

Engineering Management
Field Project

Maintaining Client Relationships with Municipal Governments

By

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To my wife Beth, for her patience, love, support and proofreading.

Dedicated to my father

Executive Summary

In the competitive industry of civil engineering, consultants must continually market their services to the private sector as well as to the public sector. Various engineering management reference materials state that the Pareto Principle applies to the declaration that 80% of the work comes from repeat clients. Accordingly, there should be a considerable amount of marketing effort performed by consulting firms to assure repeat clients remain long-term customers. In the public sector, such as municipal governments, maintaining long-term relationships with municipal officials can be challenging since most publicly elected members are in office only a few years. A consultant firm has to create long-term relationships with municipal government using creative strategies that exceed those that are effective when marketing to the private sector. Marketing groups focus on various topics within the subject of client relationships, such as value, service, client knowledge and negotiations. Determining the proper mix of topics, and the roles and responsibilities of each party, necessary to create a win-win relationship is the purpose of this field project.

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Introduction

Municipal governments are a steady, reliable client for small to mid-sized engineering consultant firms in the United States. Knowing the right combination of client relationship skills not only provides a secure level of work flow and thus profit to the consulting firm, but it also benefits the public by retaining a firm that focuses on the community's needs for maintenance, expansion or addition of infrastructure. The public generally elects the official who promised to serve the public. This promise usually includes management of tax dollars including funds established for the design and construction of public facilities. Both parties must understand the needs and requirements of the other if anyone is to benefit from a relationship between an engineering consulting firm and a municipality.

Based on the literature research described later in this report, many of the publications on client relationships describe the how-to of various efforts that when utilized improve an engineering firm's marketing activities if they want to maintain long-term relationship with their clients. The field project will look at the client relationship from the municipal government's point of view. It will evaluate the topics within client relationships that are important to the municipality.

Although there are many sub-categories of client relationships, the main topics evaluated in this report include:

- service
- value
- integrity
- client knowledge
- negotiations

The project contrasts the information provided in the “how-to” publications written for the engineering consultant with the information provided from the publications written for municipalities. Since there are fewer publications written from the municipality’s point of view, the field project incorporates findings obtained from interviews with municipal officials or other municipal association leaders.

The results of the research present common goals between the municipality and the consultant firm. Also presented were categories in which both parties are creating an unjust service to each other. The goal of the field project is to provide conclusions that each side of the business relationship can utilize to achieve a win-win scenario. If this occurs, there will also be another “win” added to this relationship: a win for the public served by the municipality and the retained engineering consultant. The following literature review provides background on how close or how far apart these business relationships truly are.

Literature Review

Providing Good Service. Aquila and Marcus provide various recommendations to consultants on changing their marketing strategies to stay competitive in the engineering industry and describe how advances in technology are changing the old way of marketing. They emphasize that service should “cloak” the client who is the “core” of the relationship (2004). Clingermayer and Feiock provide a contrasting point of view. In the article, the authors describe the internal conflicts that can arise from using consultants to do the work for which their own employees were hired (1997). These two sources paint a good picture of what is simultaneously occurring inside the municipal office and the consulting firm office during business hours. The consultant is trying to cloak the municipality and the members of the municipality throw off the cloak.

Service consists of two actions. One is providing a service and the other is receiving it. Both must work in unison or the desired outcome will fail. Aquila and Marcus describe what clients want. Clients want the consultant to understand their needs and problems. The consultant must not only provide the solution to the need or problem, but also provide or prove how the solution will benefit the client (2004). Determining the need at face value appears simple. However, municipal clients consist of an amalgamation of mayors, commissioners, council members, board members, managers and committees. Each member has her or his own ideas of the municipality’s needs. The consultant must keep the definition of need in perspective. Most members hold elected political positions. They have their own agendas and goals based on their campaign promises

(Clingermayer and Feiock, 1997). Aquila and Marcus's implied statement that a client's needs are dynamic is an understatement when servicing municipal clients (2004).

Clingermayer and Feiock present two activities within the municipal government that pose as obstacles preventing consultant firms from providing quality service. Internal riffs within a customer's daily operations can negatively affect a consultant's service performance (1997). How can a consulting firm be successful using the advice on building relationships and working with the client when, in fact, the employees feel their work and responsibilities were taken away and given to the consultant firm? The employees have no desire to assist someone to do their job and risk layoff. The other and most significant obstacle is the turnover of municipal officials. As previously stated, each official has his or her own agenda and political promises. However, after Election Day, the municipality often changes faces and new agendas and promises become known. This turnover affects long-term projects, budgets and planning; all are subject to change with the new administration. The newly elected officials may have their own ideas on working with consulting firms and fire the engineering firm on retainer for no valid reason. Both activities described in the Clingermayer and Feiock article weaken the opportunities for the municipality to serve the public efficiently and place a large risk on the consulting firm who invests time and effort to establish the relationship.

Determining the momentary needs becomes easier when there is sufficient opportunity for the relationship to grow stronger between the municipality and the consulting firm. The focal point of Aquila and Marcus's literature is that a strong relationship opens the

dialogue box to obtain the core elements of knowing what is considered value-added service and what is defined by the client as quality service (2004).

In his book, “What Clients Love,” Harry Beckwith expands on the client relationship and the type of consultant service expected from clients (2003). His main theme is to understand people in general. Clients are looking for honest, “street-smart” (not book-smart) people who share the same passions that they do. Clients want clear facts and answers. Beckwith also describes the need to paint a picture in the client’s mind (2003). A consulting firm must learn the operations of the municipality and become familiar with their surroundings. The client envisions service as a comfort feeling, which includes trust, familiarity and caring. Beckwith makes a point that in today’s market expectations are high. Clients such as municipalities expect service “with a smile,” literally. They want face-time, not e-mail messages, facsimiles and voice messages. They expect faster and faster results. Clients are more knowledgeable than in the past and want to be a part of the consultant’s activities and decision-making processes.

Geoffrey Bellman agrees with Beckwith’s comments on client relationships. In Bellman’s book “The Consultant’s Calling”, he provides examples of what consultants do to maintain good relationships (2002). Consultants with long-standing clients have created business-related friendships with them. In addition, the client views them as authentic. These successful consultants are open and honest which creates sharing of knowledge. Of course, the consultant shares his or her knowledge for a reasonable fee.

From the references reviewed, service is the driving force in the engineering consultant industry. Many firms have the capability to design solutions to meet the municipality's needs. Quality of service determines the fate of a long-term relationship. However, there is no solution or advice offered on what prevents any client relationship from ending when voted out municipal officials leave office and unknown newcomers are sworn in.

“Measure of good service is based on the value it brings the client (Aquila and Marcus, 2004, 225).”

Determining Value. In an article in the Principal's Report, the author provides suggestions on how consultants should educate and work with the client to provide services that create value (2007). Many municipalities are not familiar with the design processes and engineering jargon related to the project. Without educating them, the municipality is not capable of recognizing value. A common theme throughout this report is communication. The author of the article suggests providing updates to the client, explaining the design procedures including what to expect and informing them immediately if a problem has occurred. The article also mentioned that the consulting firm should have a solution in place before informing the client (2007). This not only keeps the client's emotions in check, it also substantiates the provided value.

Alan Weiss agrees with the Principal Report article in defining value first stating that “...you have to be prepared to discuss value with the buyer very early, prior to discussing

methodology, options, timing, or, heaven forefend, fees (2002, 7).” Weiss’s book centers on establishing fees but provides the correlation to value. Fees are directly related to value is the premise. Clients must be cognizant that purchasing consulting services is no different from buying consumer goods; you get what you pay for.

Weiss also links service to value. He mentions that in order for the client to recognize true value and more importantly, for the consultant to provide value successfully, a partnering type of relationship is required. A superior / subordinate relationship will eventually end badly.

Weiss makes the distinction between the client’s intrinsic values and extrinsic values. Clients compare the services to the associated fees provided by the consultant firm. The key to establishing a relationship is to focus on the intrinsic value gained by the client. This value is in the form of improvements and benefits received from the effort provided by the consultants. Weiss measures value by the improvements the client witnesses. Therefore, he recommends that the consultant should “focus on the results, and not on the tasks (2002, 34).”

