

# CONSULTING

THE PEOPLE • THE PROFESSION • THE LIFESTYLE

THE HIDDEN GEMS OF THE CONSULTING PROFESSION

## seven small jewels

Each year, *Consulting* magazine recognizes the Seven Small Jewels of the industry. But our annual celebration of the little firms that could has evolved from simply a way to recognize those often overlooked firms to a testament to the impact that all small firms are having on the industry. They are helping shape and redefine the consulting marketplace. In many ways, the seven firms featured this year represent a snapshot of the new consulting landscape. Smaller firms are no longer flying under the radar. Rather, they are playing in the big leagues and challenging the legacy firms by going after their clients and their talent. And, in many cases, they are winning. The 2008 Seven Small Jewels—ranging in size from \$3 million to \$52 million and from just 13 billable consultants to 200—are leading the charge of the resurgence of the small, niche, consulting firm that plays a major role in the profession today.

# Censeo Consulting Group

## RAJ SHARMA KNEW HE WANTED

to change the rules of consulting. So when he founded Censeo Consulting Group after leaving Booz Allen Hamilton five years ago, he set out to do things a little differently. "I really wanted to fundamentally think about consulting in a different way," Sharma says. "I got to thinking that there had to be a better way that would allow us to address some of the core issues and problems that I've seen in my years in consulting."

Those issues, Sharma says, focused on the way some consulting firms think about customers and their own people, treating them "essentially like commodities," he says.

"I knew I would never run my firm that way," he says. "I wanted anything we did to have a lasting impact on the business, things that go past just making money for the firm. I wanted to do work I'm proud of and passionate about. From the beginning, I wanted Censeo Consulting to be about the greater good."

So Sharma, president and CEO of Censeo, started the business with a few colleagues from Booz Allen and a few more from

**Headquarters:** Washington, D.C.

**Offices:** 1

**Billable Consultants 2007:** 35

**Revenue 2006:** \$2.3 million

**Revenue 2007:** \$5.3 million

**Projected revenue for 2008:** \$8 million

A.T. Kearney, the kind of people "who understood the vision I had for the firm." But coming from such big-name firms, Sharma and his co-workers understood the challenges that come with a start-up consulting firm.

"The big break for us came about 11 months into the business," he says. "A few clients realized that it didn't really matter what the firm name was, but it was about the people that you brought to the table, and the expertise that you could provide."

What Censeo brings to the table for clients, Sharma says, is exceptional value. That means Censeo only will take on engagements where Sharma believes the firm can truly leverage its core problem-solving and change competencies around supply chain and operations. "What do customers really hire us for? They're seeking expertise and thought leadership. Those are the only cus-

tomers we want to work with," Sharma says. "Part of a being a thought leader means going beyond what other firms have already done. Of course, we want to leverage best practices, but we need to go past that to truly deliver value to clients."

With a Booz Allen background, it's not surprising that the roots of the business was federal government and public sector business, but that business mix is changing, Sharma says. "Originally, there was a hole in the marketplace in the federal side around strategy-type skill sets, and this fit nicely with what we were trying to do," he says. "Our roots are in procurement, but we've started to expand that footprint and now are serving commercial clients—Fortune 500 clients who are looking at broader issues around operations and supply chain."

And that business shift has helped fuel Censeo's rapid growth. The firm grew some 230 percent from 2006 to 2007 and is projected to grow another 50 percent in 2008. To keep up with the demand, Sharma expects to add 10 to 15 billable consultants this year, bringing the total to 50. Eventually, Sharma envisions

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*Raj Sharma, founder, president and CEO of Censeo Consulting Group*

Censeo being a \$75 million to \$100 million firm with 200 to 500 consultants. "My goal is not to grow this firm ridiculously," he says. "We're not driven by top line growth. We won't incentivize or compensate our people that way. I'd rather grow the firm the right way with the right people."

The right way with the right people means Sharma takes work/life balance very seriously, including the firm's virtual delivery model whereby consultants travel only when absolutely necessary—usually about 15 percent of their time, he says. "We will never work with clients who want us on site three or four days a week. We just don't believe in this day and age a client requires that," he says. "We'll go to the client site as needed, but most clients understand and believe in the virtual delivery model and benefit from lower overhead costs and more productive consultants. We can deliver without being on the client site. Actually, it's been tougher convincing old-time consultants." —Joseph Kornik

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