



9 Steps to build a customer DEMAND-BASED consultant recruiting machine

(inside)

*How to gain edge on your competition with
demand-based recruiting machine used by
leading consulting companies*

E-book By
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- Management experience from 4 different consultant companies

Striving to share information



BACKGROUND for this E-Book

Welcome to our E-book describing how you can build effective customer demand-based recruiting system to be ahead of your competition.

I personally have extensive experience operating in the IT consulting markets in Scandinavia and I've been in management of consulting companies growing quickly from just few persons to multimillion revenue companies. When number of consultants starts reaching around 30-50 people, then old ways just don't work anymore and there is need to put more focus on managing your resources and improving your recruitment process.

While managing consultants and IT Personnel I have suffered the same hardships and tough questions you must also encounter regularly. Which kind of consultant profiles should I recruit next? How to respond and find correct consultants for latest customer requests before my competitors get their feet in the door? How to know which technologies are rising? Is that specific training beneficial for the consultant and the company? What should be the strategic direction of our company or team in the (near) future?

Over the years I have worked in partnership with many major consulting companies and have been discussing benefits and challenges in their processes. Leading growth companies have a setup where they can focus recruitment, training and company strategic direction based on the signals received from customer discussions. Although the technologies to implement this can be different, the process to run it and build it is quite similar. In the end getting this to work is much more a process change than technological challenge. Read this E-book to find out the steps needed to implement this yourself!

“Leading growth companies have a setup where they can focus recruitment, training and company strategic direction based on the signals received from customer discussions.”

Why should you bother?



BENEFITS FROM implementing this process

Everybody working in IT business has noticed the accelerating speed of new tools and technologies emerging all the time. What was at peak 3 years ago, might be now losing market share with drastic speed and there is now definitely a new “king” technology on top of hill. One example is that on Finnish BI market still about 10 years ago IBM Cognos was the number one tool, but then Qlikview emerged with their then revolutionary solution and started conquering the market only to be now replaced with Tableau and Microsoft Power BI in many new customers.

It takes some research and information gathering to identify current market share and technologies on the rise, but probably the best indicator for the market pulse relevant for your company is **your customers and prospects**. Gathering their thoughts and needs will give you best input for your actions, recruitment and strategy.

