

First contract of a young person consulting in the firm^{1, 2}

Odilon Irakoze

ABSTRACT

This study examined the different methods of conflict resolution, which constitute a major problem in the field of consulting. After a concise description of each alternative to dispute resolution, these solutions can be used to resolve a dispute between two parties. These six alternatives are compared with each other according to selected criteria. These 14 criteria are weighted according to their importance for the resolution of disputes. The purpose of this article is to discover what kind of alternative is the preferred solution for managing a conflict.

The paper is based on a multi-attribute decision analysis, an additive weighting calculation, the five whys and articles. These analyzes show that negotiation is the best form of alternative to solve a problem between a young consultant and his firm.

It does not matter that the type of contract between the two parties, the definition of the general terms of the contract must tarnish the arbitration and the clauses of negotiation.

Keywords: Project management, consultants, consulting firms, clauses, misinformation, obligation, young graduates, company, recruitment, parties

INTRODUCTION

Over the past decades, the project management consulting profession has undergone a great evolution³. Many companies around the world are actively seeking the expertise of project management consultants to help them overcome governance, cost, quality and project organization issues. Considering the definition of a project being “an investment that requires a

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³ The Top 5 Highest-Paying PMP Jobs. (2018, April 5). Retrieved from <https://blog.capterra.com/top-5-highest-paying-pmp-jobs/>

set of logically linked and coordinated activities performed over a finite period of time in order to accomplish a unique result in support of a desired outcome”⁴; a project for consultant is all the assignments he undertakes on behalf of his consulting firm. Each mission is accomplished according to a specific time and the mission ends with outcomes.

Let’s now have a look at the definition of asset, program and portfolio, applied to the Consulting industry:

	Definition	Application for a consulting industry
Program	<p>The general purpose of operational program is to deliver assets and benefits that are critical to sponsoring organizations day to day operations.</p> <p>The are 4 different types of Program⁵: Strategic program (which deliver assets and benefits that are directly linked to attaining the sponsoring organization’s future state), Operational program (which deliver assets and benefits that are critical to the sponsoring organization’s day to day operations), Multi-project program (that achieve synergies from projects with common traits such as shared resources, similar clients or product technology) and Mega-project. (Project that deliver a specific asset to the sponsoring organization)</p>	<p>Here the project is the set of missions assigned to the consultant by the consulting firm to which he is assigned. Each mission has objectives. Achievement of these objectives generate outcomes for the firm (consulting firm).</p> <p>Here the project is the set of missions assigned to the consultant by the consulting firm to which he is assigned. Each mission has objectives. Achievement of these objectives generate outcomes for the firm (consulting firm).</p> <p>The developing of many consulting agencies around the world in order to raise the clients, the reputation of the company and make more profits are example of Strategic program. The use of computer hardware secured by the consulting firm and communication technologies within the</p>

⁴ Planning Planet (Nov-2015) – Guild of Project Controls Compendium and Reference (CaR) – 1 Controls. Retrieved from : <http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls>

⁵ GUILD OF PROJECT CONTROLS COMPENDIUM and REFERENCE (CaR) | Project Controls - planning, scheduling, cost management and forensic analysis (Planning Planet). (n.d.). Retrieved from <http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls>

		<p>company are examples of an operational program.</p> <p>A list of consulting agencies in France, for example, in Paris or Marseille, the consultants of a management consulting company can consult the projects in common, the resources are displayed in the resources via the online servers (cloud) and communication technologies (email, remote database), all this is an example of a multi-project program.</p> <p>Through a new project won by a consulting firm, consultants earn win markets and experience. These projects can also generate jobs in other sectors such as construction where labor can be requested for work in the field. The consultant provides him with his competence. All this is an example of mega-project.</p>
<p>Assets</p>	<p>A tangible or intangible resource with economic value that an individual, corporation or country owns or control with expectation that it will be provide future benefit.</p> <p>There are 5 types of assets: Human assets, Physical assets, information assets, financial assets and intangible assets</p>	<p>In the firm that employs the consultant there are employees (human assets) who use physical assets. The company has information assets and an accounting department for all financial assets.</p>
<p>Portfolio of projects</p>	<p>A “portfolio of projects “is no different than any investment portfolio, the objective being to minimize the risk and maximize the return. Any organization be it Owner or Contractor has a portfolio of assets(resources)</p>	<p>In the firm that employs the consultant there are employees (human assets) who use physical assets. The company has information assets and an accounting department for all financial assets.</p>

Portfolio of Assets	available to dedicate to projects, with the objectives being to develop the best “mix” of project which will generate the most favorable return on those assets.	
	The definition of portfolio assets is the same of any investment portfolio of project. Only, instead of regrouping different projects, the portfolio of assets as follow: Human assets, Physical assets, information assets, financial assets and intangible assets.	The portfolio asset is the mix of assets and the consultant uses resources, employees, hardware and finance.

