

Structuring your consulting organisation

Institutional arrangements and operating procedures

There are a variety of structural and institutional arrangements for handling consultancy work. Whatever arrangement is adopted by any particular consulting organisation will reflect many factors, including the organisation's nature and volume of activities, the personalities involved, the strategy chosen, tradition, and the legal and institutional environment. Some teaching institutions in small states will need to create new structures to handle and manage consultancy work. Others will need to develop more formal procedures and structures to replace existing ad hoc arrangements.

In this section we present four case studies as examples of the structures and institutional arrangements currently operating in the universities of small states for handling and managing consultancy work. These are given only as examples and are not blueprints for all situations.

Legal forms of business

There are basically three forms of legal structure:

- sole trader
- partnership
- limited company.

If you are setting up your own business, you should seek legal and accounting advice as each legal form of business has its own advantages and disadvantages with regard to taxation, reporting and liability.

The Malta University Services (case study 5, page 57), like many consulting firms, is established as a corporation (a limited liability company). The corporate form has two fundamental characteristics:

- It is a legal entity that exists in its own right; it is separate from its owners.
- The owners have no personal liability for the obligations and debts of the corporation.

Increasingly, even those consulting units that are internal units of bigger organisations are finding it beneficial to use the corporate form as it enhances their independence, motivation, responsibility and liability.

Operating core

Structuring the operating core of consulting staff is one of the important considerations institutions will need to address, especially in view of the shortage of staff that prevails in most educational institutions in small states. This issue is complicated by the fact that staff may also be teaching and undertaking increased work. This is a dilemma which has to be addressed head-on. Good consultancy work will not result from muddling through.

Professional staff can be organised in more or less permanent units. Consultants may then be assigned to these units according to some common characteristics in their background and/or areas of intervention.

Organisational structure

It would be advisable to use a relatively flat organisational structure. Such a structure encourages collaboration and interaction with peers in the operating core rather than having to refer matters through a chain of command.

Operating procedures

These should cover the conditions governing outside work undertaken by university staff. How are the consultants to be remunerated?

Some of the key considerations are:

- Work out the relationship between the university-based consultant and the primary employer.
- Clearly state the rules about income earned from outside.
- Minimise the opportunities for conflict of interest especially in the manner time is apportioned.
- Ensure an acceptable balance between all the duties.
- Professional liability.

Administrative and support services

Arrangements need to be made for other administrative and support services. Operating consultants are often able to use the client's administrative services though ministers of education, particularly in small states, are very constrained in their staffing complement. The consulting organisation still needs some office staff. No matter how small the staff you decide to have, remember that the work to be done must be done with the efficiency that befits a professional and business organisation.

Apart from general office administration, book-keeping, and accounting, *library* and *documentation* also require careful planning and organisation.

CASE STUDY 3: UNISEARCH PNG PTY LTD

This case study looks at Unisearch PNG Pty Ltd., a company established by the university to handle all consulting, private practice and other outside work carried out by staff of the university.

Facts

Unisearch PNG Pty Ltd
 PO Box 320, University, NCD, Papua New Guinea
Phone: (675) 260 130 and 267 654
Fax: (675) 260 127 and 267 187
Telex: NE 22366
Commenced operations: May 1990
Council: shareholders/trustees (2) plus IV-C and Registrar
Board of Directors: shareholders plus 10 directors (mostly academics ex officio); meets annually with the V-C as Chairman
Executive board: 5 directors; meets quarterly with managing director as chairman
Officers: projects manager, administration manager and executive secretary (these three are university employees; the projects manager and the administration manager are lecturers who work part-time for Unisearch)

Services

Although most of the work is carried out by academics and senior administration staff, the university also has a wide range of technical skills and services to offer. For example, over the past five years, staff have provided, on a sub-consultancy basis, major specialist inputs into every Environmental Plan and most Socio-Economic Impact Studies prepared by the mining industry in PNG. They have also contributed extensively to pre and post-road construction and evaluation projects.

Since Unisearch PNG commenced operations, university staff working through the company have undertaken more than 30 consultancy projects.

Functions and objectives

- To undertake consultancy services for private enterprise, government departments and agencies (national, regional and international)

Staff

There is an increasing desire by such outside organisations to engage PNG-based consultants, including university staff, whenever possible instead of individuals and companies based overseas. Local consultants generally have a greater knowledge of, and experience with, Papua New Guinea's socio-economic, environmental and political conditions and are more cost-effective than overseas consultants.

CASE STUDY 4: EDUCATION RESEARCH CENTRE (UWI)

This case study looks at the Education Research Centre, established in response to the need for scholarly research on critical educational issues in Jamaica and the Caribbean region.

Facts

Education Research Centre, Faculty of Education, University of West Indies
Established: 1986

Functions and objectives

- To undertake research in education on a contract basis in accordance with the requirements of any institution or agency.
- To offer consultancy services in a variety of educational areas.
- To provide support services for those undertaking educational research.
- To establish a forum for the exchange of ideas on educational research.
- To disseminate educational research findings.

Staff

The centre draws on a range of highly-qualified and experienced research personnel, including Faculty staff, associates, education managers and postgraduate students.