The authors of “Value-Creating Consultant” also conclude that the consultant's action creates value if the client benefits from it. They warn the consultants that many clients do not trust them, believe that they are overpriced and provide no value (Carucci and Tenenbaum, 1999). The relationship is the basis of creating value. Carucci and Tenenbaum offer insight on the give and take of the relationship. Each side must trust,

respect and support each other and maintain an open mind. Each must define their role in the relationship. Carucci and Tenenbaum present more depth to the meaning of a relationship than the other references. A definition of a valued relationship is that one party can disagree with the other, express views openly, provide bad news, provide instruction and acknowledge accountability without creating animosity. However, the authors do not provide suggestions on how to supplant this exchange of information into the minds of the other party. They also state that the consultant must train the client to be an advocate and change their ways (1999). This information sounds good in text, but most consultants know that it is not easy to change anyone.

“Fees are actually dependent on only two things: Is there perceived values for the services provided that justifies the fee, and do both parties possess the intent of acting ethically (Weiss, 2002, 3)?”

The Importance of Integrity. This section could also be entitled Credibility, Trust or Loyalty. Client trust has changed as business activities, such as communication between parties have changed from personal meetings to long-distance, faceless communications between businesses located in different locations around the globe; this according to Emma De Vita (2007). Vita does not offer any advice on how multinational corporations can provide face-time with their clients but only mentions that customers have to trust the company providing the service. Her research concluded that the definition of trust in terms of business is whether the firm delivers on its promises. Trust is the cohesion that

helps retain the long-term clients, who in turn contribute most to the bottom line. The article mentions that trust is not given freely; it must be earned. In addition, earning trust takes time and vigilant planning.

Diana Schaefer's Marketing News article (1993) defines trust as a category listed under credibility. She agrees that credibility is very important in business; is difficult to attain; and must be developed internally. The article provides twelve key factors that establish credibility. Too many to list here, however many of the key factors relate to the topic of service previously mentioned. To summarize a few of these factors, credibility begins with getting to know your client by listening to them, developing their interests and showing your concerns by sharing the same values. The retainage of credibility occurs by being honest, developing the relationship and providing services that you can defend by experience. Somewhat hidden in the literature is a major point that representatives of the company define the company and credibility of the contact person reflects upon the company as a whole. Note how providing legitimate value as discussed in the Value section relates with establishing credibility and integrity.

Andrew Sobel mentions the same establishments of trust as detailed in the Schaefer article and adds them to his formula that "client loyalty = (value added) + (trust) + (the extra mile)" (2003, 5). The core of the book however, is about building relationships. Sobel intertwines, and perhaps randomly offers guidance to developing relationships by providing added value and serving the client. In building a relationship "Improving your client's conditions, not just meeting expectations is paramount (2003, 57)." Sobel

explains that in order to “get credit” for these improvements, the consultant might have to inform the client about the courses of action taken to meet the issues. This is worth mentioning as it relates to engineering consultant firms as first introduced in the value section of this report. Sobel is reminding the reader that the client really does not know your business and that explaining the required processes or describing the completed tasks contribute to building the relationship. In building relationships with municipal governments, this is especially important, since every member has his or her own thoughts of what is value added. Sobel recommends working with each member of the company or organization. The extra mile portion of the formula includes recommendations such as: 1) following through the project or improvement by including an implementation phase; 2) keep the client enthused in the project; 3) provide free advice and 4) determine their personal objectives (2003).

Very few books available provide advice for organizations in performing business practices with consulting firms. Robert Schaffer’s book entitled “High-Impact Consulting” is one of those few books (2002). Although Schaffer’s subject matter relates to the industrial engineering industry, he provides some points that apply to municipal / civil engineering firms as well. The purpose of his book is to educate the client on how to ensure that the consultant is providing the desired results and not just products. The missing element compared to other literature is that the desired results are not always obvious from the client’s perspective. The client is often aware of their current situation, issue or problem but does not explain the desired results. Is it not the consultant’s job to provide the solution and explain how fix the problem?

Predominately, the advice to consultants provided in “High-Impact Consulting” centers on forms of communication. In short, the points are:

- Key is to collaborate with the client
- Be unbiased with the client’s perspectives
- Don’t be afraid to disagree with the client
- Keep communicating and stay in touch with the client
- Client must play a key role in assisting and cooperating with the consultant firm
- Include client implementation and client learning

Several of these points are common with Sobel’s advice previously mentioned.

Throughout the book, Schaffer describes that the bond of these key success factors is the agreement between both parties on what the measureable results will be (2002).

In the forward written by Peter Block, of Geoffrey Bellman’s book “The Consultant’s Calling”, he states, “The fundamental problem facing the consultant profession is that of integrity. This holds whether our consultants operate on their own as external consultants or are internal to a company. In fact, the larger the consulting firm and the larger its reputation, the greater our mistrust (2002, xiii).” The basis of Bellman’s book is the deduction that if you want to be a good consultant this is what you need to do. Within various chapters, advice and explanations provide insight into what clients are expecting and how to relate to them. Key words mentioned frequently to define integrity include contribution, friendship, trust, partnership and fit. Bellman and Sobel both express the importance of what the consultant is providing and what the client is expecting; the

consultant really needs to understand the client's perspective and need. Bellman also states that "For there to be trust, there must be a relationship (2002, 74)." Although not in words per se, Bellman brings the circle of integrity together by explaining the process of establishing trust, which in turn leads to successful risk taking / sharing opportunities. If the client is not willing to take some risks, there is a lesser chance of meeting their needs and wants. When the needs of the client are not being met, they begin looking for another consulting firm. If integrity is not established, the circle is broken and the relationship annulled.

Unlike the other authors mentioned, Bellman provides a section on building partnerships instead of relationships. "Partnership is created when through time, the client's investment in your unique combination of abilities continues to equal your investment in the client's unique combination of opportunities (2002, 133)." This definition provides a clearer picture of the actions required to create a relationship and the goals of each party. Bellman explains that the balance of power and the balance of wants are critical to maintaining a partnership. The section on "fit" is short but speaks volumes. Clients choose consultant firms because they feel there is a connection, a commonality. Fit is needed for trust to develop. Bellman states that without fit, the relationship can succeed, however the consultant must work much harder. For municipal governments, this is an understatement. Experience with municipal governments indicates that if there is no "fit" there will never be a true partnership.

Although perhaps more appropriate in the client knowledge section of this literature review, Bellman's topic of "accepting the nonsense" is valuable in maintaining relationships with municipal governments (2002, 165). His point is that clients have personal agendas, ideas and thoughts of the issues and actions or recommendations to resolve them. Often, the suggestions for resolving the problem are illogical. Loyalty means dealing with the nonsense by working with them in a manner that does not insult, but guides them in the proper direction.

As mentioned throughout this field report, trust is in huge demand with clients. In "The Trusted Firm: How consulting firms build successful client relationships", Seth and Sobel devote a chapter to trust and describe the importance of establishing it between the client and the consultant. "Trust, in other words, is a professional's most powerful ally. Trust is worth a fortune (it is, literally, if we are talking about keeping a client for life), yet you cannot purchase it, a fact noted by J.P. Morgan... (2002, 194)." Connected to trust is the need for the consultant to reduce the client's risk.

Kouze's and Posner's book titled "Credibility: How Leaders gain and lose it, why people demand it" provides advice on how businesses can build credibility and trust with customers (2003). Their focus is strictly on the internal operations of a company and not directed toward serving clients. However, the point of this literature reference is that integrity begins within the walls of the consultant firm. The book describes the importance of leadership within the firm and its reflection on the client. Employees must

project the willingness to share the same values as the client. Everyone must put forth the effort to meet the expectations of the client and be accountable for their actions.

“The only really valuable asset we have is a truly satisfied customer (Conger, 1998, 208).”

Gaining Knowledge about the Client. The role of the municipal engineer should be defined before discussing the relationship between consultants and clients as it pertains to sharing of knowledge. “Contemporary Urban Planning” provides a general overview of these roles (Levy, 2006). The role of the municipality is to serve the people and keep their interests in mind. In general, the municipality’s role is to “improve public health, safety, convenience and welfare of its citizens and to plan for future development of communities to the end that transportation systems be carefully planned; that new community centers be developed with adequate highway, utility, health, educational and recreational facilities; that the needs of agricultural, industry and business be recognized in future growth; that residential areas be provided with healthy surroundings for family life; and that the growth of the community be consonant with the efficient and economical use of public funds (2006, 76).” The point of this long quote is to express the extensive roles and responsibilities municipalities must provide.

Levy also notes that, on a local level (municipal), the public citizens have convenient access to municipal activities by living in the same communities as the local officials.