Table 1: assets, program and portfolio definitions⁶

Through a single project the consultant enjoys a professional liability insurance that protects against the consulting firm in case of dispute regardless of the type of contract between the parties. For consulting firms, the consultant is like an asset (a person who can create value) and several contracts⁷ can be signed with him such as the standard consulting agreement (It is a basic contract that outlines the number of hours and the rate The Nondisclosure Agreement (NDA) is recognized as the confidentiality agreement, the noncompetence agreement, and in the same time the consulting firm signs other types of contract with these suppliers as, the scope of work and deliverables agreement

So, many companies with a real need give priority to consulting firms that have the international reputation of having the best consultants in the world. Counseling is an intervention performed in a company by an outside expert (the consultant) for a mission in each period (duration of the assignment). The applicant company contacts the firm for a service that is operated by the consultant. Indeed, the commissioning of a consultant for a given company represents a business opportunity for the firm. Young graduates from top business schools are the most targeted and continue to receive many contracts offers. For example, in 2016 in France, consulting firms recruited 8,000 people, including 4,000 young graduates from engineering and business schools⁸. Most consulting firms are looking for future profiles and consider young graduates as valuable assets. The directors of these firms face the same missions such as limiting time, deadlines, costs

⁶ By Author

⁷ Types of Consultant Agreements. (2010, April 15). Retrieved from <https://bizfluent.com/list-6304991-types-consultant-agreements.html>

⁸ Longour, M. (10, 3). Cabinets de conseil : les recrutements de jeunes diplômés encore en hausse. Retrieved from https://www.reussirmavie.net/actudebouchesblog/Cabinets-de-conseil-les-recrutements-de-jeunes-diplomes-encore-en-hausse_a502.html

and team management. If the payments offered by the consulting firms is the first motivation for the young graduates, it is much more because of the opportunities of evolution and learning.

However, young graduates and future consultants are poorly informed about the new contracts that consulting firms offer them. For example, in France, some consulting firms specializing in project management require that the new recruit is successively the qualities of autonomy (he must fully assume his role of independent advice), rigorous and organized, have the communication skills (he must constantly communicate to convince, anticipate the doubts and worries of the customers to reassure and know how to share the solutions), competent, modest (he must be patient and attentive to bring the customer to understand and accept and even, to know sometimes to erase to accept the evolutions as coming from inside). This is the case in the three largest consulting firms in France⁹ (Deloitte, KPMG and Ernest Young). The clauses of these contracts do not specify exactly the rights of recruiting (obligations of the firm towards the recruitment) in a matter of settlement of the disputes at the place of service. From this context, it appears that consulting firms make very little effort to inform young people about their obligations in the workplace and take advantage of this ignorance to commit numerous abuses. These include service fee abuses that are increased, payment terms that are not respected by contractors, and much more misinformation about the firm's ability to accommodate changes to the new consultant. For example, some international consulting firms like KPMG¹⁰, Capgemini¹¹ or BearingPoint¹² recruit a lot of trainees for periods of less than a year. These firms are sure that the young graduate will never become an expert in just six months and uses his factor to deceive the recruit for future progression in the company if he agrees to extend his contract. Not being an expert in his field, the young recruit sees through this proposal the possibility of increasing these skills, but he does not suspect a second of the deception supported by his cabinet. All the causes that have just been explained can be summed up by the analysis of the five why.

