



SYNAPPOS

IN-HOUSE CONSULTING PARTNERS

Consulting beyond Consulting

Synapos Value Proposition

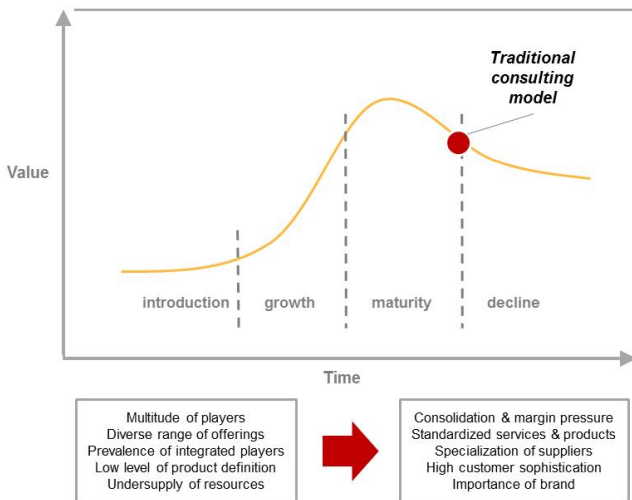
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Context and Positioning of Synapsos

In-house Consulting is on the Rise

Instead of using external advisors, large organisations are setting up internal consulting units to provide high quality insights against complex business problems. In some global corporates one can find internal consulting teams of 100 professionals or more. Sometimes they even provide services for clients other than their respective “mother company”. They have started to compete head-on with the traditional top consulting brands, recruiting the same kind of skills and delivering very similar kind of work.



This trend is a natural symptom of the traditional consulting industry having evolved to maturity.

Arguably, it is already declining. The service which once was only available through very few and selected providers, today, is facing commoditization.

This is so because:

- Through MBA programs, similar courses and by virtue of high staff churn, the consulting industry is producing ample numbers of trained and capable resources: you can buy the consultant without buying the branded firm
- Specialization of players and offerings, by both industry and function, means that expertise and IP is being separated from the traditional integrated players and is available on a stand-alone basis: you can buy the methodology without buying an entire team
- Scale effects in research, analysis and output production results in the emergence of support services which once were only available within a consulting firm: for instance, you can purchase trade-craft training and slide design and build and run your own professional team

As a consequence, businesses do not have to procure all components of consulting as an integrated value proposition in the traditional way and at high expense. Rather, the use of in-house resources with in-depth knowledge of the business, combined with ad-hoc support, begins to take precedence.

Problems of In-House Consulting Departments

However, the trend towards and efforts of building an in-house consulting capability are undermined by at least two types of structural problems: lack of scale and lack of independence.

Typically, in-house consulting departments – if at all they exist as distinct units – are relatively small, not comprising more than maybe a dozen or two dozen staff. Assuming a normal staff-



turnover this means that annually only very few people join the department, maybe three or four. They will join at different times and they are likely to be joining from different backgrounds and with different skill levels. Given this low number and high complexity of staff management, the department is unlikely to ever be in a position to build a proper internal training program, intellectual property or systems and processes, such as job descriptions, feedback programs, project allocation and tracking systems, career path management, and so forth.

The second problem is linked to the organizational positioning of the in-house consulting capability. While being close to the client company reduces transaction costs and improves the likelihood of navigating implementation hurdles, being too close to the company reduces the independence and thus credibility of the consulting advice offered. If the consulting staff is sourced solely from within the company or is not refreshed over time, the relationships between advisor and advisee will become too close; and if the department is reporting into a specific line function (e.g., the COO or CFO), the entire direction of the work may be seen as too closely aligned with that particular executive, i.e. not truly objective.