Public involvement is not as pronounced with state or federal governments as it is with municipal (local) governments. Levy suggests that the planners and engineers allow the public to design and decide what is best for the community and then provide the effort required to meet these needs. In doing so, there is less resistance in the actual design phase by the municipality and the citizens since it was their idea. The benefit for the municipality having a long-term relationship with a consultant, who over time obtains knowledge of the issues that matter to the citizens, can provide value-added results that a one-time, one-project firm cannot provide.

Although the consultant is a nonpolitical entity, Levy also states that when the consultant makes a recommendation, they are actually choosing a side. “No one is really nonpolitical, for everyone has interests and values, and that is the substance of which politics is made (Levy 2006, 84).” A summary of the three possible types of business practices a consulting firm can take as proved by Levy include:

- providing the “how to” and “what if” (but not the “should” and “should not”),
- providing the more political role and to push what he or she thinks is best for the community, or
- advocating the idea and siding with the client and not what is best for the community.

Client knowledge is the understanding the municipality’s point of view and its roles and responsibilities. It includes learning what their needs, wants, expectations, agendas and even political promises are. Fiona Czerniawska combines client relationships with

building trust and negotiations in her book “The Trusted Firm: How consulting firms build successful client relationships.” Her research and experience explains many of the wants and needs of the client of which the consultant should be knowledgeable (2007). She states that “The single, most important reason why clients use consultants is that they need access to skills not available internally (2007, 13).” This data collected from a survey of managers. Her conclusion of the depth of the client relationship is contrary to others. Because clients desire an impartial approach to their issues, there is no need to delve deeply into the client’s organization. The contradiction in the extent of client relationships requires additional research.

A summary of the things clients are looking for provided by Czerniawska include:

- Knowledge – Wants all the answers from one firm
- Dedication - Sustainability of results
- Honesty - Say what is right and not what they want to hear
- Mutual Respect - Working with the client
- Engagement – Follow up communication
- Delivery – As promised and staff effort that is in the best interest of the client

Unfortunately, from a consultant’s perspective, this list is not all-inclusive. Czerniawska concludes that other expectations from clients, and very fitting to municipal clients, include that consultants must be willing and quick to change ideas, approaches and issues. Clients also expect things to be completed faster than what is possible. Moreover, the client expects quick answers but wants to be involved in the decision making process. The consultant should also realize they would be the second or third opinion or outside

source (2007). The word partnership first appears in the integrity section of this report. Czerniawska confirms that clients want to work together with consulting firms. They feel that, as a group, more power is available.

The plot of Czerniawska's book thickens as she continues to describe what clients really want. She makes a point that clients want to be on the cutting edge but they also want to feel secure that their process or project has been successful before and there is little risk. "At the same time, fresh thinking is the second most important reason why clients use consultants after access to specialists (2007, 181). She also warns to avoid the cookie-cutter consulting-types very well known among clients.

From her surveys and research, Czerniawska makes a few more bold points. Consultants do not listen. Moreover, if they do, they just do not hear. They need to see things from the client's perspective.

"Clients for Life" offers information by focusing on the needs of the client and understanding their situations (Seth and Sobel, 2002). Although the topic is the same as "The Trusted Firm", Seth and Sobel provide additional experience from the viewpoint of what clients want in a relationship. The consulting industry is becoming more of a commodity and just doing a good job and satisfying the client is not securing a long-term relationship with them. Seth and Sobel provide quotes from current or former CEOs, presidents and other well-known leaders. One CEO mentioned that he preferred consultants that ask the right questions and then propose a solution. "Clients for Life" is

based on the concept that consultants should be advisors and not experts for hire (Seth and Sobel, 2002). As part of the advisory role, Seth and Sobel recommend educating the client on the events that affect them and how future planning will benefit their organization. However, helping clients help themselves is difficult. The two main reasons are that everyone defines value differently and trusting the consultant's information is not guaranteed. Suggestions in working with the clients include taking the empathetic approach. Seth and Sobel indicates that knowing the client, their concerns and issues and why they feel that way not only provide the consultant with a better understanding but also opens their mind to be more innovative and effective. Contrary to Czerniawska's book "The Trusted Firm, How consulting firms build successful client relationships", Seth and Sobel suggest obtaining a deep knowledge of the client's characteristics such as their sense of humor, values, goals and attitudes. They continue by stating the consultant must know when to push and when to step back.

There is a disconnect between what the client wants and what the consultant is offering. "Many professionals, in short, focus on providing answers, being perceived as "experts," doing great analysis, and specializing more and more during their careers. Clients, in contrast, seek professionals who can ask the right questions, provide knowledge breadth as well as depth, demonstrate big-picture thinking as well as analysis, and listen rather than just tell (Seth and Sobel, 2002, 31)." Another disconnect between the two parties is that client satisfaction in receiving what was expected does not correspond with what was provided.

Contrasting the view point of Seth and Sobel and Czerniawska, David Zahn provides instructions and information to organizations on what they should know about consultants. The author wrote “The Quintessential Guide to Using Consultants” for anyone working or proposing to work with consultants (2004). Zahn offers the reader a similar premise of the business relationship needs between the organization and the consultant. In order for the relationship to occur, the organization must be willing to pay for the value they will receive from the consultant firm and the consultant firm must be capable of providing the value that the organization seeks. He also advises (and appears to be in the majority) that the company should be mindful that after working with one firm for a while, they can actually train the consultant on how they operate their business. If the organization continues to shop for a consultant firm whenever there is a need, the consultant will again require training and gaining client knowledge. From the chapter “Why use a consultant?” Zahn is empathetic toward the organization implying that it is a difficult decision for them in choosing between hiring a consultant or performing the work internally. For example, if the decision is to utilize an internal source, conflicts between departments may occur or job duties disrupted. In using external sources, unbiased decisions and potentially new insight are provided although higher expense and unknown outcomes are possible. Before choosing a consultant firm, Zahn provides five recommendations to the organization:

1. “Identify desired outcome
2. Define the project
3. Determine the project requirements
4. Assess the “value” of the project
5. Decide on the necessity for a “cultural fit” (2004, 58)”

This list provides the self-evaluation of client knowledge. In other words, clients need to know what they need to know. The importance of this information is that both sides of the client-consultant relationship have to weigh the budget, value and risk. Other factors detailed in the book include determining the desired outcome, the proper criteria and expectations in the form of quantity, quality and fees. In Addition, self-knowledge includes the contractual requirements and obligations, the structure and operations of consulting firms and over general awareness of problems or projects and processes. The consultant must keep in mind that in addition to this knowledge, the municipality also performs the duties outlined at the beginning of this section. Zahn explains many useful organization needs. However, to an organization that has never used a consultant before, his book tends to intimidate. On the other hand, perhaps the purpose is to inform the organization that considering and working with a consultant is a large undertaking. To be successful in the relationship, the organization (the client) has many roles and responsibilities as well as the consultant.

The client expectation section of the Zahn's book falls short of explaining the importance of assuring positive results within the relationship. However, he explains the occurrence that expectations fail when the organization sways to the inclination that whatever the experts provide must be correct. The client feels that they hired the consultant and therefore must accept whatever they provide without disagreement. The explanation directed toward the organization regarding diversity and the importance of knowing or learning what to expect detailed in literature does not mention the requirements of the consultant.

Also unique to client knowledge literature is Zahn's perspective that organizations hire a particular consultant based on internal peer-pressure to meet personal agendas, choose a specialty firm and then not pursue their niche or expect an out-of-the-box solution to an uncommon problem or issue (2004). In deciding which firm to hire, organizations must evaluate the necessity for quick results, costs, accessibility of offices and personnel and familiarity (if important) with the organization.

With any relationship, conflicts happen. Zahn points out the expectations of the client-consultant conflicts. Positive-type conflicts occur when both parties feel they are contributing to the benefit of the other or common goal. When these occur, Zahn warns that open communication and the desire to resolve the issue are paramount. Negative-type of conflicts occur when communications breakdown, poor workmanship is evident or betrayal or mistrust has developed (2004). In these cases, Zahn recommends the relationship be voided or the project given to another firm.

