

Use of Consultants and Subcontractor in Medical Device

15.1 INTRODUCTION

Independent Contractor

- Self-employed
- No benefits
- Sets own hours and how the assignment is completed
- May have client contact
- Pays own taxes per IRS Form 1099
- *Provides services that are not core competencies of business*

Subcontractor Definition

- Independent Contractor in all legal respects including tax obligations. 1099
- Accepts an assignment working for another independent contractor/Company who has a larger contract to complete a project
- Profits from helping to meet needs and provide solutions for another I.C.'s client
- Works within the contract terms of the general contractor (SOW)
- Has no direct contact with client

Consultant Definition

Generally, a *Consultant is a self-employed independent business person who has a special field of expertise or skill. Or A consultant is an independent and qualified person who provides professional service to individuals, organizations or business undertakings.*

The consultant provides professional or expert opinion, advice or services regarding information or materials in his or her field of knowledge or training to assist others in making decisions or in performing tasks.

Consultancy services **are** the services provided by an independent and **qualified** person or persons to identify and investigate the problems concerned with policy, organization, procedures and methods; recommending appropriate action and helping to implement these recommendations.

Subcontractor vs. Consultant Similarities

- Both are independent contractors
- Not employees or agents for the Contractor
- Do not establish direct employment relationships
- Limits potential liability of the Contractor to just the explicit agreement
- Offer expertise that Contractor does not have
- Both potentially offer reduced cost and risk mitigation to the Contractor
- Possess expertise or facilities the Contractor does not have

Subcontractor vs. Consultant Differences

- Scope of Work
- Subcontractor: defined scope of work and/or an identifiable segment of a project
- Consultant: very specific area based on expertise, specific problem to solve
- Subcontractor: the end results of entire project are the goal
- Consultant: Project may have shorter milestones
- Contract type
- Subcontractor: firm fixed, time & material, cost type

15.2 General principles of medical consultation

The American Medical Association (AMA) noted nine ethical principles pertaining to consultation. Three of these pertain to the referring physician:

- (1) consultations are indicated on request in doubtful or difficult cases, or when they enhance the quality of medical care;
- (2) consultations are primarily for the patient's benefit; and
- (3) a case summary should be sent to the consulting physician unless a verbal description of the case has already been given.

The other six ethical principles of consultation address the responsibilities and role of the consultant:

- (1) one physician should be in charge of the patient's care;
- (2) the attending physician has overall responsibility for the patient's treatment;
- (3) the consultant should not assume primary care of the patient without consent of the referring physician;
- (4) the consultation should be done punctually; (5) discussions during the consultation should be with the referring physician, and with the patient only by prior consent of the referring physician; and
- (6) conflicts of opinion should be resolved by a second consultation or withdrawal of the consultant; however, the consultant has the right to give his or her opinion to the patient in the presence of the referring physician.

The concepts for performing effective consultations were described by Goldman's "Ten Commandments". These include:

- (1) determine the question;
- (2) establish urgency;
- (3) look for yourself;
- (4) be as brief as appropriate;
- (5) be specific and concise;
- (6) provide contingency plans;
- (7) honor thy turf;

- (8) teach with tact;
- (9) talk is cheap and effective; and
- (10) follow-up.

15.3 CONSULTANCY SERVICES:

15.3.1 Nature of Consultancy Services

Professional Consultancy services encompass a broad range of activities but **can** all generally be **defined** by certain common characteristics. They **are**:

1. High Expertise

In the consultancy services, the product is 'expertise'. Consultants are highly trained, well experienced and knowledgeable in a complex specialist area of expertise. They provide expert advice to their clients in the area of their specialisation. They acquire the skills by training and **experience**.

2. Membership in Professional Bodies

3. Highly Customised Services

Consultancy services are tailored to meet client's needs. This leads to greater customisation of services and high levels of variance in service quality. These are high contact, people-based services with high degree of specialisation.

4. Confidentiality

Credence plays an important role in the selection of a consultant. A consultant should **have** knowledge, integrity **and** reputation.