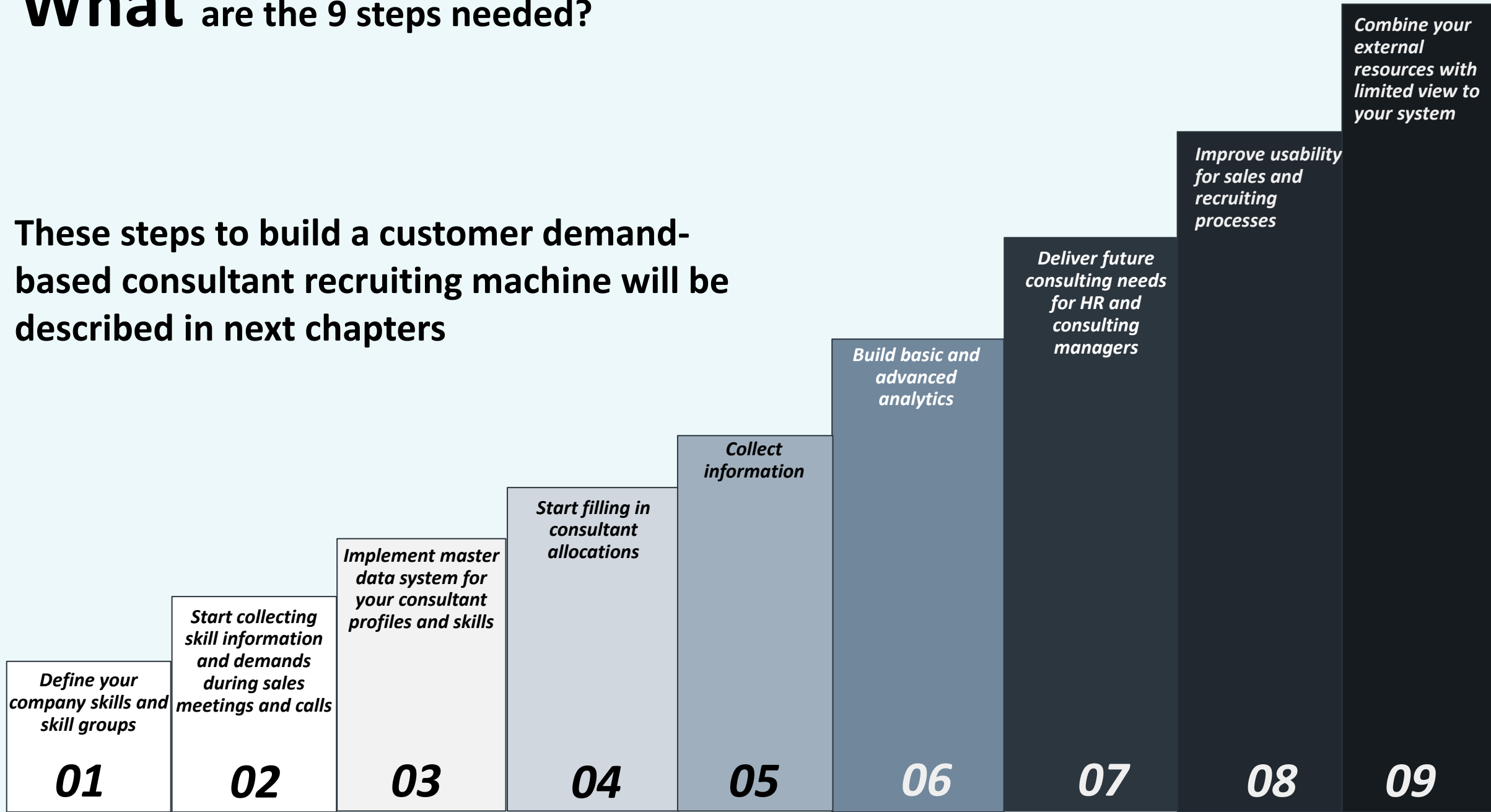
By collecting, automating and analysing this information, you will be able to:

- Pinpoint your recruiting actions towards profiles that will be in high demand during next years
- Balance your team to have a right mix of different skills
- Have less people on the bench waiting for next assignments
- Train your consultants for right skills and technologies
- Become a leading company in new fast-emerging techs
- Block your competition entering your customers as you will have the required profiles
- Identify which technology professionals you should have permanently hired and which professionals you can contract for projects from freelancer pools and partners

This all leads to:
More Customer Work + Faster Growth + Higher Project Allocation
= HIGHLY PROFITABLE BUSINESS

What are the 9 steps needed?

These steps to build a customer demand-based consultant recruiting machine will be described in next chapters