The Art of Negotiation. The art of negotiating is a key success factor in maintaining any client-consultant relationship. In this business environment, the topic of negotiating is synonymous with cooperating or collaborating. "Getting to Yes: Negotiating Agreement Without Giving In" provides that "A wise agreement can be defined as one which meets the legitimate interest of each side to the extent possible, resolves conflicting interests fairly, is durable and takes the community interest into account (Fisher, Ury and Patton, 1991, 4)." The main point the authors make is that people argue over a position and often lose sight of what is important. When this occurs, both sides

lose. They provide four points that describe negotiations based on the method of principled negotiation developed at the Harvard Negotiation Project. “People: Separate the people from the problem; Interests: Focus on interests, not positions; Options: Generate a variety of possibilities before deciding what to do; Criteria: Insist what the results be based on some objective standard (1991, 10).” The common thread is that the removal of peoples’ own egos, agendas and needs is required during the negotiations process. For an agreement to be successful, it must address the common goal of both parties and evaluate several solutions.

The largest challenges in communication, the authors write, are actively listening, understanding and clarification (or speaking to be clear). “Without communication there is no negotiation (1991, 32).” Although the book offers several useful tips on the art of negotiations, the one that most directly relates to municipal governments is the suggestion of not arguing with the client but asking questions. Asking questions not only prevents one from taking a side and defending it, but also permits the collection of information that sheds light on the actual interest and needs of the client, not their want. The authors suggest questions such as “why do you feel that...; what is your reason for...; or why do you want...?” The answers to these questions helps both sides focus on the interests, which is one of the four main points to negotiating.

In comparison to Fisher’s, Ury’s and Patton’s primary focus on their four mains points of negotiation, Roger Fisher and Scott Brown provide a wider view of negotiations associated with business relationships in their book “Getting Together, Building

Relationships as We Negotiate (1989).” They offer direct situations and advice on dealing with them. The first point of the book is that people can have a working relationship even though they do not agree on particular issues. From the consultant’s point of view, this statement is encouraging and believable. There is need for more proof from the organization or client’s perspective. If a municipal government does not agree with the consultant’s solutions, concepts or practices, what is to keep them from firing the consultant? Fisher and Brown provide a good quote that suits consultants as well as clients. “No matter how well we think we know what is best for someone else, trying to impose our views on them is more likely to build problems for the future than to build a successful relationship (1989, 6).” This, combined with the statement that if both parties have the ability to deal with their differences, the relationship is secure and the ability to resolve problems and agree to solutions is highly probable, are the two factors that must be understood at the beginning of the engagement. In dealing with differences within relationships, Fisher and Brown offer the following six suggestions:

- “It helps to balance reason and emotion.”
- “Understanding helps.”
- “Good communication helps.”
- “Being reliable helps.”
- “Persuasion is more helpful than coercion.”
- “Mutual acceptance helps (1989, 10)”

Contrary to other literature reviewed, Fisher and Brown state that “A good working relationship does not require shared values (1989, 14)”. Further study into the

contradiction clarified the point that there are two types of shared values. The desired shared value in relationship building occurs when both parties are seeking the same outcome to a chosen project or issues. Examples of shared values that are not important to the relationship are that each party seeks to make a profit or benefit for their efforts, each desired to operate their business efficiently or each strives for low employee turnover. These are shared values independent of the relationship. Fisher and Brown reference the latter.

Fisher and Brown offer other suggestions that confirm other cited literature review but in the context of negotiation. They convey that negotiations are successful if each party understands that the other has different personal perspectives or perceptions. In addition, there is a need to know why they feel or do things in a certain way and what is important to them.

In negotiations, trust is a critical element. Fisher and Brown use commentary to explain that if one party distrusts the other, negotiations will fail. Trust is associated with honesty, ethics and keeping promises. As mentioned in the other elements of building relationships, establishment of trust is required before successful negotiations commence (1989).

Many of the efforts described by Fisher and Brown also are mentioned in Kevin Hogan's book "The Science of Influence, How to Get Anyone to Say Yes in 8 Minutes or Less." His book sets forth the opinion that successful negotiations depend on how well you

know the other party (and how well they know you). “Once we know what our prospects’ needs, wants and desires are, we can use this information to prepare a message that firmly impresses on the mind how we can help them (2004,173).” Key factors of success according to Hogan include building rapport, providing face-time and being empathetic toward the client. Underlying Hogan’s point is the notion that during negotiations, one must demonstrate that he or she is easy to work with.

Two suggestions Hogan provides that are useful in negotiating with municipalities are: 1) paint a picture for the client in seeing their role of working with the consulting firm; and 2) relate the proposal or concept to something that was popular and successful. Beckwith also mentions painting a picture as illustrated in the Service portion of this review (2003). The point is that although the consultant is confident in their proposal, they need to use negotiation tactics to convince the client. Hogan writes not about trust but about credibility. “Credibility matters. Credibility is the pivot point in influence.

Unfortunately, it doesn’t initially matter whether you have credibility (or are credible); it matters whether you are perceived that way (2004, 58).” Hogan defines credibility as having both the expertise and being trustworthy. In comparing the context of trust as described by Fisher and Brown as being a key success factor to negotiation (persuasion) to that of Hogan’s credibility, trust alone is adequate to non-business negotiations but the need for credibility establishes the client relationship.

A key inference near the end of the book “Getting Together, Building Relationships as We Negotiate” is that relationships are fragile and one weak link in the chain can end the association between parties.

“Winning ‘Em Over” provides information on negotiations in a modern management style in which Jay Conger introduces the word persuasion as the new approach to negotiations (1989). The assertion of the book is that in order for the client to agree with the consultant, the consultant must help the clients convince themselves and think that it was their idea. If this is true, there must also be a fine line between persuasion and coercion. Conger agrees with other cited authors that during negotiations, both sides must learn to compromise and find common ground. He also emphasizes the need for establishing credibility. Appropriate for municipal clients is Conger’s opinion that building relationships takes time and not to push the product too soon; look for the right moment. He also recommends adding the negotiation tactic that the consultant must persuade the client that the work or solution to the proposed program or project requires personalized structuring of the effort to meet their needs and fit their ideas. Also suitable for municipal clients is his suggestion that the consultant should be prepared to receive counter positions. This effort shows that the consultant is listening and hearing them. In addition, it shows that the consultant is open to other ideas and willing to work with the client (or potential client).

Procedure and Methodology

The published theories and analyses described in the literature review provide consulting firms with the suggestions on what clients are seeking in a business relationship.

However, do these theories and deductions prove true for engineering consultant firms and their municipal clients? Interviewing local municipal officials and inquiring about the same categories as detailed in the literature research pose the most direct means of answering this question.

Description of survey (interviews) with Municipal Clients

The intent of performing the interviews was to obtain the municipal official's view on working with consulting firms. Most of the literature reviewed offers advice and recommendations supported with examples of case studies or work experience from the consultant's perspective. Key factors of success were determined within the five main categories of client relationships. The questions were phrased in such a manner that the municipal official could provide an answer that would match the expected outcome presented in the literature review. However, the questions were also expressed such that the municipal official's response could contradict the information provided in the literature review. The questions were open-ended to extract various and perhaps unpredicted responses regarding the category. Representatives from five municipalities located in four separate counties participated in the interview process.

Premise of the interview questions

Client's expectation of service. The posed questions were to determine if personal contact with the consultant firm is as important to the municipalities as stated by Aquila and Marcus and Beckwith. Moreover, the need for a relationship at all is in question. The questioning included whether municipal governments thought relationships were important or if they viewed consulting firms as just a business that only looked out for their "bottom line" and not the needs or political promises of their clients.

How does the municipality define value? As mentioned in the value section of the literature review, Alan Weiss implies that the consultant must provide value if a relationship is to survive. The questions were intended to determine if the municipal official actually believes they are getting value and how much. Carucci and Tenenbaum base value on the relationship. The key to obtaining value within the relationship is to assure that each party has determined and is pursuing, their roles or responsibilities. The questions extract the municipal official's viewpoint of what they believe their role is in the relationship.

Do the municipal officials view the characteristics of integrity the same as the experts? The authors' works describe the establishment of integrity; or credibility, trust or loyalty as the sum of other key categories; namely, service and value. Vita, Schaefer and Sobel state that providing expected service and value-added is the formula that

establishes integrity and loyalty. Some of the questions are checks to determine how the consultant can establish integrity through empathizing with them and if the past or present consultants truly understand the position of the municipality. These questions relate to how the consultant can go the extra mile as described by Sobel in the Integrity section of the literature review. From a municipal government standpoint, another question sought to verify Vita's implication that integrity takes time and planning to establish. Other questions focused on the views and opinions of the municipality regarding how they determined the integrity of a consultant firm to compare their answers or responses with those of the experts.