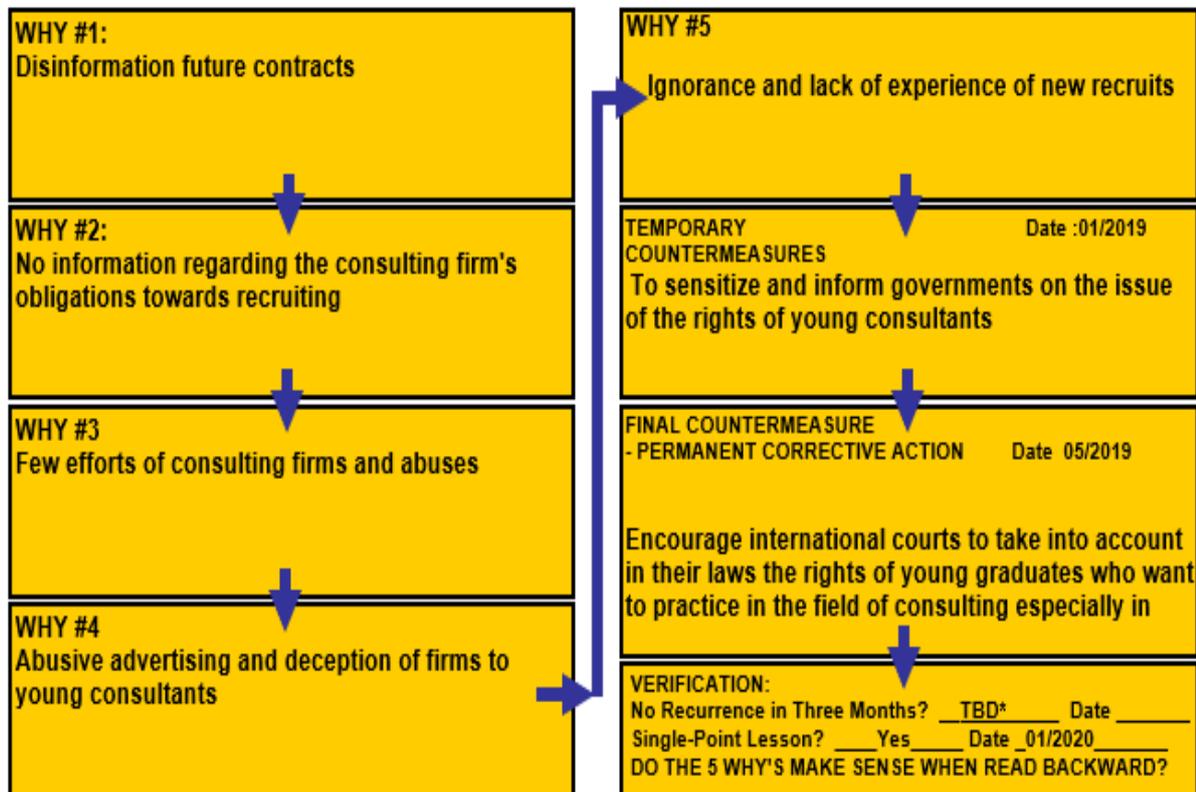
- **Root cause analysis with 5 whys**

⁹ Les cabinets de conseil, des prisons dorées pour les salariés. (2018, September 25). Retrieved from <http://www.lefigaro.fr/decideurs/management/2018/09/25/33007-20180925ARTFIG00207-les-cabinets-de-conseil-des-prisons-dorees-pour-les-salaries.php>

¹⁰ **KPMG**: In 1979 Klynveld Kraayenhof & Co. (Netherlands), McLintock Main LaFrentz (United Kingdom / United States) and Deutsche Treuhandgesellschaft (Germany) formed KMG (Klynveld Main Goerdeler) as a grouping of independent national practices to create a strong consultant European-based international firm.

¹¹ **Capgemini**: is a French multinational professional services and business consulting corporation headquartered in Paris, France. It provides IT services and is one of the world's largest IT consulting, outsourcing and professional services companies with over 200,000 employees in over 40 countries.

¹² **BearingPoint**: is a multinational management and technology consulting firm headquartered in Amsterdam, Netherlands.



Note: Continue on separate page if 5-whys are not enough to determine root cause. *TBD = To Be Determined

Figure 1: Analyze of five Whys of Consultant agreement contract¹³

Step 1: Problem recognition, definition and evaluation

After having identified the root cause analysis, let us now focus on the research questions around which our writing fits. We can mention among others:

Based on what alternatives and criteria can the consultant establish a contract with his consulting firm? of all possible alternatives what are the best for the field of consulting?

These are the questions we will try to answer.