Define your company
skills and skill groups

01



Define your company skills and skill groups

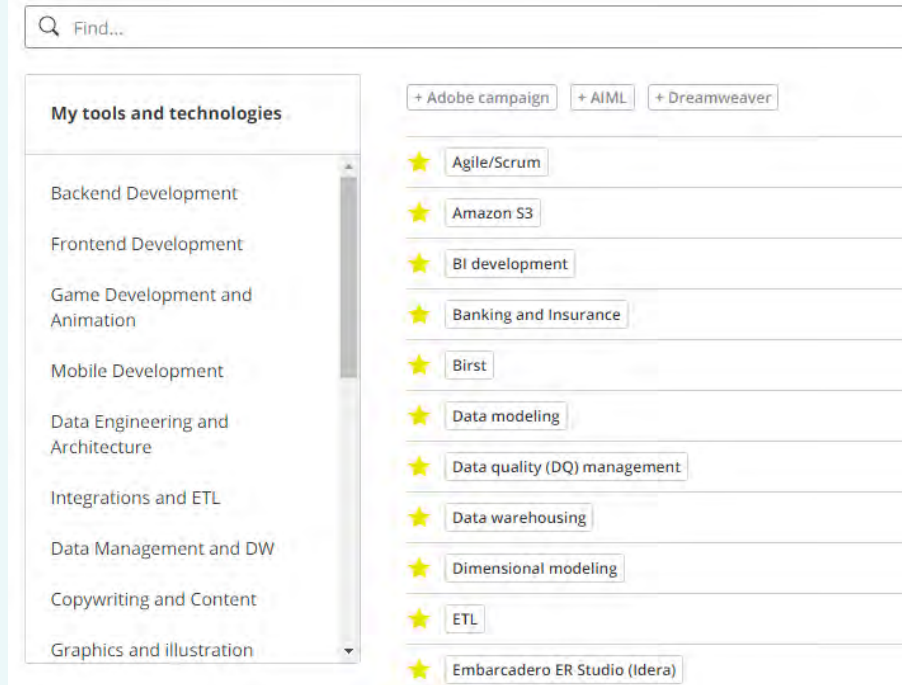


First thing to do to get started with this journey is to properly think through the skills and how to classify them into different groups. Skills can contain:

- **Technological skills** such as Tableau, Informatica, Node.js etc.
- **Knowledge skills** such as Data modelling, Backend development, Data warehousing, BI development etc.
- **Industry knowledge** such as Banking, Telecommunications, Retail etc.

You will need to make some decisions based on level of detail you want to define these skills meaning do you want to use very high level such as Amazon AWS or more specific product level such as Amazon S3 and Amazon EC2. You could even use version levels such as Oracle Database 19c or Oracle Database 21c, but this might be too fine grain level unless your main business is Oracle consulting. Best practice is to define skills more on higher product level as this is also most usable for recruiting purposes and keeping each parts of process connected.

Often there will be so many skills that it is good to classify them into different skill groups. One idea to get started with this is to define your consultant roles or investigate current consultant roles that you have. If in practice your consultants are either data engineers, architects or analysts, then you can use these also as your skill groups. It is good practice to allow one skill to be under many skill groups. If your business on the other hand is heavily split for working with some selected technologies, then you can also use these technology vendors as skill groups. Or just looking into your company website you will in general find solutions and services that you provide which can be a good starting point for your skill groups.



What about inspiration for skills and skill groups?

Instead of defining your skills and skill groups from scratch, you can get some inspiration and help:

- There are some IT skill management tools existing that will offer you already premade skills and skill groups, which you can then modify to your needs, if needed.
- Just browsing internet by searching IT skills, technologies and skill groups will give you good lists to get started with your assignment.
- Looking into your consultant's current CVs will give you ideas which skills are currently in use and in which level they are now presented for your customers.

REMEMBER:

This is not a one-time assignment, but new skills will be popping up constantly. But once you have done the groundwork, adding new skills to suitable levels and to suitable skill groups will be fast and easy.



Start collecting skill
information and demands
during sales meetings
and calls

02

Start collecting skill information and demands during sales meetings and calls



This is **really important step** as it will truly give you the needed information to be able to build this demand-based recruiting system. Most likely you will already have some sort of CRM system that your salespersons are using. If you don't have, then now would be a good time to get started with that action. Nowadays there are many affordable cloud-based options for CRM, such as Pipedrive and Salesforce. These will fill your needs related to this step and improve sales process at the same time.

You need to update your sales process and instructions. Technologies are quite often discussed in any case when talking about customer requirements for new project or for more specific needs related to one specific need of a certain consultant. Even in early phase of discussions with a prospect client, there is normally an overview of technologies that they have currently in house and possibly which they are also evaluating currently. The task is to make sure that technology information related to new potential sales case is collected and written down to CRM system after every sales meeting or if your customer enquires about any new resource need. Writing this down is the minimum requirement.

To really make this information usable, ideally you should have a defined field in CRM only for technologies. If you will use the defined skills and terms from the first step, then it will be much easier to collect data together and make meaningful insights and plans from the sales meeting data during next steps.



“If you will use the defined skills and terms from the first step, then it will be much easier to collect data together and make meaningful insights and plans from the sales meeting data ”

Implement master data
system for your consultant
profiles and skills

03

Implement master data system for your consultant profiles and skills



Implementing master data system sounds harder than this step really is. It does not need to be very technical solution, but main idea is that you should also start maintaining basic information about your consultants and their skill profiles.

