A formal mandate for internal consulting

In recent years, an increasing number of chief strategy officers (CSOs) have been repositioning their teams as internal consultants to the business. One of the key drivers for this shift is strategy’s increasing involvement in special projects for the business (e.g., product launches, new market evaluation, mergers and acquisitions). With distinctive skill sets, tools and processes, strategy teams are uniquely positioned to help the business create and implement strategic roadmaps for complex initiatives. According to our 2019 annual strategy function survey, many CSOs reported an uptick in their internal consulting (IC) projects over the previous two years. What’s more, three-quarters of the CSOs responding said they expected the volume of IC projects to continue rising.

As the volume of IC work rises, one of the top priorities for CSOs is to create a well-defined mandate to manage such projects. We interviewed strategy leaders to gather perspectives on the need for a formal internal consulting mandate and what a formal mandate should entail.

Our research revealed four primary ways in which a formalized mandate creates value:

1. Provides executives with increased clarity on when and how to leverage strategy for special projects
2. Helps strategy teams transition away from an unplanned project intake toward structured engagements with the business
3. Helps clarify the extent to which strategy will be involved in implementation activities postproject handoff to the business
4. Fulfills the developmental needs of strategy talent by reinforcing the team’s vision and purpose, helping strategy create an attractive employment value proposition
What makes a good internal consulting mandate?

New IC teams (those formed within the past two years) generally have an informal or tacit mandate. Since CSOs are more focused on setting up the team's processes, structures and business partner relationships during the nascent years, the mandate isn't as rigidly defined and evolves as the team gains experience. Some CSOs highlighted that formalizing the mandate from the outset helped them effectively allocate limited resources and set realistic project expectations.

Within a formalized mandate, strategy leaders typically document the general categories of work their teams undertake. Tenured CSOs believe the mandate should capture additional details, such as how to run the consulting process, the scope of work staff will undertake and how strategy will manage consulting relationships.

While not all details need to be shared with business partners, CSOs believe documenting this information will help strategy serve the business more effectively by creating a consistent methodology for internal consulting.

Our analysis of IC mandates shows that the components of an effective mandate fall into two distinct categories:

1. **Tangible elements (the nuts and bolts):** Documented projects (with established means for accountability, engagement and performance measurement), such as:
   - Managing and implementing strategic plans
   - Using business analytics to explore a growth opportunity or improve decision making
   - Digitalizing current business models and spearheading change management efforts

2. **Intangible elements (the environmental considerations):** Unstated drivers or factors that play a crucial role in helping strategy serve the business effectively, such as:
   - Business relationship management
   - Strategy team capacity
   - Talent development needs
Figure 1 outlines the key similarities and differences between the elements of a conventional strategy team mandate and the new IC mandate seen today:

- **Similar types of projects**: Both may entail similar types of projects (strategic planning, trend analysis).

- **Varying scope of responsibilities**: Traditional strategy work focuses on enterprise-level initiatives, whereas internal consultants are deeply involved in business- or function-level assignments.

- **Additional elements (tangible and intangible)**: The new IC mandate established more specificity regarding people- and process-related elements (consulting process, performance measures, business relationship management) to facilitate effective consulting engagements.
Conclusion

Strategy’s increasing involvement in special projects for the business is compelling CSOs to create a formal IC mandate for their teams. In addition to clarifying the nature of internal consulting work, an effective mandate also captures the scope of responsibilities, process methodology and performance metrics.

How we help

To fully meet stakeholder expectations, today’s strategy functions must adopt new consultative models and next-generation analytical tools to enhance and speed up analysis and decision-making support. Gartner can help: We offer tools and best practices to help strategy leaders build a world-class internal consulting organization, which will ramp up the strategy function’s ability to offer timely advice and support to teams throughout the enterprise.
About Gartner

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Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 15,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

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