

MSIA Reading Series 33



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HOW TO START AND RUN AN EFFECTIVE SOCIAL AND ENVIRONMENTAL CONSULTANCY IN MALAYSIA

SPEAKER
DR. G BALAMURUGAN
CEO ELISTRA ADVISORY SDN. BHD.
PROFESSIONAL MEMBER A004

MODERATOR
TPr HERLINA AB. AZIZ
MSIA PRESIDENT
PROFESSIONAL MEMBER A003

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siamalaysia@gmail.com www.msiamy.org Malaysian Association of Social Impact Assessment

Edited by:
Balamurugan G ¹
Mohd Shahwahid H.O.²,

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¹ Chief Executive Officer, ELISTRA Advisory Sdn Bhd; and Founder, ERE Consulting Group

² Teaching Fellow, School of Business and Economics, Universiti Putra Malaysia; Managing Director, MSR Inspire Sdn Bhd., and Chair, Publication Committee MSIA.

How to Start and Run a Social and Environmental Consultancy in Malaysia

1. Introduction

1.1 The Problem, and What “Effective” Means

Most new consultancies do not survive their first two years. The reason is rarely the quality of the technical work. Being deeply passionate about the subject, being a capable scientist, or being an effective activist does not make someone a capable business owner — and it is the business, not the science, that shuts most firms down.

Effectiveness therefore has to be defined in two parts, and both are required. The first is meaningful work: work that contributes positively to the environment and to society, that lifts the professional standard, and that makes the firm somewhere people want to work — a company staff, clients and community are proud of, and a legacy worth leaving. The second is profit. No matter how noble the intention, a consultancy that cannot make a profit is a failure: it cannot pay its people well, cannot pay bonuses, cannot invest in new technology, and cannot sustain itself.

The connection between the two is more direct than it first appears. Financial strength is precisely what allows a practice to make the right and ethical decision, to avoid being pressured into dubious projects, to turn a bad client away, and to sleep at night. A financially fragile firm will eventually be asked to compromise, and will eventually say yes.

What follows is drawn from thirty-five years in consulting: founding ERE Consulting Group in 1994 with a headcount of one and divesting it in 2021 at fifty-five staff; running the Asia environment business at Aurecon at two hundred staff, and six countries; and working on MRT1, 2 and 3, the ECRL, HSR, LRT3, Penang LRT, Kuching ART, the National Biodiversity Policy, RFN 1–4 and PPSIA. It is drawn equally from a great many mistakes.

The survival and sustainability of consultancy firms would require giving attentions to several factors. To survive the consultancy firm has to take care of five critical elements namely:

- i the client,
- ii marketing,
- iii the work itself,
- iv money, and
- v people.

2. Client:

2.1 Who You Serve, and How Well You Serve Them

It is essential that the new consultants determine the areas to focus on, understand the ecosystem and supply chain, and take good care of your special clients. In particular:

- i Get narrow before you get big. Pick a few markets and focus, because no firm can be good everywhere. A specific niche makes marketing almost automatic, lets you learn the client's language, and makes you the obvious call rather than one of forty. Just as important, be explicit about the work you will not do and the markets you will not touch; those refusals save years of unproductive effort.
- ii Know the ecosystem, not just the client. If you serve railways, know the regulators, the rolling-stock suppliers, the signalling vendors, and what the trade press is arguing about this month. This is what separates a consultant from a contractor: you carry pattern recognition across an industry that no single client has about itself, which makes you worth talking to long before there is a project on the table.
- iii Look after your best clients properly. Know your most important clients inside out — their people, their pressures, what their board is worried about this year — and put senior staff on your top three accounts rather than whoever happens to be free. The client is the star of the engagement, and the accounts that matter most deserve your best, not your spare capacity.

3. Marketing:

3.1 How People Find Out That You Exist

It is essential to market your services well, maintain relationships with your clients and to make your presence felt through participation in public information discourse. By consistently producing insightful content and nurturing relationships with individual clients as they advance in their careers, you build a resilient base that prevents the dangerous feast-or-famine cycle. Specifically indulge in:

- i Sell while you are delivering, not after. The feast-and-famine cycle kills more consultancies than bad work does. When the team is heads-down on a project, business development stops, and eight weeks later there is no pipeline. Block time every week for outreach and follow-ups even in your busiest month — especially then — and defend that block like a client meeting.
- ii Follow the person, not the organisation. Your best pipeline is the client who enjoyed working with you and then changed jobs. Keep a simple list, check in twice a year with something genuinely useful rather than a “just touching base” message, and congratulate people on their moves. Ten strong advocates scattered across an industry will out-produce any amount of cold outreach.
- iii Speak and write whenever you can. A published point of view — an article, a talk, a proper conference paper, a LinkedIn post that is not slop — does work you cannot do in person. It sorts inbound enquiries toward people who already agree with your approach, and it keeps working while you are busy. One genuinely useful piece a quarter beats daily noise, and speaking well in front of two hundred people buys publicity that cold calling never will.