Consultants should be able to update their own profile based on the expertise, skills and skill groups you have defined in earlier steps. Initial effort to build profile from scratch could take about 30 minutes per consultant, but after that there is need to update profiles only about 1-3 times per year and these take short time of just couple minutes to update the information. Utilizing existing web-based consultant skill management systems will make this initial setup go much faster and save your administration work. You can plan the more exact update process to suit your current processes and based on that updates can be performed by consultants themselves or by consulting managers or some other role.

It is good practice to complement skills with some sort of classification for level of skill knowledge (this can be project expertise in years/months, estimated level with words such as expert, beginner etc. or number range of expertise as an example from 1-5). Additional things you can store for your master data system include some traditional things you would save for normal consultant CVs. These are things such as certificates and training, project and work history, education, title / consultant level, LinkedIn profile link, personal portfolio page/site, employee bio, location and language knowledge. Ideally your consultant master data system can also be used to generate your consultant CVs.



What about technical setup?

There are many options to use as your master data system for consultant profiles:

- There are some web-based IT skill management tools existing that will offer you already existing easy to use templates to fill in your consultant profiles. These can also offer CV creation.
- If you have an existing HR system, then one possibility is to see that how far your current HR system can be modified to update consultant profiles and their skills.
- You could also build your own consultant profile updating tool by utilizing master data systems, such as Microsoft MDS. These offer modifiable fields and relatively easy ways to update information in addition to good integration capabilities.
- If you still have a very small team of about 10-25 consultants, then you might be able to keep track of these profiles in just one excel, but this is not a good long-term solution.

An aerial photograph of a green soccer field with white boundary lines. A dark, semi-transparent rectangular overlay covers the top right portion of the image. Inside this overlay, the text "Start filling in consultant allocations" is written in a white, sans-serif font. The number "04" is also visible in the bottom right corner of the image, outside the dark overlay.

Start filling in consultant allocations

04

Start filling in consultant allocations



When planning future shorter-term recruitment needs for the coming months, you will need to have a clear picture of the availability of your current consultants and how busy certain profiles seem based on their already agreed project allocations. You should also consider to some extent make visible not only agreed allocations, but potential project allocations. In any case future allocations are always some sort of estimates as agreed allocations are often not exactly as they were planned as workload from customer may vary a lot for one individual consultant.

In this chapter I am not talking about marking actual worked hours to time management system, but instead marking estimated/agreed allocations for the future months, ideally for the next 3-6 months and updating these allocations every time there is change for certain consultant regarding new, changed or ended project. Actual worked hours are also helpful not only for the basis of invoicing, but these can be used to forecast next months allocations and to help with decisions about recruiting needs for the near future.

“You need to have a clear picture of the availability of your current consultants and how busy certain profiles seem based on their already agreed project allocations for the next 3-6 months.”

Overall allocation can be marked down as percentages or working days allocated per week/month. Good level to mark allocations is on monthly level. Needed level for consultant availability is really the overall allocation that should be marked and updated to your systems, but you might get additional benefit from project level allocations and marking also actual projects into your system, whether that is consultant management system, CRM system, resource allocation system, HR system or time tracking system with future allocation update possibilities.



Collect information

05



Collect information



With previous steps you have started to collect needed skills from sales meetings, you have a skill hierarchy with skill groups existing that you update, you have consultant profiles with their skill and expertise levels and you might have consultant availability existing as allocations. Ideally you have a lot of these in same systems making data analytics and reporting easier.

Idea of collecting information is to gather above data into one place to be used for reporting and analytics. Ideally you would build a **simple dimensional model** from the needed information fields to a separate database, which you can then use as a source for your reporting and analytics. But you can get started with first versions of reports just by collecting data to your DB as it is even without any data modelling to get a quick start.

If you have just one system with all this information, then you could possibly even skip this whole step of collecting data into a separate database and read data directly from this system for your reporting tool, supposing reporting tool supports integrations from this system. Many reporting tools also support the combining of data from different sources, so that could also be one architectural solution.

End result of this step should be the possibility to do simple analytics and reports based on the new data that you have started to collect. Once you have this capability, then you can really start to guide your recruiting activities based on the knowledge you gain from your customers and make your decisions for training and recruiting activities to be properly data-driven.

“Ideally you would build a **simple dimensional model** from the needed information fields to a separate database, which you can then use as a source for your reporting and analytics.”