What do the municipal officials want in a business relationship? The most direct way for a consultant to obtain knowledge about its client is to ask and interact with them. Levy's summary of the three possible types of business practices as described in the client knowledge section of the literature review was included in a question presented in the interviews. The validation of Levy's summary would occur if the anticipated answer corresponded to one of these three types of business practices. Inquisition of various questions pertaining to what the municipal officials expect or are looking for provided data from which to compare and contrast those listed in the literature review as summarized by Czerniawska.

Many of the authors mention establishing long-term relationships with their clients as part of building the knowledge base. The changing client organization such as the turnover of elected officials within the municipality makes this advice challenging. The

opportunity for the municipal representatives to suggest various means of establishing loyalty to one consulting firm provided feedback to Zahn's proposition of becoming familiar with the client described in the literature review. The literature review of Zahn's writing of occurrences of negative-types of conflicts can be compared to those provided by the municipal representatives during the interview.

Questioning both sides during negotiations. The response to a few of the questions determines if municipal representatives argue over a position as stated by Fisher, Ury and Patton depicted in the literature review. The structuring of the questions extracts views of the municipal representatives regarding the evidence that peoples' egos, needs and agendas do hinder successful negotiations also described by Fisher, Ury and Patton. The question pertaining to situations where there is a difference in opinion challenges Fisher's and Brown's statement that parties can disagree and still maintain a working relationship. Also, the questioning to determine what the consultant cares about and what the municipal officials care about provide evidence for or against Fisher and Brown who stated that "A good working relationship does not require shared values (1989,14)." The responses are evaluated to determine if the shared values are independent of the relationship and therefore not a detriment to it.

In the negotiations portion of the literature review, Fisher and Brown mention that a relationship is fragile and one weak link in the chain can end it. Interviewing the municipal officials also determined what they thought the weak link would be. In order to determine how municipal officials negotiate, questions created feedback on how they evaluate consultant fees and value of service.

Results

Responses to the interview questions. The answers to the questions provided valuable information for determining the municipal government's side of maintaining a business relationship with an engineering consultant. The municipal officials validated that the questions were appropriate for this topic. The responses were similar for some of the categories but varied considerably in others.

Service. The majority of the municipal representatives agreed that they place much emphasis on the contact person in a business relationship. Although the engineering firm may be large, it is the responsibility of the single client contact person to communicate information between parties and understand the needs of the municipality. There was a split between the officials interviewed regarding the importance of meeting face to face. To some, the municipal representatives want to look them in the eyes and ask questions or feel they are their only client. To others, modern forms of communication satisfactorily replace the need for face-to-face appointments. These business contacts are part of the service provided by the engineering consultant. Each contact the consultant has with a municipal representative elevates the level of comfort between the two parties.

The trick question pertaining to level of comfort versus an engineering consultant's fee provided the means to determine the importance of honest friendly service. Although each person interviewed provided a different answer, the majority implied that they would pay more for service that contained a level of comfort. However, some stated the 20% higher cost was near the maximum cost difference.

Interestingly, when given the choice of what is more important between quality of service and a good relationship, all chose quality of service. Although those interviewed agreed that the relationship was an important contributor to quality of service, demand for quality of service governed.

In equating comfort to a good relationship and comparing consulting fees to quality of work, the conclusion is that the municipal representatives are willing to pay more for a good relationship but the quality of service must be acceptable. If the quality does not meet expectations, the relationship or level of comfort quickly withers.

All of the municipal representatives feel the need to provide their input during the design phase and to maintain control of a project. They want input from the consultant but the officials and staff determine the final recommendation. In comparing the level of trust the municipal representative have toward the consultant meeting their needs, there was a mixed response. Half of those interviewed believed that through the selection process they have chosen a firm they trust would meet their needs. However, they also want to know the firm's intentions. Some municipal representatives said that trust develops after they feel the consultant is meeting their needs, while others want constant involvement.

Most municipalities believe that consulting firms do provide services that are in the best interest of the public. The reasoning, however, varies. One municipal representative stated their vetting process includes interviewing the consulting firm to determine their intention. Another mentioned that consultants must provide the best service possible in

order to maintain their reputation. Surprisingly, only one mentioned that consulting firms are only interested in making money.

Value. The most common reasons that municipal officials retain an engineering consultant fit into two categories. The consultant provides specialization skills in the design and management of specific projects that the internal staff do not have. The other category includes inferences to insufficient allotment of time or staff available to complete the projects in-house. Most municipal officials believe they benefit from the work provided by consulting firms, especially if those specialized skills include ability to obtain funding for the project. Some municipal officials were quick to add however, that they benefit most from the consultant if officials or municipal staff closely monitors their work. This response segued to the next question regarding the expectation of responsibility the consultant firm has toward a project. Half interviewed stated that the responsibility is the municipality's because they need to monitor the project to assure they are receiving what is expected or because they have the most historic knowledge of what benefits them. The other half had mixed opinions between reliance on the consultant and that responsibility is project specific.

The question of determining what the municipal official's view of their role in a business relationship unified those interviewed regardless of how they answered the other questions regarding roles, responsibilities and value. Each answer reflected types of control. Their role is to oversee the consultant's work to assure they are receiving the expected results, to guide and provide information as requested and to set controls such

as budgets, schedules and guidelines / limitations. Questions asked in reference to integrity determined if through the process of controlling the project, the municipal officials find that most consultant firms are loyal to their needs.

Integrity. The actions that would cause the municipal officials to seek work from other consulting firms were straightforward. If the consultant does not provide the services expected, especially after receiving guidance from the municipal officials, they would terminate the agreement. Requesting the opinion of the municipal officials regarding their impression of whether consulting firms understand the roles of the municipal government confirmed that the relationship is not one-sided. Most believe that the consultant firm is aware of the political actions of the officials including the need to satisfy constituents. If there was doubt about this knowledge, the municipal officials clarified their role at the onset of the project. This response verifies that most consulting firms they worked with are credible. The caveat to this response is that many of the consulting firms retained by the municipal officials were through a vetting process that eliminated those not meeting the qualifications.

In order to become credible and loyal to the municipality the engineering consultant must know how to deal with each board or council member's views, agendas and promises.

How does the consultant do this? The interviewer posed this question to the municipal officials. Most responses to this question included two answers. Some of the municipal officials stated that it is the responsibility of the consulting firm to obtain a consensus from the group while others stated that the role of the municipal manager was to obtain

the consensus since he or she understands each the municipal officials better than the consultant does. The municipal officials admit that their responsibility is to respond as one entity and not as individuals. Some have authorized one or two officials to represent the municipality per project or per consultant firm. The second answer, common to many, was that if the consultant does not receive a consensus, the majority rules.

In order to define the roles of responsibility versus accountability according to municipal officials, the requested explanation was to determine how the latter fit into the relationship with consulting firms. At face value, the easy question produced an easy answer. Most interviewees stated that consultant must be one hundred percent accountable for their work. After all, that is why they were hired. However, one representative stated that the municipal officials must assure that work meets the guidelines set forth by regulatory agencies. This interviewee was stating that although the consulting firm must be accountable for their work, the public officials share in some of the accountability.

The manner in which municipal officials determine or define credibility in relation to consultant's performance was consistent with those interviewed. Credibility (consultant's reputation) is determined from past performance of work for the municipality or other municipal governments. Reference checks and contacts between municipalities define the firm's credibility.

Requesting a time span on how many months or years the consultant and municipal government must work together before trust and confidence be established requires a subjective and variable answer as expected. However, the question provided an open discussion for establishing trust and confidence. Some municipal officials placed a time, such as ninety days, while others stated that these characteristics were determined during the selection process. One could not place a time span because the municipality has retained the same engineering consultant for thirty years. When asked why the same firm, the response was that the credibility was given many years ago and the consultant firm continues to provide quality service that meets their needs; thus creating a comfortable, working relationship.

Client Knowledge. There was a failed attempt to determine the expectations or recommendations municipal clients have for engineering consultant's best approach to resolving an issue. The question provided a choice of four possible answers suggested in the literature reviewed. The options were: 1) would you like the consultant to explain how the issue can be resolved; 2) provide "what if" scenarios; 3), provide the recommendation based on their knowledge of the community; or 4) allow the municipal officials to offer their ideas first. The question failed because no municipal official provided the same answer. However, as the saying goes, nothing is a failure if something good comes from it. Instead of one answer, there are many answers. This question proves that each municipal government has their way of dealing with issues. The engineering consultant must determine what is their preferred way of doing business. One municipal official stated that they want to offer the suggestions first and have the

consultant work with them. Another suggested a brainstorming session held with the municipal officials and the consultant at the same time. Ideas provided can be changed, compared and fed back and forth between both sides resulting in an agreeable solution. Yet another said they want the consultant to provide their ideas and make a recommendation. Stating that leaving it up to the municipal officials to make a decision would mar the consultant's credibility; at least for this municipality. However, one municipal official answered the question with an anticipated response. He stated that the consultant should provide options and let elected officials of the municipality make the decision since they were approved by the community to speak and act on their behalf.