¹³ By Author

METHODOLOGY

Step 2: Development of Feasible Alternatives¹⁴

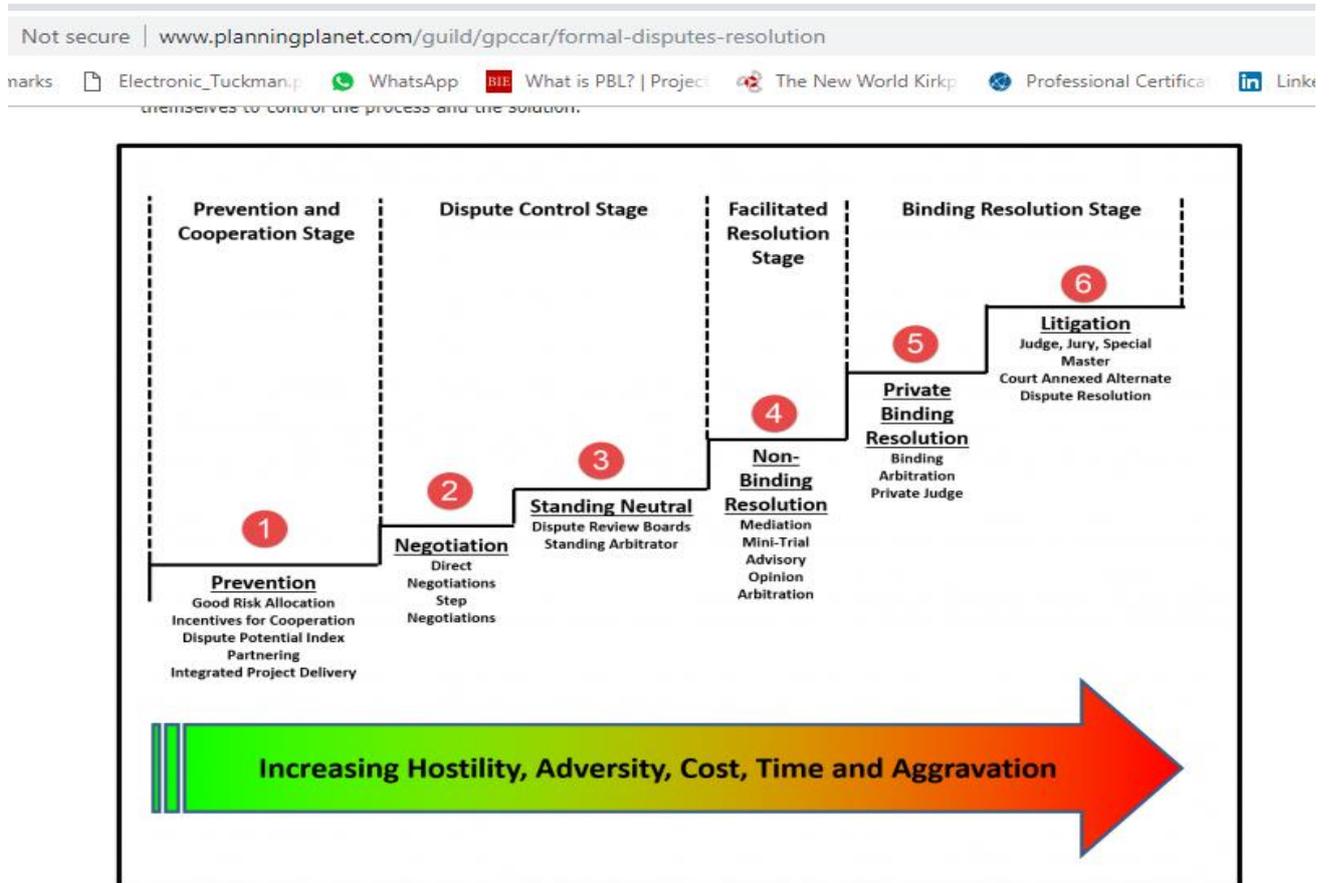


Figure 2 - Illustrating the Escalation Steps in the ADR Process
 Source: Adapted from The Handbook of Conflict Resolution: Theory and Practice 3rd Edition, 2014, Coleman, Deutsch & Marcus

The feasible alternatives solutions that has been identified for this problem are the following:

Prevention: “prevention is the best form of conflict resolution and supports several ‘best practices’ that help reduce problems in projects.”¹⁵ The undeniable first option to manage conflict resolution is certainly to prevent this type of situation from happening. In handling properly, the key elements to a favorable work atmosphere, disputes are less likely to arise.

¹⁴ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

¹⁵ The National Academy Press (2007) – *Reducing Construction Costs: Uses of Best Dispute Resolution Practices by Project Owners: Proceedings Report – Chapter: 3 Brief Review of Typical Dispute Prevention and Resolution Best Practices*. Retrieved from: <https://www.nap.edu/read/11846/chapter/4>

Negotiation: in other words, “discussing problems and resolving them consensually by focusing on the legitimate interests of both parties”¹⁶. Negotiation is an important approach of conflicts resolution, it helps understand the other and arriving to a win-win situation in the best case, when people adopt cooperative behaviors.

Standing Neutral: “is a trusted, independent expert advisor (or a panel of three advisors) chosen by contracting parties to help resolve any disputes that arise between them during the contractual relationship”¹⁷. This method is favorized for a peaceful conflict resolution where it is important not to hurt the existing relationship between the parties. It can help avoiding the escalation of the conflict and prevent negative outcomes.

Non-Binding Resolution: when the conflict is, for some reason, impossible to be dealt with internally or when, as the person in charge – project manager for example, you do not want to take sides with one of your employees, then the intervention of a third party can be appropriate to find the right solution. These kind of procedures aims at helping and assisting the parties involved to reach an agreement¹⁸. The non-binding resolution allow the parties involved to get advised on the dispute and regarding the law; but this action has no legal power and the parties are not forced to adopt the suggested solution¹⁹.

Private Binding Resolution: “Binding arbitration means that the parties waive their right to a trial and agree to accept the arbitrator's decision as final”²⁰. This method is processed the same way than the Non-Binding Resolution, except that as its name indicates, the final decision taken by the arbitrator must be accepted by the parties involved.

Litigation²¹: This alternative solution is the escalation of the previous ones. For problems too important to be solved easily and internally, then you can go to court to find an end solution to the dispute. This method is a bit aggressive and would of course be avoided as much as possible; even if sometimes, there is no other choice.

¹⁶ The National Academy Press (2007) – *Reducing Construction Costs: Uses of Best Dispute Resolution Practices by Project Owners: Proceedings Report – Chapter: 3 Brief Review of Typical Dispute Prevention and Resolution Best Practices*. Retrieved from : <https://www.nap.edu/read/11846/chapter/4>

¹⁷ The Mediation and Conciliation Network – Definition – *Standing Neutral*. Retrieved from : <https://mediationhub.org/expertise/dispute-resolution-services/standing-neutral/>

¹⁸ International Labour Organization – *Labour dispute prevention and resolution*. Retrieved from : <https://www.ilo.org/ifpdial/areas-of-work/labour-dispute/lang--en/index.htm>

¹⁹ Arts Law Center of Australia – Information Sheet – *Alternative Dispute Resolution – Binding and non-binding*. Retrieved from : <https://www.artslaw.com.au/info-sheets/info-sheet/alternative-dispute-resolution-binding-expert-determination-and-non-binding-e/>

²⁰ Planning Planet (Nov-2015) – *Guild of Project Controls Compendium and Reference (CaR) – 12. Claims*. Retrieved from : <http://www.planningplanet.com/guild/gpccar/formal-disputes-resolution>

²¹ Program on Negotiation – Harvard Law School (Jul-2018) – *What are the Three Basic Types of Dispute Resolution? What to know about Mediation, Arbitration, and Litigation*. Retrieved from : <https://www.pon.harvard.edu/daily/dispute-resolution/what-are-the-three-basic-types-of-dispute-resolution-what-to-know-about-mediation-arbitration-and-litigation/>

Now that we have been through the identified feasible alternatives solutions to answer our problem, let's focus on the attributes that we are going to use to measure, access and evaluate each one of them:

- **General Terms**²²

The Consulting Agreement should contain a section that covers a range of other matters that are crucial to the execution of the consulting work. This includes making clear that the consultant is an independent contractor rather than an employee, giving leeway to any delays or failures in performance caused by externalities beyond either party's control, and establishing how the two parties will communicate with one another in relation to the agreement.