Build basic and
advanced analytics

06



Build basic and advanced analytics



After you have collected your data together into one database or otherwise have enabled your reporting tool and other analytical tools to have access for your data, then we can get started by building meaningful analytics based on this key information. There are really a lot of meaningful reports and analytics you could build based on this data, but some simple valuable ones to get started with include following reports:

- Most needed skills listed per count of customer opportunities that have that skill requirement listed down. You can present this based on (estimated) closed date of opportunity from your CRM on monthly level or quarter level.
- Number of available consultants / percentage of available consultant allocations for the next months on the monthly level
 - This should be filterable based on at least skills, skill groups and location
- Compare report comparing skills of your consultants and skills required by your customers in the next coming months or year showing the difference between these
 - This should be filterable based on at least availability and location

Once you have the simple reports done, you can start building more advanced analytics and really try to make business decisions regarding recruiting and consultant training as easy as possible based on your data and analytics and the recommendations you can generate from these. Some examples from more advanced analytics:

- You could build based on opportunity created dates AI models about the skill needs of the future and their growth based on the data you have collected
- You could forecast needed skills based on recent new hires you have made and what other skills they have
- You could give additional inputs for your models from some available out of company sources such as:
 - Adding keyword search counts for different skills based on recruiting posts from social media sources from your competitors and IT recruitment companies (companies such as Meltwater provide these as a service)
 - You could add points for your model based on Gartner MQs and some other researches for different technologies as these also correlate with what customers want

You could also start to improve data you collect from your customers, such as collecting deal size information or number of consultants needed with certain skill for an opportunity to improve accuracy of your reports and forecasts.



What about tools?

For BI tools there are currently many options and prices per user are relatively cheap now as many tools are offered with web-based subscription costs per user and even Gartner Magic Quadrant leaders such as Tableau and Microsoft Power BI are now very affordable. Some of these BI tools have their own advanced reports and forecast models also, but at least they should offer integration to external tools (such as R) which can be used to build forecast models.

In order to build AI models also cloud service providers such as Microsoft Azure and Amazon AWS provide their own tools to build AI models that are easy to get started with.

Deliver future consulting
needs for HR and
consulting managers



07



Deliver future consulting needs for HR and consulting managers



Once you have the needed analytics available, then you need to utilize these when making decisions for recruitment focus areas, how to balance your team to have the right skills, what should be your strategic technologies to focus for the next 6 to 12 months and which technology vendors should you start to engage for partnerships etc.

There will likely be small changes for your existing ways of working, but mainly you can still continue to operate with same responsibilities than earlier. Only addition is that people making decisions and benefitting from these analytics will need to learn how to use these figures to their advantage. This can also work by looking at the figures in meetings together every 1-2 months with sales, management and HR and adjusting recruitment strategy and actions based on those meetings, where analytics act as one important point of view, but not the only one.

“Keep your consultants customer project allocation rate on high level, which has direct impact on the profitability of your company’s business”

Depending on how your company is setup based on responsibilities you will be able to help your HR recruiters and consulting managers on their tasks. Recruiters will know that what kind of profiles they need to find as next recruits and this can be done already before you run out of suitable consultants for new emerging technologies. You will be able to become the leader on your area for these new emerging technologies.

You will also be able to help consulting managers to have the correct needed skills in their teams and train the consultants only for the relevant beneficial technologies that will be in focus for the next year and more. This will also help you to keep your consultants customer project allocation rate on high level, which has direct impact on the profitability of your company’s business. You will have less people with old technology or knowledge skills “sitting on the bench” waiting for suitable customer projects.

Management of the company will benefit from finding new emerging technologies to focus to and improving consultant allocation rate together with advanced recruiting they will be able to have high growth for the company with increased profitability of the business.

A detailed close-up photograph of a mechanical watch movement. The image shows several interlocking gears, some made of brass and others of steel. There are also various screws, jewels (small red and clear stones), and a balance wheel visible. The background is a dark, textured surface.

