CNET CONSULTANTS NETWORK

Consulting News

January Edition

January 7, 2008

CNet Consulting News brings you monthly updates on the IEEE Boston Consultants Network events, presentations and highlights. In this edition:

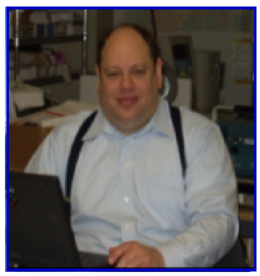
- *A feature article by Craig Goldman*
- *Don't miss our Alliance Partners' upcoming events:*
  - *MedDev Group* — *Wednesday, January 9th. Check www.meddevgroup.org for details*
  - *EntreTech Forum* — *Thursday, January 24th. Visit www.entretechforum.org for more information*
- *New faces on the CNet leadership team*

CNet is the consulting organization of the Institute of Electrical and Electronics Engineers (IEEE), the world's largest professional engineering society. Visit us at ***www.boston-consult.org***

Six Ways to Spend More on Your Consultant

Part two of a two-part series by Craig Goldman

Last month's issue featured the first half of Craig Goldman's sure-fire ways to spend more on your consultant. Hiring a consultant doesn't have to be expensive, but if you're very shrewd, you can ensure you spend more than you possibly should hiring your next consultant.



Craig Goldman

In the interest of representing the consultant's perspective, Craig Goldman offers six time-tested strategies that guarantee you will spend too much on your next consultant. Of course, a shrewd reader *might* use this information to spend less.

1. Hire a consultant to work on open-ended tasks.

A truly inspired way to spend lots of money on your consultant is to assign a task that is open-ended with no set or measurable goals. These tasks may carry ambiguous and innocent-sounding names such as "fix user interface", "increase performance" or even "reduce code size to fit a cheaper microcontroller". Many times the phrase "if possible" or "as much as possible" is added because no one is sure exactly how much of the task can be accomplished. To truly ensure increased spending, the consultant will bill these kinds of tasks hourly, since the final effort is not known or can not be known.

This strategy is not as effective as other approaches because it can result in spending lots of money *only* if the company doesn't constrain the task to a fixed amount of money. In other words, to spend lots of money, one should never specify the consultant's task as "increase the performance as much as possible for $1000.", because this "caps" the project, effectively saving the company money.

2. Avoid segmenting the project into distinct phases.

Even a small project deviation can become a large effort over time. To maximize the possibility that the consultant will stray

continued on page 2

Our Thanks to Foley-Hoag!

Our next meeting on January 23rd will be held at Foley-Hoag's Emerging Enterprise Center in Waltham, and we're looking forward to being back in this space for the rest of the 2007-2008 season. Visit http://www.emergingenterprisecenter.com for a schedule of upcoming events and to learn more about Foley-Hoag's services for the entrepreneurial and venture communities.

Spend More on Your Consultant (cont'd)

from the project plan, companies should construct the project as one large deliverable. This allows the consultant to run up a hefty bill on work that is not needed or not needed until later in the project. Meetings or phone conferences might interfere with this arrangement and, therefore, should be infrequent and focus on development issues rather than specific deliverables.

Even if the project is divided into phases, a company can increase its expenses by allowing the consultant to start work on future phases before all prerequisite information is available and preliminary work is completed. This situation almost always leads to work modifications, which means higher fees for the consultant. Tracking a consultant's expenses becomes more complicated when it involves project work that was originally scheduled in multiple phases, making it much easier for the consultant to charge more without attracting attention.

3. Don't review the consultant's work for several weeks or months after completion

One sure-fire method to provide your consultant with a final extra bonus is to delay reviewing her/his work for several months after the project has been completed and the bills have been paid. I am amazed how often this technique is used. Sometimes this delay happens when the consultant finishes his work, but other parts of the project are delayed. Sometimes the delay occurs when the consultant is told to temporarily stop work.

While there are few sure things in life, waiting for several weeks or even months after the consultant stops working assuredly will mean he/she will have moved on to another client, perhaps even to another state. If you are lucky, you will pay extra for the time needed by the consultant to pull the project out of archives and to re-familiarize with the details – if the consultant is even available. Can you say "ka-ching"?

Costs associated with delayed reviewing of the consultant's work results are like a dripping faucet; they start small, but they continue to re-occur and re-assess themselves in a variety of interesting ways. After considerable delay, the costs of reviewing the work late may become so large that the work is discarded and restarted by someone else, maybe even another consultant.

Summary: While hiring a consultant may seem costly, by employing a few simple strategies, a company can ensure it spends an *outrageous* of money.

About the author: Craig Goldman, president of CoAutomation, Inc. (www.coautomation.com), has been designing hardware and software for embedded microprocessor projects for over 25 years. A recognized innovator, Mr. Goldman has made a significant contribution to dozens of successful designs and has been awarded nine US patents for inventions. CoAutomation specializes in helping manufacturers create bug-free products by defining microcontroller behavior up-front, and then using this specified behavior to drive firmware development.

A New Year...and New CNet Leadership

Results from our annual CNet steering committee elections

The new year brings renewed energy to the Consultants Network, as well as fresh faces to our leadership team. **Tom Vaughan** stays on as our esteemed Chairman, joined by **Joe Sanroma** as Vice Chairman. **Craig Goldman** takes over from Seth Aaronson as Treasurer (thank you Seth!), **Rick Goldberg** is our new Secretary (thanks to the outgoing Stuart Jones!), and **Ron Goodstein** takes over as Membership Coordinator in addition to his Programs & Meeting Coordinator duties. **Lisa Chase** is handling Marketing and Public Relations, as well as writing and editing the CNet Consulting News, while **Tom Maglione** continues as Webmaster extraordinaire. CNet thrives because of (and depends upon) our volunteers, so if you'd like to get involved, contact Lisa Chase at lchase@luckyfishcomm.com for details about our monthly volunteer meetings.