Besides, the consulting agreement should contain the description of contract details.

- **Description**²³

The description of the contract details the scope of the project and the purpose of the contract. The description generally answers several questions, such as what work the consultant will perform, what the company wants and what problem needs to be solved. This section also details the method used by the consultant to attend to the company's needs.

In addition, the consulting agreement should contain the schedule (starting date of contract, date of end of contract, date of taking post, date of mission start)

- **Schedule**²⁴

The Consulting Agreement should state what date it comes into effect and for how long it will remain in force. The agreement can be terminated on a specific date or when the work has been completed to the satisfaction of both parties. After the parties have agreed on the key dates, they can review the payment terms.

- **Payment**²⁵

The consultant's fee details all relevant information about the payment, such as the amount and form of the payment and any opportunities for incentives or bonuses. This element also details the basis for charging, any budget restrictions, the definition of expenses and if the consultant charges

²² Key Elements of a Consulting Contract. (2012, August 15). Retrieved from <https://yourbusiness.azcentral.com/key-elements-consulting-contract-2149.html>

²³ Key Elements of a Consulting Contract. (2012, September 23). Retrieved from <https://smallbusiness.chron.com/key-elements-consulting-contract-55557.html>

²⁴ Key Elements of a Consulting Contract. (2012, August 15). Retrieved from <https://yourbusiness.azcentral.com/key-elements-consulting-contract-2149.html>

²⁵ 7 Things a Consultant Needs in a Consulting Agreement - LegalVision. (2016, August 23). Retrieved from <https://legalvision.com.au/things-a-consultant-needs-in-a-consulting-agreement/>

a retainer, flat-rate consultant fee, hourly fee, day rate or a fee based on completion of the task. Payment terms are reinforced by a guarantee from both parties to the contract.

- **Warranty²⁶**

The warranty element details any warranties given by the consultant to the client regarding the consultant's work, such as the client has a certain amount of days to notify the consultant of any errors or problems with the work. This section also details any costs associated with the warranty.

Moreover, the said contract itself provided by a guarantee does not prevent a stakeholder canceling a part or the entire contract

- **Cancellation²⁷**

The cancellation terms detail what actions are necessary for either party to cancel the contract as well as what penalties are faced if either party cancels the contract. This information includes notice requirements, fees for canceling and the mechanism for canceling.

- **Freedom to Choose a Neutral and Competent Decisionmaker²⁸**

The freedom to choose can be decisive in the outcome of the dispute.

- **Cost²⁹**

As one of the principal resources of all projects, the budget is something to consider in every taken decision. Going through conflict resolution can be money consuming. The cost of the chosen solution to resolve a dispute is something to take into consideration and that matters for the persons involved.

- **Speed³⁰**

Conflicts and their resolution can be time consuming. As time is another precious resource, this attribute must be considered regarding the fact that the less longer a conflict is lasting, the better. On top of that, when a conflict is happening, people tend to be more focused on what is going on than on their job, this inevitably affects their productivity.

²⁶ Key Elements of a Consulting Contract. (2012, September 23). Retrieved from <https://smallbusiness.chron.com/key-elements-consulting-contract-55557.html>

²⁷ Key Elements of a Consulting Contract. (2012, September 23). Retrieved from <https://smallbusiness.chron.com/key-elements-consulting-contract-55557.html>

²⁸ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

²⁹ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

³⁰ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

- **Confidentiality³¹**

Confidentiality can weight in the choice of the method to resolve a conflict. Some conflicts can have negative consequences and are better kept secret between the persons involved.

- **Flexibility of process ³²**

The way to resolve a dispute can range from very informal to very formal. It depends on the context and persons involved. Sometimes, dealing with a conflict informally can lead to a quicker resolution and can help handle the situation if the involved parties show good faith. On other occasions, resolving a dispute based on rules and regulation can lead to better outcomes. This attribute is important because there is not just one universal method to resolve a conflict so the flexibility of the chosen process matters.

- **Absence of appeal³³**

When one – or both of the parties are not happy with the final solution of the conflict resolution process adopted, it is sometimes possible to appeal this decision, and sometimes not. Both have pros and cons.

- **Enforceability³⁴**

This attribute will help us evaluate the enforceability of the chosen method as is it crucial in conflict resolution that the final solution is applied/adopted.

- **Ability to Select Place and Language of the Arbitration ³⁵**

These attributes allow parties to avoid any conflict in the language of the dispute resolution and especially the place. Both parties must agree upon the departure of the place and the language so that the arbitration is easy.

³¹ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

³² Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

³³ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

³⁴ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

³⁵ Perceived Advantages and Disadvantages of International Arbitration - Proskauer on International Litigation and Arbitration. (n.d.). Retrieved from <https://www.proskauerguide.com/arbitration/19>

Step 3: Development of the outcomes

Among the multiple existing tools and technique allowing to rank the possible solutions we developed above, we will focus here on a non-compensatory model using disjunctive reasoning.