Improve usability for sales
and recruiting processes

08

Improve usability for sales and recruiting processes



After you manage to build the first version of the system, then next step is to really take this into use actively and make this integral part of your other existing processes. Sales should fill the skill information from customer meetings as part of their normal work, but they can also benefit from the results of this process as they will have more clear picture of what projects and which technology they should try to sell for their customers and which kind of profiles and do we already have certain profiles available for new customer projects?

There are some ways to enforce the filling of the skill information for the sales meetings. You could set that field as mandatory for the CRM system or could build small report validating that how many opportunities are without these needed fields and to whom they belong to.

Recruiting people on the other hand will get this information about the needed kind of profiles for the future as the starting step for their own efforts and this will help them have the clear picture of which kind of consultants should I recruit? This should also be reflected on recruitment messages and ads outside of the company.

After the first version has been in use for some months it is good to make another iteration for improving this system. Then you should collect feedback from Sales, consulting managers, HR and other parts of the company involved in this process. They should be able to suggest improvements and how to make this process easier and more usable for them.

It is actually a good practice to include these relevant shareholders already when discussing plan for the building of the first version of the system. If they are involved from the beginning and have some effect on the planning, then they will be more interested in taking it into use!

“You should collect feedback from Sales, consulting managers, HR and other parts of the company involved in this process.”

An aerial photograph of a port area. In the foreground, a large container ship is docked at a pier, its deck covered with stacks of colorful shipping containers (red, blue, green, white). Two large blue and red gantry cranes are positioned over the ship. Behind the ship, the port yard is filled with numerous stacks of similar containers, organized in neat rows. Several smaller cranes and vehicles are visible throughout the yard. The water of the harbor is visible in the bottom left corner.

Combine your external
resources with limited
view to your system

09

Combine your external resources with limited view to your system



This is **not a mandatory step**, so it is not something you need to do in order to get customer demand-based consultant recruiting system into use, but this step is something that will really complement this new system.

Having this new system in place will help you to recruit good consultants with skills that are really needed in the future. This process will be great for majority of your customer needs, but still there will be needs and requirements from your customers that require consultants for the old, fading or niche technologies or knowledges that you don't have interest to expand to and recruit consultants for.

But still in these situations you should not open the door for your competitors to enter your most profitable customers. If you have to say no to your customers request of a new consultant and your competitor fills that position with a successful consultant, then you will be in direct competition for the next projects or consultant requests and you will most likely also notice that competing companies are trying to aggressively replace your consultants from existing customer projects.

To avoid this problem a lot of larger consultant companies have started their own programs to employ freelancer consultants for their own projects through them as freelancers are not a real competition and they will in addition provide 10-40 % from the customer consulting fees to consulting companies as a risk-free profit. In addition to own programs there are some common freelancer pools available that can be utilized for this purpose.

Idea with this last step is to start employing freelancers for your customer projects, when you don't have suitable internal consultants available. It is important then to also add your trusted freelancers for your newly built systems, so that you will also easily identify their suitability and skills for your projects. This way sales and consulting managers can easily utilize these resources. You should have a full view to their profiles as you would for any of your internal consultants, but these freelancers should only have a limited view, if any view at all for your own internal consultant profiles.



“If you have to say no to your customers request of a new consultant and your competitor fills that position with a successful consultant, then you will be in direct competition for the next projects or consultant requests ”