Obtaining municipal official's opinions on how an engineering consultant firm can sustain a long-term relationship is valuable knowledge of momentary / governmental clients. The consensus among municipal officials implies that if the consultant does a good job and continues to do so, a long-term relationship will ensue. The keynote to doing a good job also includes working with municipal staff. The staff and municipal managers, who do not rotate in and out of office, can influence the current board or council to retain the engineering consultant firm. One municipal representative suggested that consultants must constantly seek opportunities such as funding or technological advances of equipment and design to improve the municipality's state.

The quick affirmative response to the question of whether a consulting firm must continually prove themselves was not surprising. However, the response to why or why not produced variable opinions. Interestingly, one interviewee stated that turnover within

the consultant firm can produce variable levels of service and quality of work. Some municipal representatives agreed that the turnover of public officials is a major reason for the need of constant assurance. Newly elected officials have their own vision of the municipality's goals that may not align with the old way of doing things. Others cautioned that start-up consulting firms are usually eager to put pressure on the hometown-consulting firm to either provide good service or step aside. With increases in specialty firms, someone is going to have a better idea than the retained engineering firm.

If this is true, then how do municipal officials determine which engineering consultant to choose and what are the measures they evaluate? The how portion of the question was answered by only a few interviewees. The process includes several interviews with the consultant firm to determine personnel fit with the board or council. Others evaluate responses for proposal and check references, experience and abilities to meet schedules.

Through the understanding of the municipal client's view of why conflicts occur, the engineering consulting firms obtain insight. The interviewees spoke frankly when asked to provide reasons why conflicts occur between the engineering consulting firm and the municipal officials. The answers are as follows:

- The consultants don't follow directions
- The consultants don't consider the input
- The consultants don't stay on time
- The consultants charge too much
- The municipality did not thoroughly consider the chosen firm for the project
- No guidelines or milestones were established
- The municipal officials don't speak with one voice

- The municipal officials and consultants are unable to work out their differences
- Too many change orders
- The consultants don't deliver on their promises

These responses are important sources of client knowledge.

Suggested negotiation tactics. In resolving these conflicts, the municipal representatives agree that the best way to resolve the conflict or issues is to meet and discuss the matter until a resolution is determined. When asked if conflicts put a strain on the relationship, the municipal representatives agreed that it could. However, they reasoned that the engineering consultant was hired to do the job and they do not want to pay for a product they did not ask for. Only one municipal representative mentioned the need for municipal officials to be flexible as well. Those interviewed concluded that if conflicts cannot be resolved, the municipal officials must seek another consultant firm with which they can work.

During negotiations, the municipal representatives' highest value or what they care about most is quality work at the least amount of cost. The setup question to determine what the municipality believes the consultant firm cares about most did not produce the expected answer of "they only care about making money". Surprisingly, they offered advice on what they should care about. Suggestions included empathetic consideration of the municipality's needs. They prefer the engineering consultant to work as if they were part of the municipality and understand that they have a duty to provide the best job for their constituents. Accordingly, providing cost effective service is a means to repeat business.

The municipal representatives concluded the same approach to evaluating fees versus value of service. They use past projects and firms' fees as comparison with the current project. One mentioned that municipal officials do not use fee as the deciding factor. It is good service that matters most. They often do not choose the firms offering lower fees and expect paying a higher fee will result in better service.

Some municipal representatives believe that the municipality is making an investment when they hire a consulting firm to assist them. The ones who were ambivalent at first continued to explain that a bad choice leads to the bad project that the municipality might need to live with for a long time, or stated that the investment would be an investment of knowledge resulting in the construction of the true investment.

Compare and contrast findings. In general, the information in literature review is valid to consulting engineers maintaining client relationships with municipal governments.

Importance of service. The researched authors mentioned in the literature review concluded that service is the driving force in the consulting industry. From the interviews, this statement holds true. Quality of service contributes to maintaining client relationships with municipal governments. In fact, municipal governments are willing to pay higher engineering fees, (up to 20%) for better service. However, there must be a level of comfort in working with the engineering consultant in exchange for the higher fee.

The responses to various questions indicate that Aquila and Marcus are correct that service should “cloak” the client. However, their statement that the client is the “core” of the relationship is not true in dealing with municipal governments. The consulting firm is the “core” of the relationship. They control the quality of service and therefore control the relationship. As mentioned from the interviews, if there is no quality service, there cannot be a relationship.

Strains on working relationships between consulting firms and staff of municipal governments caused by internal conflicts of clients as mentioned by Clingermayer and Feiock were not noted within municipal governments. Actually, most municipalities do not have the work force or expertise to provide the services requested of the engineering consultants. However, it was obvious from some interviews that the municipal staff must have a good working relationship with the consultant firm. The authors are correct in regards to individual members that comprise the board or council having her or his own agendas and political promises. The municipal representatives confirmed that speaking with one voice is a problem they must overcome during discussions with consultants.

According to half of the municipal representatives interviewed, face time with the client is not a high priority. Unlike Harry Beckwith’s comment in “What Clients Love”, service with a smile does not always mean face time (2003). Municipal representatives are very busy. A quick e-mail or telephone message is acceptable. The key is to keep them informed.

From the interviews, the municipal governments prefer a client contact they trust, with whom they are comfortable and who understands their needs. She or he is the one who represents the municipality within the consultant firm's office.

Beckwith's statement that clients are more knowledgeable than in the past and want to be a part of the consultant's activities and decision-making processes was confirmed with municipal government clients from the interviews. The municipal officials want to know their needs are being met and want to know the intentions of the consulting firm. This is how trust is built between the engineering consultant firms and municipal governments. Although trust is usually present with the engineering consulting firms due to a thorough vetting process to attain an acceptable firm, the municipal client wants to maintain control of their projects. They want the firm's input but the public officials and their staff insists on making the recommendations.

Creating value. Most municipal governments believe they are receiving value from the services provided by engineering consultant firms. As stated by Alan Weiss, the municipal officials believe that procuring an engineering firm to perform services is similar to buying consumer goods; you get what you pay for (2002). As mentioned in the service portion of these findings, the municipal officials rarely choose the cheapest consulting firm to perform services. Weiss's opinion that consultants can provide value successfully and the client can recognize true value if there is a partnering type of relationship instead of the superior / subordinate relationship was verified through the

interviews. Municipal governments claim that the reason they obtain value is that they work with the engineering consultants to ensure they receive the expected service or project.

According to the results of the interview, the type of service that is received by the engineering consultants defines value. Alan Weiss states that value is in the form of improvements and benefits received from the effort provided by the consultant.

Indirectly, they agree upon how value is measured.

The responses from the interviews confirm what Carucci and Tenenbaum propose regarding the give and take requirements of a successful working relationship. Their statement that each side must know and understand their roles in the relationship was tested during the interviews (1999). The municipal officials' opinion varied when asked what they thought the role of the engineering consultant firms played in the relationship. Some believed that the consultant was responsible for delivering the project. Others stated that it depended on the type of project. Still others believe that the consultants do not know what the municipality expects nor has the historic knowledge needed to make valuable decisions.

Carucci and Tenenbaum and the article in the Principal's report discussed in the literature review both recommend that the consultant train the client to be an advocate and change their ways to create a valued relationship. They must educate the client on design processes and engineering jargon. This is not how the municipal officials see a valued

relationship developing. They state the opposite. The engineering consultant must change their ways, obtain the knowledge and understanding of the municipality's expectations, and learn to express views and ideas openly. However, the municipal officials insist that the consultant must provide updates to them, explain their intent, present any issues and include suggestions to resolve them. This is the same recommendation that is suggested in the Principal's Report that the consultants do create value (2007). Egos aside on who is educating whom, as long as the relationship is strong, value will be created. If both parties perceive value, loyalty is likely to exist as well.