Through this approach, we “look at all the attributes and conduct a Pair-Wise comparison to determine which attributes are the most important by asking “which is more important?” and we give a score of 1 to the winning option and a score of 0 to the losing option.”³⁶

Attributes	General terms	Description	Schedules	Payment	Warranty	Cancellation	Cost	Speed	Freedom to Choose a Neutral and Competent Decisionmaker	Absence of appeal	Confidentiality	Flexibility of process	Enforceability	Ability to Select Place and Language of the Arbitration	Total
General terms	1	1	1	1	1	1	1	1	1	1	1	1	1	1	13
Description	1	0	1	0	0	1	0	0	0	1	1	1	1	1	7
Schedules	1	1	0	0	0	0	0	0	0	0	0	0	1	1	5
Payment	1	1	1	0	1	1	1	0	1	1	1	1	1	1	12
Warranty	1	1	0	1	0	0	0	0	1	1	1	0	1	0	7
Cancellation	1	0	0	0	0	0	0	0	1	1	0	0	0	0	3
Cost	1	0	0	1	0	0	0	0	1	1	1	1	1	0	7
Speed	1	0	0	0	0	0	0	0	1	1	1	1	1	1	7
Freedom to Choose a Neutral and Competent Decisionmaker	1	0	1	1	1	1	1	1	0	0	1	0	1	1	11
Absence of appeal	1	0	1	1	1	1	1	0	0	0	0	0	0	1	7
Confidentiality	1	1	1	1	1	1	1	0	0	0	0	0	1	1	9
Flexibility of process	1	1	1	0	1	1	1	0	0	0	0	0	1	1	8
Enforceability	1	1	1	1	1	1	1	1	0	0	0	0	0	1	9
Ability to Select Place and Language of the Arbitration	1	1	1	1	1	0	1	1	1	0	1	0	0	0	9

Table 2: Non-Compensatory Model using Disjunctive Reasoning³⁷

³⁶ Planning Planet (Nov-2015) – Guild of Project Controls Compendium and Reference (CaR) – 10.3.3.7 Multi-Attribute Decision Making. Retrieved from: <http://www.planningplanet.com/guild/gpccar/managing-change-the-owners-perspective>

³⁷ By Author

Considering the table above, the most important attribute, or the “best” one is General terms, followed by the payment of the chosen alternative. The “worst” attributes are respectively the warranty and cancellation.

As said in the attribute description, **General terms** are important because any contract must include the **description** of the contract including costs (**payment**) and time. The general terms define the clauses relating to the contract. Any contract needs to define the important dates that governs it (**date of beginning of the contract, date of end**) from where the **schedule**. A good contract between a consultant and his firm cannot fail to consider the payment. Whether at the level of the client or the consultant, the price is an essential element. The motivation and commitment to a project for a consultant is also beyond the general terms of the payment model that the company offers. In addition, the **warranty** is still not insured in a contract and the **cancellation** conditions are rare hence their weakness in the choice of alternative criteria.

Step 4: Selection criteria

To complete this reasoning, the final step will be to select the top alternatives solutions that we will continue to analyze. In order to designate those alternatives, we will now consider a compensatory model, using a non-dimensional scaling technique. Each alternative solution will be evaluated from “excellent” to “poor” – considering “good” and “fair” – as regard to the previous chosen attributes

Attributes	General terms	Description	Schedule	Payment	Warranty	Cancellation	Cost	Speed	Freedom to Choose a Neutral and Competent Decisionmaker	Absence of appeal	Confidentiality	Flexibility of process	Enforceability	Ability to Select Place and Language of the Arbitration
Prevention	Excellent	Good	Poor	Poor	Fair	Good	Good	Poor	Excellent	Excellent	Fair	Fair	Fair	Good
Negotiation	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor	Fair	Excellent	Poor	Good	Fair	Fair	Good
Standing Neutral	Excellent	Fair	Excellent	Excellent	Poor	Excellent	Fair	Excellent	Excellent	Poor	Poor	Excellent	Good	Fair
Non-binding resolution	Excellent	Poor	Fair	Excellent	Good	Fair	Fair	Fair	Excellent	Good	Poor	Excellent	Fair	Good
Private binding resolution	Good	Poor	Poor	Excellent	Poor	Poor	Good	Poor	Good	Poor	Fair	Good	Poor	Fair
Cancellation	Good	Fair	Poor	Good	Poor	Good	Poor	Fair	Good	Poor	Fair	Good	Fair	Poor
Litigation	Good	Poor	Fair	Good	Poor	Fair	Fair	Poor	Good	Fair	Poor	Poor	Fair	Fair

Table 3: Analyze of the alternative’s solutions based on a Compensatory Model³⁸

The ultimate step is to calculate the relative weigh of each attribute:

“Excellent” worth 3, “Good” worth 2, “Fair” worth 1 and “Poor” worth 0

³⁸ By Author

Attributes	General terms	Description	Schedule	Payment	Warranty	Cancellation	Cost	Speed	Freedom to Choose a Neutral and Competent Decisionmaker	Absence of appeal	Confidentiality	Flexibility of process	Enforceability	Ability to Select Place and Language of the Arbitration	Total
Prevention	3	2	0	0	1	2	2	0	3	3	1	1	1	2	21
Negotiation	3	3	3	3	3	1	0	1	3	0	2	1	1	2	26
Standing Neutral	3	1	3	3	0	3	1	3	3	0	0	3	2	1	26
Non-binding resolution	3	0	1	3	2	1	1	1	3	2	0	3	1	2	23
Private binding resolution	2	0	0	3	0	0	2	0	2	0	1	2	0	1	13
Cancellation	2	1	0	2	0	2	0	1	2	0	1	2	1	0	14
Litigation	2	0	1	2	0	1	1	0	2	1	0	0	1	1	12