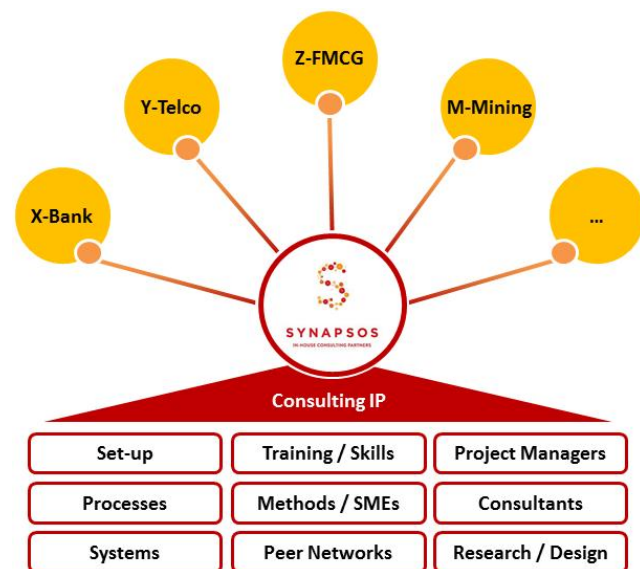
As a consequence, in-house departments are often perceived as less professional and capable than their external counterparts; and they often are subjected to the politics which naturally ensue among any set of senior executives.

Synapsos In-House Consulting Partners – A Next Generation Consulting Service Provider

Synapsos In-House Consulting Partners has been founded to create the next step in the evolution of the management consulting industry. As such it seeks to leverage the trend towards commoditization within and the disintegration of the consulting value-chain; and it seeks to find solutions to the structural problems of building in-house capabilities.

For our corporate clients, we assist in building, developing and managing in-house consulting teams. As we do so for multiple independent clients at the same time, we not only create scale across previously isolated attempts of building in-house capacities; we also insert into our clients' teams mechanisms to grow and remain their required level of independence.

For our consulting industry colleagues, in particular for highly specialized and niche service providers, we serve as a platform and as an aggregator. Our aim is to reduce transaction costs between specialist service suppliers and in-house departments and foster collaboration, structurally as well as ad-hoc.



We believe in the continued need for the generalist consulting capability. And we believe this generalist capability is more effectively deployed when run closer to where it is required, i.e. in-house. The evolution of the consulting industry has resulted into an environment where this is now possible in an efficient manner. Like the synapse in the human brain, Synapsos' mission is to connect the relevant parts in the consulting value chain and spark independent and professional advice, produced at a lower cost and with higher chances of implementation.



Synapos Offering

To assist our clients we have compiled a set of key service components which we believe are essential to operate a well-functioning and competitive in-house consulting team. Some of these we create and develop ourselves; others we source from third-party suppliers and strategic partners:

Best Practice Consulting Processes & Systems	Expert Consulting Tradecraft, & Support Networks	Top-tier Consulting Resources & Support Capacity
<ul style="list-style-type: none"> • Leading approaches to managing teams of consultants, including: <ul style="list-style-type: none"> - Job descriptions - Resource allocation - Knowledge Management - Feedback systems - Incentive systems • Organizational set-up and reporting structure of in-house consulting function 	<ul style="list-style-type: none"> • Focused set of core training interventions to improve consulting skills in your existing team members • Peer-reviewed list of specialized service providers and consulting support offerings • Peer-to-peer forums for networking, and seminars and lectures on selected topics 	<ul style="list-style-type: none"> • Experienced consultants from blue-chip firms at all levels • Highly qualified research and support staff

Working with our clients we assemble these components and construct company-specific solutions in a tailored manner. Our generic starting point for this is a set of three different packages with the following relative emphasis on our service components:

Package	Processes & Systems	Tradecraft & Training	Resources & Capacity
1 Create and operate your in-house consulting team	✓	✓ ✓	✓ ✓ ✓ ✓
2 Train, uplift and supplement your existing in-house team	✓ ✓	✓ ✓ ✓	✓ ✓
3 Assess and shape the operating model of your in-house team	✓ ✓ ✓ ✓	✓ ✓	✓

Included in all our packages is the participation in topical seminars and networking opportunities across in-house consulting departments of different industries and geographies. We carefully organize these across our clients as well as beyond avoiding inappropriate contacts among (potential) competitors.

All our solutions are offered on a “subscription basis”, i.e. our clients subscribe to our services for a period of time. We do not pitch for or engage on individual projects, based on specific content or methodological requirements; and we discourage deliverable-defined fee-for-service contracts. Rather, we seek mid- to long-term relationships within which we can assist to build internal capability and have the liberty to align our service model as well as compensation with the interests of the client organization as well as the incentives of the respective top-management.



syn·apse

/ˈsɪn,aps/

Noun

A junction between two nerve cells, consisting of a minute gap across which impulses pass by diffusion of a neurotransmitter.

To explore how Synapsos may be of assistance to strengthen your in-house consulting capacity in South Africa, please contact:

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