Services

Research

The centre undertakes various types of research including:

- design, monitoring and evaluation of educational programmes
- research and development in curriculum
- educational surveys
- feasibility studies
- cost/benefit analyses
- prediction studies
- content analyses
- documentary studies
- consultative services.

Consultative services

The centre provides consultative services at all levels of the formal and non-formal and informal educational sectors in areas such as:

- measurement and evaluation
- educational planning
- education technology
- programme development and evaluation
- curriculum innovation and reform
- psychological and sociological issues
- policy development and evaluation.

Support services

The centre provides support services to those undertaking research in education. These include:

- data analysis
 - word processing and documentation.
-

CASE STUDY 5: MALTA UNIVERSITY SERVICES LTD

This case study looks at Malta University Services Ltd. (MUS), a limited liability company, jointly owned by the University of Malta, Malta Government Investment (MGI) and Salford University Business Enterprises Ltd.

Facts

Malta University Services Ltd.

Initial registration: 29 September 1986 under the name *Mediterranean Engineering Design and Business Centre Limited* (MEDABUC)

Name change: present name registered 18 December 1988

Shareholding: Malta Government Investments Limited, 67,000 shares
University of Malta, 33,500 shares
Salford University Business Enterprises Ltd., 11,000 shares

Operational site: the university campus

Insurance: the company is covered by professional indemnity insurance

Education and training courses organised by the company in conjunction with various university departments and outside organisations have included:

- Management Development Programmes
- Accounting, Finance and Economics
- Computer Systems and Applications
- Advanced Manufacturing Technology
- IDPM Courses: courses leading to Parts I and II examinations of the Institute of Data Processing Managers
- Professional Development of Teachers
- Classes in Systems of Knowledge
- Front-line Management for Nurses
- Pharmacy Technicians
- Popular Themes in Astronomy
- Supervision of student summer projects for MDC.

Functions and objectives

- To make the facilities and expertise of the university available on commercial terms to the community at large.
- To initiate and promote technology transfer.

Services

The company's activities can be grouped into the following divisions:

- technology transfer
 - consultancy
 - education and training
 - testing
 - publications.
-

CASE STUDY 6: INSTITUTE OF EDUCATION (USP)

This case study looks at the Institute of Education, University of the South Pacific (USP). The USP Council established Institutes in 1975; there are now seven of them. They work in varying degrees of symbiosis with schools and/or departments within schools.

Overall summary

- The Institutes sincerely feel they have a potentially worthwhile role to play.
- The structure (semi-independent institute) is conducive to efficient response to needs.
- We continuously strive to improve the effectiveness of our operation in order to build as positive an image as possible in the eyes of our employers (the 12 regional governments).

Functions and objectives

- To carry out the consultancy and research functions of the university with emphasis on outreach to the countries of the region.
- To maintain a symbiotic relationship with the Education Department in the School of Humanities.

Staff

Education department staff are available as consultants for the Institutes, but credit course teaching is the priority. Institute staff have some input into credit course teaching, but 'outreach' is the priority. Additional staff are employed on a project by project basis.

Services

How the Institute of Education goes about providing services:

- We may receive requests from ministries/departments of education or heads of non-government educational bodies for our services.
- We keep ministries/departments informed of our expertise, interests and activities.

- We propose activities/projects for ministries/departments to consider. For example, conferences on regional co-operation in aspects of education.
- We establish and seek to maintain links with major aid donors (AIDAB, COMSEC, NZ GOVERNMENT, UNESCO) who either fund an activity we mount, or incorporate IOE/USP staff in projects they mount.
- We establish and nurture links with the rapidly growing body of educational consulting companies, especially in Australia and New Zealand. Our goal is to be a partner in bids for educational projects in our region.

Publicity is seen as a key to gain work for the Institute(s). It is gained through:

- USP bulletin
- thrice yearly newsletter
- annual report
- brochure (not yet produced).

Relationship with USP policy and programmes

Institutes were specifically created to have some staff available for consultancy activities during teaching periods; being free from teaching duties, they are 'on call' for regional travel during the semester.

The USP subsidises the Institutes (albeit reluctantly). It pays core staff salaries, and provides funds for the general running of the Institute. A recent review, the recommendations of which were accepted by the USP Council, has led to maintaining this subsidy. However, Institutes are expected to generate as much income as possible (especially in consultancy fees) to be offset against the subsidy.

We have additional staff paid for by special project funds, for example, Fellow in Science Education, Literacy Project Officer. The employment of these members of staff depends on the life of the project concerned.

The IOE has mounted credit programmes in Educational Administration run on an in-country basis. This work is income generating.

USP policy:

- To contribute to educational development in all member countries by responding to these countries' requests.
 - The governing body (the Council) frequently gives directives as to priority areas, for example, assistance to ministries of education in establishing Form 7 schooling.
 - Priority is naturally given to credit programmes on campus and by extension (distance) studies.
-

Questions on case studies 3–6

- 1 Are there structural and institutional arrangements in these four case studies which could be applied to your institution/particular situation?
- 2 How would you address the dilemma of possible conflict of interest between consultancy work and teaching/research in institutions such as these?