

Edited by Edmund Tadros: ed.tadros@afr.com Twitter: @edmundtadros

Firm loyalty a two-way street

Edmund Tadros
Professional services editor

As the large consulting firms were laying off staff to protect their bottom lines during the early stages of the COVID-19 pandemic, Mohit Sharma, the founder of Sydney-based boutique consultancy Mindfields, was thinking long term.

Despite seeing clients cut back on spending, Mindfields did not sack any of its consultants and kept them on full pay.

As rival firms now scramble to fill empty roles, the automation and artificial intelligence specialist is enjoying the rewards of loyal retained professionals. Its number of new clients is up 15 per cent in the past year, while the revenue generated per consultant is up by 35 per cent over the same period.

Mindfields has also increased pay and paid bonuses during a period when other firms were cutting pay, deferring promotions and making consultants redundant.

Mr Sharma says the way some firms treated staff during the pandemic will have a long-term impact on their ability to convince the best people to work for them.

"The big consulting firms are now finding it difficult to hire premium resources as the firms diluted their employee value proposition last year due to the way they treated their employees during the pandemic," he says.

"You can now see that margins and profits have gone up at these big firms after their cost cutting."

Mr Sharma says his approach has been to encourage and reward loyalty as a way of differentiating his company from the internationally branded firms which tend to hire consultants in bulk and have rapid turnover. He is now extending this ethos to his Indian employees watching in horror as COVID-19 spirals out of control in their country.

He employs about 40 professionals between Australia and India and has provided extra paid leave so they can care for family and assist their local communities.



Mohit Sharma believes treating staff well will build loyalty and avoid the turnover seen at some rivals. PHOTO: LOUIE DOUVIS

Key points

Consultancies that cut staff in the pandemic might now struggle to attract the best.

Mindfields says its approach of keeping people on full pay is paying dividends.

"What we said to our colleagues in India and also in Australia is take time away from work to do what you need to do for your family and we will pay you whatever you are due during this period," Mr Sharma says.

"[My Indian colleagues] are also distributing food packages in their community and we are treating all of this time as chargeable work for their bonus calculation.

"It's a very difficult situation and I

want my colleagues there to focus on their family and also community at the moment until it gets better.

"We have [also] donated to GHARA [Group Home and Respite Association], a charity for intellectually disabled individuals as their care and support have taken a back seat during the current COVID crisis."

Mr Sharma, who was born in India, lost four relatives and friends during the first wave of the COVID-19 pandemic in that country.

"I am saddened to share that nine people in my network of family and friends have succumbed to COVID over the past month," he says.

The stance he is taking also appears backed up by business acumen, and a knowledge that he cannot compete with global firms based on scale and weight of number.

Mr Sharma says many large firms hire graduates en masse on the

assumption most will leave after three to five years.

Mindfields pays junior technical staff with a bachelor degree between \$75,000 and \$110,000, depending on their aptitude and potential, and they are typically eligible for stock options in the privately held company after working at the firm for a year.

Mr Sharma also tries to attract and retain ambitious consultants with the promise of career development, guaranteeing they will work on only the latest technologies and get good access to senior client staff: "Our consultants go deeper into the technology and are ahead of the curve. We invest at least 30 per cent of our earnings in research and experimentation on new technologies – we treat this as an insurance premium in order to stay ahead in the industry. We follow our value of 'learn to unlearn' to exit an offering as soon as it has become commoditised."

Defence work latest winners

Consulting clients

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The **Department of Defence** entered into contracts worth \$21.5 million with four consultancies for a range of services.

■ **PwC** won a nine-month contract, worth \$9.4 million, to provide program management services to the department.

■ **PwC** will also perform a cyberspace governance improvement program for the department in a 14-month contract worth \$2 million.

■ **Deloitte** won a one-year contract to work on a health program for Defence in a contract worth \$5.5 million.

■ **Boston Consulting Group** will provide unspecified review and support services to Defence in a three-month contract worth \$3.2 million.

■ **McKinsey** won an eight-week, \$1.4 million contract to analyse the affordability of the Hawk 127 lead-in fighter training system for Defence.

■ **Bain** will help **The Star Entertainment Group** with its takeover offer for **Crown Resorts**. Star has identified \$150 million to \$200 million in savings over two years that can happen if the casino groups are combined. Bain has separately confirmed these figures.

■ **McGrathNicol** partners Barry Kogan, Robert Smith and Jonathan Henry have been appointed as the voluntary administrators of start-up **Data Republic**. The economic hit from the pandemic and a failed US deal led to a cash shortfall, according to co-founder and CEO Danny Gilligan.

■ **EY** won a four-month contract, worth \$1.2 million, to provide temporary personnel to the **Department of Agriculture, Water and the Environment**.

■ **PwC** has been made a "transformation blueprint strategic partner" by the **Department of Agriculture, Water and the Environment**. The three-month appointment is worth \$2 million.

■ **PwC** will review the loading provided to students with disabilities for the **Department of Education, Skills And Employment**. The review contract runs for 10 months and is worth \$2.5 million.