomfortable with this audience." I didn't want to compromise myself in that case. It created a lot of stress, but I did not want to put my blessing on that situation. I did not want to feel guilty by taking that money. I felt that I had to confront that. It was stunning. I didn't like being surprised. That wasn't an organization development intervention, that's just me taking care of my values. If that were a continuing client and I saw racism and sexism as an internal problem, I would find some ways to confront it, usually diplomatically. If you nail people to the wall, generally you don't get the kinds of results that you want. But the failure to confront, to me, is a decision for which I take ethical responsibility. So the decision rule for me generally is, "When in doubt, confront!"

JIM: Well, in some cases my focus with a client is working on the ethics. The problem is in many cases that I find is that the lack of ethics doesn't show up until we are two-thirds of the way into the project and then they start backing out. Then we can only confront it.

FRED: For me it is slightly different, there are three issues. First look at the product of that organization. For example, I doubt very much if I would work with the Ku Klux Klan. So for me one issue is what do they do? The second ethical issue is how do they treat each other? Now that's less of a concern because I see myself going in there trying to change some of the things that may be their sickness. I won't run away if they are a sexist or racist organization. The third one is, and this is terribly important, how do they treat me? Now, if they lie to me, I would very readily get out because I will not be part of that. If they want to play crazy games with each other, I'll help them. But, I won't let them play crazy games with me.

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"Those people will survive who are personally flexible and have more than one product to sell."

11. How would you discuss the contracting process with the client?

LEN: Let me take the easy one — living in Washington. With the government, there are certain things you better learn fast or you get wiped out overnight. One, you cannot legally get paid for any work you do before the contract is signed. So any initial diagnosis, assessment entry, etc., that you may spend weekends doing, and the person you are working with says "Don't worry, we will build it into the contract," forget it . . . unless you want to really lie through your teeth, and be completely illegal, because the government says you cannot be paid for any work before a contract is signed. You have to sign the contract before you really know whether you want to work together. That's why a lot of us won't go into that.

The second is the kind of contract. If it is a cost-plus contract, then they hold back 20 percent until it is audited, which may be three to four years later. If you are working on a 10 percent profit, it means not only do you not get your profit for a couple of years, you

don't even recover 10 percent of your costs for a couple of years. You have to have a pretty good cash flow, or else you are in trouble. Even when you are on a fixed fee and they promise you will get your check within 30 days, the question is 30 days from when? There is no guarantee!

I think those of us who have gone into this can tell you all kinds of horror stories of all the good reasons why you didn't get the check. But if you've had to pay off your people or pay off your expenses, you're thousands and thousands of dollars in the hole.

CHIP: I used to work primarily with what I call psychological contracts. That's where somebody asks you to do something and you say "Ya, that sounds good, I'll do it" and agree on a fee or whatever. I now realize that more often that's a mistake. Psychological contracts can be useful, but alone they can be very risky. So what I've done in contracting is get at least a letter of agreement spelling out precisely what we agreed on in terms of expectations.

JOHN: I consider the contract to be three types of contracts. Psy-

chological, legal and business. The legalities of the contract to me are largely irrelevant. I put almost no energy into the legal aspects, unless it is going to be a huge project. I don't like contracts over a year and I always have escape clauses, because I may not be the right person and I may not want to do it anymore. The business contract, I think, is really important and I often have the client write that rather than me. Otherwise you start working for 37 cents an hour. For me the key is the psychological contract, the relationship and expectations between me and the client system or the client contact person. So I put much more focus on that psychological contract, mutually agreed upon expectations, what I'm willing to do, what you are willing to do, what ifs. . . . The quality of that contract for me is really critical.

LEN: Let me build on that again because that's where you can lose. Once again you can do a great job as a consultant and go broke. For example, you may find that everybody knows that (in this organization) every consultant when they finish submits a written report at the end. But if you don't have something written down that says either a report is required and everybody knows it, you may find that you have to put in X number of extra days, including all the logistic support — getting a nice bound report and 15 copies. There went not only your profit but all those billable days and so on. You have to decide whether you can afford it.

12. Where are we going — what's the future direction of HRD and OD? Is the consulting business going to be around and booming 10 years from now?

JOHN: That's really two questions. Is consulting going to be alive and well? And, is HRD and OD going to be alive and well? I think the answer is emphatically "yes" to both. In San Diego County

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we have about 600 business bankruptcies per year. That's an awful lot of people who aren't even asking for help. That's a potential market, I guess. You project that into the kind of population we expect 20 years from now, and the need for consultants working with organizations internally and externally is just astronomical. There is no doubt about the potential of a future market for consultation services. Those people will survive who are personally flexible and have more than one product to sell. If OD is all you have to sell, then you are already obsolescent. Organization development and human resource development, I believe very strongly, are rapidly becoming part of our culture. They are becoming established as part of the academic culture. I believe there is going to be a "market" for doing internal and external organization development and human resource development.

CHIP: One of the things I'm seeing is a growing number of internal consultants. I think this is an area that is going to expand as companies get more sophisticated, as the whole human resource development area gets more involved. I think you will see a lot more internal consultants and a lot more external consultants working with internal consultants.

LEN: Let me switch my role as an academic and put it in terms of enrollment in my program which is a masters and doctorate program in human resource development. In 1968 in the basic course of human resource development, I had five or six students and hoped that the University wouldn't close me out. Last semester in the same course, we had 70 students. Obviously, people moving into the field are moving in very actively. In the course on consulting, 10 years ago when we first offered it, we had eight people. Now we are having two sections each year of 30 each. Obviously, people are moving in, the consultants are moving in. They must feel there are clients out there if they are spending their resources learning how to be better consultants.

JIM: It seems to me that organizations are becoming increasingly complex in structure. It's inevitable they have got to be serviced beyond operational management focused to what an executive's job is. I also believe that we are in a social transition that's going to require a lot of behavioral science. In the direction of quality of working life or a changing focus of the purpose of business as it relates to customers and employees, it will require a lot of consulting, and creation of other services.

EDIE: These are very optimistic statements from those of us who are putting a lot of energy into this area. The other day a headline in the *Washington Star* was "Recession Inevitable." When the economy dips everybody gets nervous inside organizations and training and OD are looked at as software. So I guess I really don't have any answer if we really go into any kind of recession.

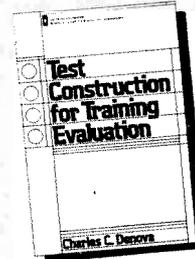
FRED: I'm closer to Edie than I am to the rest of my colleagues here, but I think our pendulum swings back and forth. I just don't know. I'm scared and yet I see all the rest of the things you see and it looks just beautiful.

JOHN: People who use consultants are becoming a little bit more sophisticated. They are asking better questions and are requiring higher quality consulting. They don't ask for sensitivity training. They ask for high quality consulting that deals with the task of the organization. I agree with Jim, I think organizations are harder to manage these days. A lot of what society is putting onto organizations is that they should have social purposes beyond making money, manufacturing widgets, etc. Organizations that are put together to manufacture widgets are not put together to solve social problems. The whole structure in the management culture is asked to do a different task than what they were organized for, and that requires assistance. It's kind of people retooling, in a sense, and that involves training and system-focused consultation. I believe that that potential market is rich.

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