Table 4: Analyze of the alternative’s solutions based on a Compensatory Model³⁹

Regarding the results delivered when applying the Multi-Attribute Decision Making (MADM) method to our case, we can observe that our previously determined feasible alternatives rank from a minimum score of 12 to a maximum score of 26.

We will set the minimum acceptable level to keep analyzing these alternatives at 20: any alternative that has scored under 20 will not be considered anymore. Considering the table above, the three following alternatives: **prevention, negotiation, standing neutral and non-binding resolution** will be developed in further details in the next steps.

³⁹ By Author

Step 5: Analyze of the four alternatives

According to MADM, we have four feasible solutions to improve our initial contract. In fact, the feasible solutions are **prevention, negotiation, neutral status and non-binding resolution**. We have already eliminated three solutions and we must limit our solution by eliminating a solution to find the best solution.

To do this, we will use the technique of compensation model 2: additive weighting technique. Looking at this technique, we will compare the four possible solutions: **prevention, negotiation, standing neutral and non-binding resolution**. The additive weighting technique will allow us to complete the following table. The three different statements used in multi-attribute decision making "Best, Equivalent and Worst" will be converted to numbers in the following table.

Attributes/Comparison	Prevention	Negotiation	Standing neutral	Non-binding resolution
General Terms	1	1	1	1
Description	0,67	1	0,33	0
Schedules	0	1	1	0,33
Payment	0	1	1	1
Warranty	0,33	1	0	0,67
Cancellation	0,67	0,33	1	0,33
Cost	0,67	0	0,33	0,33
Speed	0	0,33	1	0,33
Freedom to choose a Neutral and Competent Decisionmaker	1	1	1	1
Absence of appeal	1	0	0	0,67
Confidentiality	0,33	0,67	0	0
Flexibility of process	0,33	0,33	1	1
Enforceability	0,33	0,33	0,67	0,33
Ability to select Place and Language of arbitration	0,67	0,67	0	0,67
Total	7	8,66	8,33	6,99

Table 5: Additive relative technique⁴⁰

⁴⁰ BY AUTHOR

- Better = 1 - Equal = 0,67 - Worse = 0,33 - N/A = 0

Now that we have the table of the additive relative technique, we must know the ordinal ranking by comparing the attributes to form a basic design decision, using the Non-Compensatory Model technique 3: Pair wise Analysis. It is a comparison that will guide us to decide which attributes are the most relevant.

Attributes	General terms	Description	Schedules	Payment	Warranty	Cancellation	Cost	Speed	Freedom to Choose a Neutral and Competent Decisionmaker	Absence of appeal	Confidentiality	Flexibility of process	Enforceability	Ability to Select Place and Language of the Arbitration	Total	Ordinal ranking
General terms	1	1	1	1	1	1	1	1	1	1	1	1	1	1	13	1st
Description	1	1	0	1	0	0	1	0	0	0	1	1	1	1	7	6th
Schedules	1	1	1	0	0	0	0	0	0	0	0	0	1	1	5	7th
Payment	1	1	1	1	1	1	1	0	1	1	1	1	1	1	12	2nd
Warranty	1	1	0	1	1	0	0	0	1	1	1	0	1	0	7	6th
Cancellation	1	0	0	0	0	1	0	0	1	1	0	0	0	0	3	8th
Cost	1	0	0	1	0	0	1	0	1	1	1	1	1	0	7	6th
Speed	1	0	0	0	0	0	0	1	1	1	1	1	1	1	7	6th
Freedom to Choose a Neutral and Competent Decisionmaker	1	0	1	1	1	1	1	1	1	1	0	0	1	1	11	3rd
Absence of appeal	1	0	1	1	1	1	1	0	0	1	0	0	0	1	7	6th
Confidentiality	1	1	1	1	1	1	1	0	0	0	1	0	1	1	9	4th
Flexibility of process	1	1	1	0	1	1	1	0	0	0	0	1	1	1	8	5th
Enforceability	1	1	1	1	1	1	1	1	0	0	0	0	0	1	9	4th
Ability to Select Place and Language of the Arbitration	1	1	1	1	1	0	1	1	1	0	1	0	0	0	9	4th

Table 6: Compensatory Model Technique 3: Pair wise analysis⁴¹

After completing the analysis, we can rank the different options in the following order:

1. General terms
2. Payment
3. Freedom to Choose a Neutral and Competent Decisionmaker

⁴¹ BY AUTHOR

In fact, these sections need to be clearly defined and clarified in order to reduce and avoid potential conflict. These attributes are the most important in a consultant contract and must be written with as much specification as possible.

After using the Pair-Wise comparison comparing each possible alternative, we can use the Compensation Model 2 technique: additive weighting technique to finalize our analysis and refine our results to obtain a single final document.