5. Quality Services

15.3.2 Role of Consultants

Consulting is an **art**. A consultant provides an expert professional service to his clients. Generally, consultants follow a 'problem-solving approach' towards client's problems. They help the clients by:

- identifying and investigating problems concerned with strategy, policy, markets, organisation, procedures and methods.
- formulating recommendations for appropriate action by factual investigation and analysis with due regard for broader management and business implications.
- Discussing **and** agreeing with the client the most appropriate future course of action.
- providing assistance where required by the client to implement recommendations.

15.3.3 The Art of Consulting

The way in which a consultant renders his service varies enormously, depending upon the specific needs of clients and their own preferences and skills. There is no uniform approach applicable to all clients. The approaches vary according to the main area in which they are working. The possible approaches to consulting services are:

- (1) **Strategic Studies:-** the development of broad strategies and policies and major revisions to organisational structures and activities to meet long term requirements.
- (2) **Systems Development:-** the introduction or amendment of system and procedures.
- (3) **Problem solving:-** providing solutions to organisational and management problems.
- (4) **Service Provision:-** the delivery of services such as recruitment, selection and training which could be carried out within the organisation.
- (5) **Process Consulting:-** the provision of advice and help in process areas -- such as organisation, planning, objective setting, quality management performance management, team building, conflict resolution and change management.

15.3.3 The Service Delivery Process

Consultants cannot follow a typical pattern in their service assignments. But in most assignments they do the following consultancy activities in their service delivery process.

- 1 Problem Identification**
- 2. Project Planning**
- 4. Analysis**
- 5. Diagnosis**
- 6. Recommendations**
- 7. Feed back**
- 8. Implementation**
- 9. Follow up and evaluation**

15.4 Consultancy Skills

The mix of consultancy skills varies for different types of assignments. However, the following are the important skills a consultant need in discharging his services efficiently.

- 1. Listening Skills**
- 2. Communication Skills**
- 3. Motivational Skills**
- 4. Problem-solving Skills**
- 5. Decision-making Skills**
- 6. Human relations Skills**
- 7. Time -management Skills**

15.5 The Consultant - Client Relationship

The consultant-client relationship implies dealings or interactions over time. The consultant has certain duties towards the clients and strict adherence to certain guidelines. These duties are:

- 1. Providing clients with information.**
- 2. Providing clients with techniques.**

3. Providing clients with an objective point of view.
4. Providing clients with Problem Diagnosis and recommendation
5. Providing clients with final report and follow up

15.6 Guiding Principles of Consultancy Services

There are no common guidelines or code of conduct applicable to all types of consultants. The following six guidelines for consultants. These guidelines are:

1. Consultants shall start their assignments on schedule and follow a systematic plan.
2. They should not get involved in matters not included in their assignments.
3. A consultant should remember that he is primarily an advisor and not a decision-maker; **and**, therefore, not put pressure on the client to make decisions, which, a consultant feels, are necessary.
4. It should be made clear at the outset that a consultant is an ordinary person and that the client should not expect miracles. There can be a great **difference** between what the client expects and the best any consultant can do for him.
5. They should not jump to conclusions too quickly, but make sure that necessary facts are collected by holding preliminary talks with **the** clients before submitting written reports.
6. They should not openly criticize client's personnel or method of operation.

It may not be out of place to state **the** nine points' code of professional practice laid down by the Association of Management Consultants in the USA. These are **reproduced** below:

1. Management consulting is a profession and, therefore, consultants must adhere to professional standards of practice.
2. A member will not accept an engagement unless he has reason to believe that tangible results can be obtained for the clients.

3. Information gathered **on** assignments will be held in strictest **confidence**.
4. A member will not accept assignments to **serve** as **a** tool for management to carry out plans which he has agreed to in advance, and to which the member disagrees.
5. A member will advertise and promote his business in a professional way only.
6. A member will not accept **fees**, commissions or kickbacks as a result of recommending **equipment**, supplies, or services without the knowledge of the client.
7. He will not at the same time **serve two** or more clients who compete with **each** other without the full knowledge all parties.
8. He will strive to improve the effectiveness of the work of all Management Consultants.
9. Failure to adhere to the foregoing Code of Professional Practice is a basis for isolating him from the professional body.