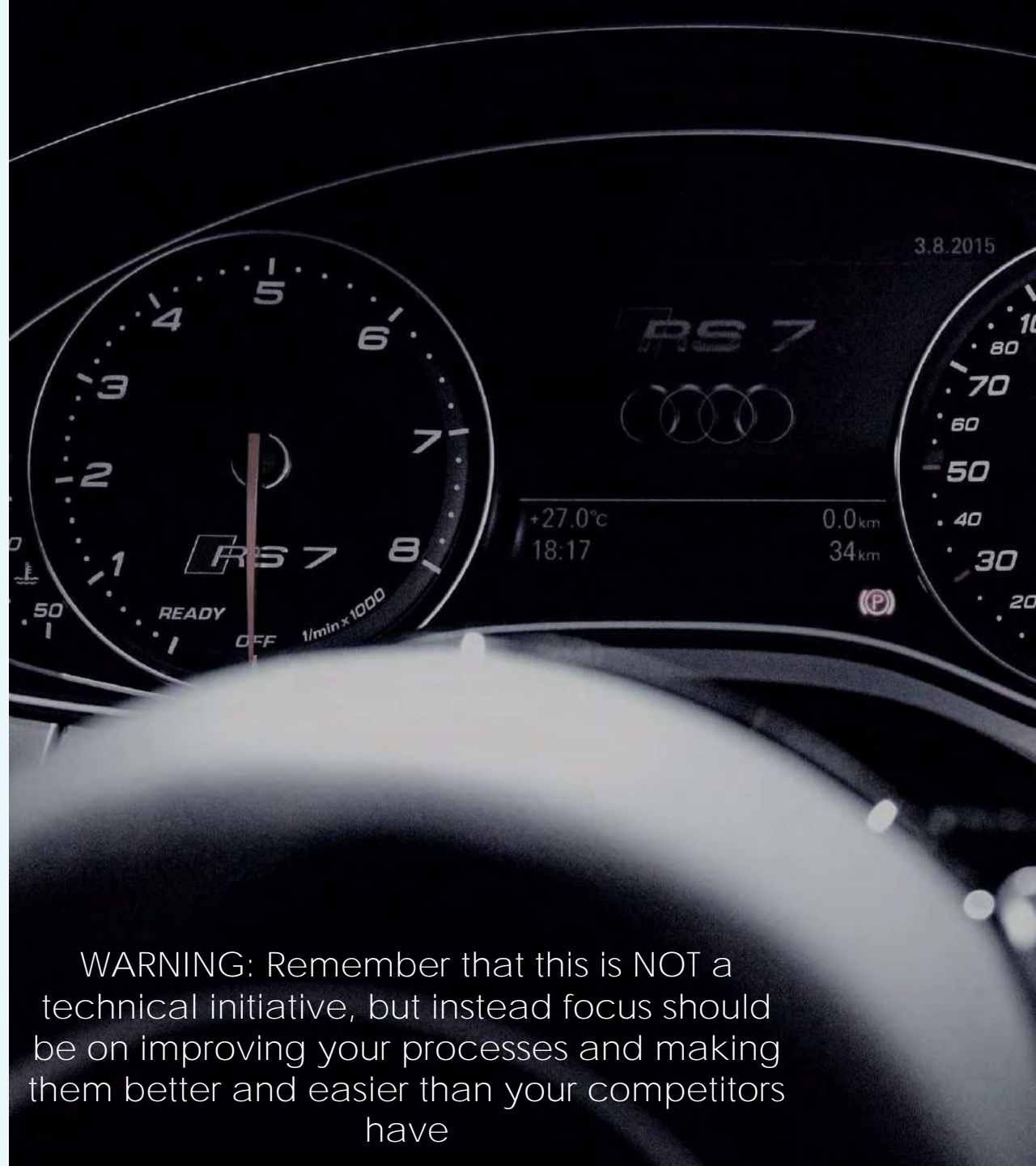
How to reflect this E-book for your own business?



If you begin and complete this journey of building this customer demand-based consultant recruiting system, then you will definitely be able to intake more suitable customer work and grow faster with higher project allocation for your consultants. High level steps to get this done are defined here on this E-book and completing these steps will make your consulting company without a question more profitable.

Many leading growth consulting companies have a similar setup where they can focus recruitment, training and company strategic direction based on the signals received from customer discussions. Exact details of how to implement this for your company will depend on your current processes, available tools and current responsibilities of your key personnel.

Technologies to implement this can be different and you might already have some or even all tools available, but it is worth noticing that this can be built with very affordable tools and cost-wise we are talking about hundreds of euros per month on a company level. In the end getting this to work is much more of a process change and getting people involved than technological challenge.



WARNING: Remember that this is NOT a technical initiative, but instead focus should be on improving your processes and making them better and easier than your competitors have

**We hope you
found the
content
interesting and
got some ideas
for your own
processes.**



If you need some help with finding good and affordable IT consultants and freelancers or want to find an easy and innovative way to manage consultants, their skills, CVs and allocation, you are welcome to contact us at any time. Any feedback and questions about the content of this E-book are also highly appreciated through any channel.

Thank you for reading this E-book!

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