Integrity - Comparing the advice from Vita, Schaefer and Sobel with the comments received from municipal officials validated the authors' claim that expected service and value-added input define integrity. The resounding response obtained from the interviews regarding establishing integrity or loyalty was that the consultant's integrity is lost when the engineering consultant does not provide the expected service, especially after the municipal officials clearly state their needs. Alternatively, as Vita and a few of the municipal representatives mentioned that integrity is lost when the consultant does not deliver what they promise. Some municipal officials interviewed provided the same key factors of success in establishing credibility as provided by Diana Schaefer. Conflict of interest or conflict with board or council members mentioned during the interviews verifies Schaefer's factors of not listening to the client, developing their interests or sharing the same values.

Engineering consultant's actions were evaluated according to Andrew Sobel's suggestions that consultants must build relationships in order to establish loyalty. One suggestion was to obtain and understand the other party's roles in the business relationship, especially since each member has her or his own thoughts on what is value added. The engineering consultants passed the test on understanding municipal officials' roles such as satisfying constituents. The municipal officials stated that the engineering consultants must realize that what is best for the project may not always be acceptable to the constituents. They recommended that the engineering consultants be prepared to provide an alternative.

The municipal officials provide recommendations to the consultant on what they are expecting from the service. They also state that they want to be informed of the consultant's actions. Being informed does not indicate the municipal officials do not trust the engineering consultant. They state that the intent is to educate the consultant. These actions taken by the municipal officials correspond to Robert Schaffer's points on the importance of communication in his book "High-Impact Consulting" described in the literature review. Through communicating with the engineering consultants, the municipal officials are providing what the measurable results will be. This action is analogous to the recommendation by Sobel and Schaffer. From the interview, the results of determining engineering consultant's familiarity with the roles of municipal government were slightly swayed in favor of the firms since the municipal officials pre-screened them during the vetting process.

As mentioned in the literature review, Bellman states that clients have personal agendas, ideas and thoughts of the issue and actions or recommendations to resolve them.

However, he does not provide recommendations to the consulting firm on how to address this dilemma in a diplomatic fashion. Therefore, a request was made to the municipals for suggestions. There were two recommendations. Depending on the internal operations of the municipal manager and staff, their role is to either translate the information provided from the consultant to the municipal officials in a manner that is understood by all members or insist that the consultant obtain a consensus by the majority of the board or council without assistance.

Knowing the importance of trust and how loyalty develops through building a relationship, as mentioned in the literature review, is useful to the engineering consultant. However, the how, when, and to what extent, is lacking. From the interviews, the municipal representatives implied that they seek firms with credible reputations and perform background checks including previous projects and word-of-mouth from other municipalities. Yes, they do talk to one another. Therefore trust and credibility starts yesterday by meeting expectations of the existing clients. Although the question was asked of the municipal representatives to provide a timeframe on how long it takes a consultant firm to build trust, as one official answered, this is really a subjective question even though another said ninety days. To what extent must the consultants prove themselves? Every day. Moreover, as previously mentioned in the literature review, Kouzes and Posner state that the core of credibility and trust is internal to the engineering firm.

One factor obtained from the interviews not mentioned in the literature reviewed is that some municipal officials will choose various engineering consultants to perform various projects. Their reasoning did not involve integrity or the loyalty of a consulting firm. The decisions are based on avoiding conflicts of interest or choosing a firm that is more experienced or considered more the expert than another firm hired for a previous project.

The findings from the research and interviews conclude that the municipal officials (the client) are actually creating or strengthening the integrity of the consultant firm. Integrity is lost only when the consulting firm stops listening.

Getting to know the client. The key success factor of establishing and maintaining a business relationship is to understand each other's roles, responsibilities and expectations.

Although there were few interviews conducted, at a minimum, one municipality preferred each of Levy's three types of business practices of resolving issues described in the literature review. Therefore one element of maintaining the client relationship is to determine if the municipal officials prefer to obtain the solution from the consultant, be provided the facts and let the municipal representatives decide or work side-by-side with the consultant and discuss "what if" and "how to" scenarios to reach a consensus.

The answers to the interview questions associated with determining what municipal governments want and do not want not only confirmed Czerniawska's conclusion of what clients are looking for but also add more items to the list. This additional feedback

includes the roles and responsibilities of the municipality. Czerniawska confirmed that clients want to work with consultant firms. However, the municipal officials realize they have obligations to the relationship as well. They provided that their duties include speaking as one entity and not as individuals, establishing desired milestones and expectations, working through disagreements to a point of resolution and more in depth research in choosing a consulting firm.

Seth and Sobel's recommendation to the consultant to educate the client and be an advisor instead of an expert is sound advice. The municipal officials really do not see it that way. Their feeling is that they must educate the consultant. Seth and Sobel did mention that helping the clients help themselves is difficult.

The interview questions also confirmed Seth and Sobel's statement that a disconnect exists between what many typical consultants are providing versus what the client is expecting. The typical engineering consult approaches the municipal representatives and provides answers to their concerns and solutions to their problems. The municipal representatives' responses to the question of what they seek from a consultant agrees with Seth and Sobel's assertion that they want advice and opinions and want the consultant to listen to them and follow directions. The decisions are to be made by the representatives of the municipality that elected them.

As mentioned in the literature review, Zahn offers advice to agencies that are in need of professional services on how to choose a consulting firm. The interview tested the

municipal processes in comparison to Zahn's five suggestions in choosing the right firm. Identifying the desired outcome and defining the project occurs when discussing the need internally and preparing a scope of work or request for a proposal. Determining the project requirements depends upon how familiar the municipal officials are with the project. For example, preparing a competition plan is familiar to them. However, the requirements in designing a sewer treatment plant or replacing a bridge is left to the consulting firm responding to the request for a proposal. Assessing the "value" of the project was not discussed during the interview. The "value" that they seek is in the level of professionalism, experience and support received from the consulting firm. Lastly, deciding on the necessity for a "cultural fit" is a common action that the municipal representatives take in choosing an engineering consulting firm. They conduct one or two interviews, check background, check previous projects and largely rely on word of mouth. In general, the municipal representatives interviewed follow Zahn's recommendations. They also agree and practice the recommendation described by Zahn that when negative-type of conflicts occur due to communication breakdowns or not meeting expectations the relationship or agreement is voided.

Successful negotiations. Determining how the municipal representatives approach differences in opinions provided the information needed to compare the method of principled negotiations provided by Fisher, Ury and Patton described in the literature review. The municipal representatives separate the people from the problem to a degree. They have been known to vent their frustrations toward the person delivering the message but then add that it is nothing personal. The focus on the interest and not

position is only partly evident. The municipal representatives focus on the problem or issue at-hand but they also state that if we cannot resolve our issues then the agreement should be terminated. In this case, the position and not interest ends the negotiation. When the municipal officials hired the consultant to do the job and have issues with paying for an undesired result, they are focusing on both a position as well as taking an interest in taxpayers' money. The third point of generating a variety of possibilities and the final point of insisting on results based on standards are actually municipal representative's expectations.

During the interview, the municipal representatives mentioned none of the six suggestions offered by Fisher and Brown described in the literature review. Perhaps the interview did not dwell on the topic long enough to obtain the information sought. Alternatively, perhaps it is the responsibility of the consulting engineer to guide the negotiations to maintain the balance of reason and emotion, show understanding, and encourage good communication and mutual acceptance.

Fisher's and Brown's statement that shared values are not necessary for a good working relationship to exist was tested during the interview. The municipal representatives care most about the quality of the work and believe the consulting firms endeavor to meet the needs of the municipality. They realized that if the consultant provides a good service there is a chance for repeat business. In this one example, Fisher and Brown are correct if the highest value to the municipality is a quality project and the highest value of the

engineering consultant is repeat business. The working relationship is successful because both sides can simultaneously meet their needs.

The municipal representatives proved some of Kevin Hogan's key factors of success such as being empathetic toward the client, the consultant demonstrating that they are open-minded and credible. However, his other key factors of success such as building rapport, providing face-time and painting a picture of their working role for the client are not effective in strengthening the relationship between the consultant and the municipal officials.

Jay Conger's approaches of "Winning 'Em Over" through persuasion as a desired means to negotiate was determined from discussing project issues the interviewees have faced. As determined from various interview questions, the municipal officials want to make the final decisions. They want the facts and options from the consultant. Some municipal officials stated, as does Conger and Hogan, that it is the consultant's role to convince the municipal officials that it was their idea / their decision and the solution fit their needs. This form of negotiation also forces the consultant to learn and understand the client's needs and desired results.