15.7 Technological Development in Consulting

Development of technology plays an important role in consultancy services. Consultancy procedures will become well-developed systems using data base and information technology. Information technology will be increasingly used for service delivery process. Strategy for adoption of information technology will be linked with the overall business strategy of efficiency and competitiveness.

Proprietary **and** public domain databases will be widely used by consultants. Consultants will also develop databases on their own and share them as value added products. Modeling and simulations will be on the increase. Scientific approaches to analyse client's problems will ensure greater client satisfaction.

Consultants will employ inter disciplinary technician and experts for making socio-economic analysis and future predictions. It is possible to integrate consultancy with other activities like recruitment, training and development. There is also scope for

networking by consultants using information technology. Consultants may also share common facilities like offices, human resources and equipment.

15.8 Emerging Trends

In recent times consultants began assimilating at a fairly rapid **pace**, innovative and radical **new** solutions, tools and techniques. Consulting firms leveraged their traditional consulting skills and experiences to help individuals and organizations to implement changes and new development in their fields of operations.

Consultancy services have moved from being based on creation of new knowledge to application of new knowledge." Fundamental to this transition is the speed of technical and innovation change. The faster the change, **the** more challenging it is to be at the frontier of new knowledge for consultancy organization.

The emergence of new technology - driven business systems such **as** typified by e-commerce, presents a real challenge to consultancy firms as they **are** likely to be more knowledge seekers rather than knowledge-creators.

They are therefore, not necessary at the most favorable position in **the** consultancy value chain. The new business system also emphasizes a much more integrated perspective of technical change and business systems than has been the case in the past.

Established consultancy firms will take a while in putting in place internal systems, human resource, structures, knowledge basis, required to provide effective solutions in a dynamic technological environment.

15.9 Future Outlooks

Productivity and efficiency have added **new** importance in **managing** business to maintain competitive position. Individuals and organizations face new problems in the present competitive scene. It is in this context that consultancy services have become very crucial for the growth of industry and economy.

Consultancy opportunities will increase in areas like management consultancy, information technology, market research etc. The consultant will be more professional, demanding and seeking tangible results.

A consultant will have to expand his knowledgebase and ensure that it is constantly updated. In a rapidly changing world, innovations are taking place at a breath taking speed.

A consultant must develop a new value system in which total commitment to the client is the ultimate objective.

The value system must ensure client-satisfaction in delivering the services, maintaining work schedules, and most importantly, focusing on the client's interest at all times.

15.10 Consultancy Services

1. Project Consultancy

Project consultancy is an integrated advisory service given to a client in setting up of new industrial or commercial project. These include preparation of project reports, conducting economic and technical feasibility studies, obtaining necessary legal clearances, arranging finance for projects, sourcing of plant and machinery, logistics management, planning men and materials, arranging financial and technical collaborations, marketing tie-ups etc.

2. Architecture and Design Consultancy

3. Interior Design Consultancy

4. 'Software Consultancy

5. Management Consultancy

6. Investment Consultancy

7. Educational Consultancy Services.

8. Employment / HR Consultancy

9. Event Management Consultancy**15.11 Need for Consultancy Marketing**

The following points make it justifiable to apply modern marketing principles to consultancy services:

- 1. Growing importance of specialised knowledge**
- 2. Obtaining Impartial View**
- 3. Enhancing Service Quality**
- 4. Communicating Service Offerings**
- 5. Making the Consultancy Services Productive**
- 6. Adapting to shift in Management Philosophy**
- 7. Bringing necessary change in the Organisation**
- 8. Helping the firm in Decision-making**

15.12 Approaches to Consultancy Marketing

There are five approaches to consultancy marketing. They are the following:

- 1. The marketing-driven approach**
- 2. The traditional marketing approach**
- 3. The hard-sell marketing approach**
- 4. The client-centred marketing approach**

The object of client-centred marketing process is to produce and deliver **value** to the clients and leverage the activities of **the** consultant to ensure the satisfaction and long term relation of key clients. The strategic decision to employ client-centred marketing encompasses:

- 1. Selecting a target market niche for special attention.**
- 2. Developing an insider's understanding of the market as a **means** of identifying current and emerging needs of clients.**

3. Preparing, positioning, promoting and providing value-adding solutions to client's problems.
4. Leveraging the time, resources and relationships available to the service provider.