Attributes	Step 1	Step 2			Prevention		Negotiation		Standing Neutral		Non-binding resolution	
	Relative Rank	Normalized Weight (A)			(B)	(A)x(B)	(C)	(A) x (C)	(D)	(A) x (D)	(E)	(A) x (E)
General terms	1	1/67	=	0,15	1	0,15	1	0,15	1	0,15	1	0,15
Description	6	6/67	=	0,09	0,67	0,06	1	0,09	0,33	0,03	0	0
Schedule	7	7/67	=	0,10	0	0	1	0,10	1	0,10	0,33	0,033
Payment	2	2/67	=	0,03	0	0	1	0,03	1	0,03	1	0,03
Warranty	6	6/67	=	0,09	0,33	0,03	1	0,09	0	0	0,67	0,06
Cancellation	7	7/67	=	0,10	0,67	0,067	0,33	0,033	1	0,10	0,33	0,033
Cost	6	6/67	=	0,09	0,67	0,06	0	0	0,33	0,03	0,33	0,03
Speed	6	6/67	=	0,09	0	0	0,33	0,03	1	0,09	0,33	0,03
Freedom to choose a Neutral and Competent decisionmaker	3	3/67	=	0,044	1	0,044	1	0,044	1	0,044	1	0,044
Absence of appeal	6	6/67	=	0,09	1	0,09	0	0	0	0	0,67	0,060
Confidentiality	4	4/67	=	0,06	0,33	0,02	0,67	0,0402	0	0	0	0
Flexibility of process	5	5/67	=	0,075	0,33	0,024	0,33	0,247	1	0,075	1	0,075
Enforceability	4	4/67	=	0,06	0,33	0,02	0,33	0,02	0,67	0,0402	0,33	0,02
Ability to Select Place and Language of the Arbitration	4	4/67	=	0,06	0,67	0,04	0,67	0,0402	0	0	0,67	0,0402
SUM	67	1		1	7	0,605	8,66	0,870	8,33	0,689	6,99	0,605

Table 7: Compensatory Model technique 2: Additive Weighting Technique⁴²

Step 6: Selection of preference alternative

Using the tables above, the additive technique and the pair wise analysis, we can now locate the best alternative and decide which is a much better options compared to the others. In the additive relative technique in table 5 we can see that Negotiation is: $8,66/7 = 1,237 \times 100 = 123,7\%$ better

⁴² BY AUTHOR

than the Prevention.; is $8,66/8,33=1,04 \times 100 =104$, % better than the Standing Neutral and is $8,66/6,99= 1,234 \times 100= 123,4\%$ better than the Non-binding resolution.

This result means that Negotiation is a better recommendation to improve our baseline document.

Also, we can see in the table 7, using the additive weighting technique that Negotiation is $0,870/0,605= 1,44 \times 100= 144\%$ and $0,870/0,689=1,262 \times 100 = 126,2\%$ a better choice than the three other alternatives.

Finally, these techniques enable us to conclude that Negotiation is the best solution to enhance our baseline document and now we can rank the 6 different options in the following order:

- 1) Negotiation
- 2) Standing Neutral
- 3) Prevention
- 4) Non-binding resolution
- 5) Private binding resolution
- 6) Litigation

Step 7: Performance monitoring and post evaluation of result

The purpose of this analysis was to find out the best alternative, which will be the best one to improve and revise our baseline document.

For this purpose, we needed to decide and establish an agreement with the end intention to decide which is the best alternative. In this purpose, I used 6 feasible alternatives for this analyze and then started by narrowing them down to four alternatives, and finally choose the best option by using the different technique and by research and investigation.

CONCLUSION

The initial objective of this document was to analyze the complication to write the first contract of a youth in consulting firm regarding different criteria. To carry out our analysis, we conducted our study by proposing 6 alternatives with 14 possible choice criteria and we found that negotiation was the best alternative to establish a contract for a young recruit and that standing-neutral is the 2nd choice alternative.

The purpose of this article was to provide answers to the following questions:

- 1) Based on what alternatives and criteria can the consultant establish a contract with his consulting firm?**

2) Of all possible alternatives what are the best for the field of consulting?

In this article, we answer the first question by enumerating six alternatives then selecting four and then following different techniques and tools. Moreover, we conclude that the best solution is negotiation (question 2). The latter allowed us to conclude that, in order to avoid and reduce the risks of conflict in the contract, the young recruit must negotiate with his consulting firm on the clauses of the contract present in the general terms and the two parties must define an arbitration for respect the neutrality.

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About the Author



ODILON IRAKOZE

Paris, FRANCE



ODILON Irakoze is an IT professional with more than 4 years of experience in project management in industrial IT and systems administration. Born in Burundi, he obtained his bachelor's degree in biological science in 2011 in Cameroon. Then he went to Tunisia where he was major of his promotion in the degree course in industrial computer science. Following this success, he was able to integrate SUPINFO the first computer engineering school in France where he obtained his engineering degree in computer science with two certifications internationally recognized respectively in CMMI and computer security. He has just completed his last assignment in 2016 at Stratalis, a company specializing in cloud computing, and is currently pursuing his studies in the second year of master project management at SKEMA Business School.

ODILON lives in Paris, France and can be contacted at odilrak08@gmail.com