Combining the categories to maintain the relationship. Trust is the common word among the various topics in the literature review. However, establishing or maintaining a relationship with municipal governments does not begin with trust. Both parties want value for their effort or investment. However, the definition of value is not the same for both sides. The most common of these categories is good service. Municipal officials

obviously want good service. In addition, as mentioned in the interviews and in association with consulting firms, the professional engineers and designers want to provide good service. The role of integrity within a business relationship is straightforward. The engineering consultant seeks to establish integrity and credibility and the municipal government seeks firms that are credible based on past performance and endorsed by peers. The art of negotiating is the most difficult of the categories to master for the engineering consultant and the municipal officials. Both parties must be on the same level of mastery or the negotiations such as resolving a design issue will be challenging due to either pushing or pulling at the same time.

Strictly from the literature review, the engineering consultant / municipal government relationship is noted to be straightforward as indicated in exhibit 1.

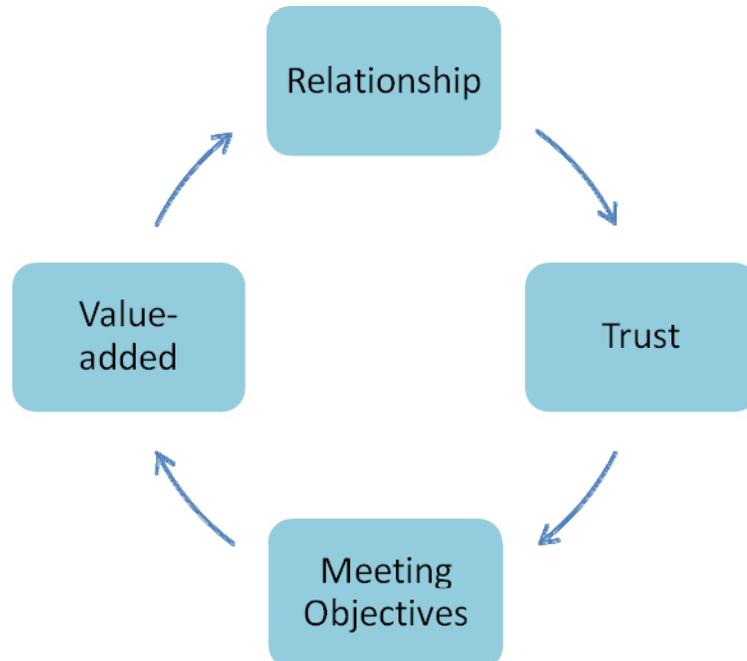


Exhibit 1. The Business Relationship Process

First, the relationship is formed and trust is developed. The consultant provides the services required and the client receives their project or product therefore meeting their objectives. Each receives value-added by either obtaining a project or product that satisfies a need or by obtaining a fee and profit. The relationship continues unless there is a conflict that cannot be resolved. However, in evaluating both sides of the relationship, the process is more complex.

The difficulty of determining the proper combination of categories and the order of actions required to develop and maintain a relationship between engineering consultants and municipal governments is deciding what comes first.

For the municipal government, they first insist on good service. They feel they have chosen a consulting firm through the vetting process that will provide good service. However, the consultant firm cannot provide good service without first obtaining knowledge about the municipal government such as determining their roles, responsibilities, expectations and goals.

After the consultant gains the knowledge of the municipal government's requirements and understanding of their needs and begins providing good service, the municipal officials must gain the knowledge and understanding of the requirements and protocol of design efforts. Only after they obtain this knowledge do they realize the consultant is providing good service. At this point in the relationship, both sides are in a position to communicate discrepancies and negotiate without jeopardizing the project or relationship.

The municipal officials speak as one voice or the selected members speak for the council or board and the consultant explains the issues and offers suggestions. The newly formed partnership then resolves the issues. From the negotiations, the municipal officials gain and acknowledge the value-added in the relationship and the consultant gains integrity and credibility. Only after the establishing integrity and credibility does the consultant realize value-added. This value-added comes in the form of repeat business and new business from referrals. The value-added the municipal officials gain creates the comfort level. In turn, they acknowledge the consultants integrity and thus provide additional work to the consultant.

This relationship process is similar to two gears working in unison. As shown on the next page, each party in the relationship has its own process. In addition, each task or category (tooth) drives the next.

The business relationship is as fragile as these two gears as well. If a topic does not occur or occurs out of order, the tooth is broken and the process stops. To keep the process moving, both sides need to not only receive what is expected but also provide what is anticipated.

Two sides to every relationship. From the literature review, a commonality appears between categories that the consultant has to educate the client on the characterization of good service, a good value and integrity and what to expect. However, from the interviews with the municipal officials, the engineering consultant must learn and understand the needs and expectations of the municipality. They need to listen and provide the requested service or product and deliver on their promises. From the research, open and clear communication from both sides is critical in maintaining client / consultant relationships. It is apparent from some of the answers provided during the interviews that once communications breakdown and poor negotiation tactics ensue, the relationship wanes.

Each municipal client has its own definition of service and value and each engineering consulting firm has its own definition of service and quality. As with any relationship, business associations are complex and take considerable effort on both sides to maintain. The result however, is long-term partnering that creates win-win scenarios through completion of successful projects. A partnership is the current theme heard from consulting firms and municipal officials who by working together, have successfully completed projects. Knowledge and understanding of the roles and responsibilities of the other party is the center of the business relationship.

Suggestions for Additional Work

Implementation plan. Knowing the best approaches to obtaining a win-win scenario between municipalities and consultant firms is important. However, implementing changes on both sides to serve the true needs of both becomes the ultimate challenge. An implementation plan prepared by the consulting firm customized for each of its clients is the first step in strengthening a relationship. The client must be actively involved in the preparation of this plan.

Are all municipalities the same? An in depth comparison between Borough, Township, City and County requirements of Municipal Engineering firms is required to answer this question.

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Appendix

Interview questionnaire

Questions for Municipal Representatives

Maintaining Client Relationships with Municipal Governments

Service

In dealing with a consultant firm, how much emphasis does the municipality place on the client contact person compared to the firm in general?

How important to the municipality is “face time” from the consultant?

If you had to decide between working with a consultant firm that you are comfortable with and one that charged 10% less, who would you choose? Depending on answer, ask 5% or 20%.

Does the municipality prefer quality of service to a good relationship or vice-versa?

Does the municipality rely on the consultant firm to make recommendations or does the municipality want to be more involved in the design segments of the project? In other words, how involved does the municipality want to be during the design of the project?

Does the municipality want to know how the consultant is going to meet their needs?

In general, does the municipality believe consulting firms are looking out for their best interest?

Why or why not?

Value

How often does the municipality feel that they have benefited from the work provided by consulting firms?

Does the municipality believe that the consulting firm is responsible for 100% of the project? What percentage of responsibility does the municipality feel they have?

What is the most common reason that the municipality retains or chooses a consulting firm? (May need to coach them with indirect examples)

In the relationship between the municipality and the consulting firm, what is the municipality's role?

Integrity – Loyalty - Credibility

What action would cause the municipality to seek work from other consulting firms?

In general, do consulting firms seem to understand the roles of the municipality and the board members' or council members' agendas and constituent's requests?

How should the consulting firm deal with each of the board or council members' varying views, agendas and promises?

How many months or years do you think that it takes the board or council members to develop trust and confidence with the consulting firm? On the other hand, do they ever?

How does the municipality decide if the consulting firm they are working with is credible or not?

What role does accountability play in working with consulting firms?

Client Knowledge

When there are issues with projects, does the municipality prefer the consulting firm to offer "how to" and "what if" services or to provide their own recommendations based on what they think is best for the community (an impartial opinion), or too allow the municipality to offer their ideas first? Why?

How does the municipality determine which consulting firm to choose? What categories or key things is the municipality are looking for?

Are municipalities looking for more than just a good job that is completed on time in hiring consultant firms? What else is the municipality expecting from a consulting firm? What can a consultant firm do to put itself ahead of the competition?

If board members or council members “come and go” through election processes, how can a municipality remain loyal to one consulting firm?

I have read that consulting firms must continually prove themselves to the municipality. Is this true and why or why not?

Finish this sentence. Conflicts between the municipality and the consulting firm occur when...

Negotiating

What are the municipality’s expectations when they have differences in opinion with the consulting firm? What are some of the ways, these differences can be resolved? Does this put a strain on the relationship?

What does the municipality care about? What is the municipality’s highest value? What does the municipality feel the consulting firm cares about?

How does the municipality evaluate fees versus value of service?

Does the municipality feel they are making an investment when hiring a consulting firm to assist them with needs?

Are there any things you wanted to mention that I did not ask?