4. Work:

4.1 Doing the Job, and Reading the Room While You Do It

A successful consulting engagement relies on technical execution paired with acute situational awareness—delivering what the client truly needs while skillfully navigating organisational dynamics and by leveraging on cutting-edge technology, turn complex challenges into long-term strategic potentials. These could involve:

- i Manage expectations all the way through. Nobody likes surprises. Share findings as they emerge, socialise the uncomfortable conclusions early, and never let a steering committee hear something for the first time in a formal setting. A final presentation in which nothing is new is not an anticlimax — it is the sign the job was run properly. Promise carefully and over-deliver slightly: the adjacent question answered anyway, the one-pager that can be forwarded to a board. Reputation compounds from a hundred of these, not from one heroic effort.
- ii Invest in technology. Competition is brutal, and a firm that sells what everyone else sells has only price left as a lever — a race it cannot win against lower overheads and looser standards. Technology changes what you are selling rather than what you charge: remote sensing, GIS, digital modelling, and AI for

the document-heavy work. Budget a fixed share of revenue in advance, not whatever happens to be left over.

5. Money:

5.1 What You Charge, and What You Actually Keep

True consulting profitability isn't just about bringing in revenue—it's about pricing your work based on the value you create rather than the hours you log. By focusing on repeat client relationships to boost margins and keeping a tight grip on cash flow, successful advisors ensure their firm stays financially healthy for the long haul.

- i Sell value, not man-hours. Charging by the day ties your income to your headcount and quietly pays you for being slow. Price instead against what the decision is worth. Local procurement will still demand a man-day breakdown, and that argument will not be won on the form — so decide your price first and build the table to fit it, never the other way round. In conversation, talk about the client's problem rather than your hourly or daily rate.
- ii Repeat clients are where the money is. A second engagement costs almost nothing to win: no proposal, no procurement circus, no ramp-up on context you already hold. The margin difference between a new logo and a returning client is enormous. Structure the first project so that it has a natural next chapter, and leave every engagement knowing what should happen after it — thinking about the fourth job with a client, not merely the second. The caveat is concentration risk, which repeat business quietly accumulates.
- iii Know your numbers, especially cash. Utilisation, effective hourly rate and cost of delivery per engagement all matter, but cash matters most. Profitable consultancies go under from timing rather than from losses: salaries are paid monthly, while clients pay whenever their finance team feels like it. Understand the finance — the P&L, ageing debtors, liabilities, EBITDA — and watch the gap between work delivered and cash received.

6. People:

6.1 Who You Hire, and How You Keep Them

Managing an energetic consulting firm requires surrounding yourself with quality talent and giving them both the systems and autonomy to succeed without you in every room.

By combining smart delegation and robust processes with deliberate self-care, efficient consulting firms protect their most critical assets—their energy, reputation, and team—for the long haul.

- i Hire slowly, and hire for judgment. The real test is whether someone can be trusted alone in a room with a client; judgment and curiosity count for more than credentials. Resist hiring cheap juniors because you are drowning, since an under-qualified hire on a live account cost more than the revenue they were taken on to service. Employ people smarter than you.
- ii Use subcontractors and associates. Specialist subcontractors, trusted associates and reciprocal relationships with adjacent firms are how a small consultancy absorbs an unexpected win without betting the payroll on it. It has its own craft: quality control over people who do not report to you, a margin worth the management effort, and always telling the client who is doing the work. Cultivate these people in the quiet months, not in the week you need them — which is also what makes hiring slowly affordable.
- iii Train them, then trust them. Good staff leave for interesting work, real responsibility and visible growth, so keeping them and training them are the same activity. In a small firm this is rarely a course. It is putting someone in a room slightly above their level, letting them write the section that matters, and marking it hard. Then get out of the way: autonomy, ownership of a client relationship and honest feedback are what the bigger firms are worst at giving, and they cost you nothing.
- iv Build a system, and keep improving it. Write down how you scope a job, how you price it, how you run a kickoff, and what a good report looks like — templates and worked examples, not a manual nobody reads. The tenth time then costs a fraction of the first, quality stops depending on who was free that week, and work can be handed over instead of checked page by page. Spend half an hour after every engagement asking what went wrong, what should always be done, and what the template forced you into that should stop; change the template there and then, with a name against the job. A firm without a system needs its founder in every room, which is not a business but a very demanding job.
- v Look after yourself. What clients are buying is your energy and judgment, and this line of work erodes both through constant travel, a low hum of sales anxiety, and the absence of colleagues who understand the specifics well enough to talk them through with you. Peers outside the firm, a calendar never designed to be fully billable, and holidays that actually happen are not indulgences. Founders rarely burn out from the work itself; they burn out from carrying all of it alone.

7. Summary: Three Things to Start Next Week

To turn these core principles comprising of seventeen points across five sections into real-world impact, consultancies must prioritise narrow positioning, genuine client alignment, and total financial clarity to secure the independence required for excellent work.

These are more than anyone can act on at once. Three of them are worth starting immediately. Get narrow: until people can say in one sentence what your firm is for, everything else is harder than it needs to be. Find the client's real problem: the brief is never the whole job, so establish who has to be convinced and what will make your client look good in six months. Know your numbers: understand the P&L, ageing debtors, liabilities and EBITDA, and above all the cash.

None of these substitutes for good technical work; it is the condition that allows good technical work to continue. A consultancy that is focused, visible, politically literate, priced on value and staffed by people who are trusted becomes financially strong — and a financially strong firm is the only kind that can afford, year after year, to refuse the wrong project and take on the right one. The two halves of the definition are not in tension. Profit is what buys the independence to do meaningful work, and meaningful work, done well and repeatedly for clients who return, is what generates the profit. A firm that holds both is effective. A firm that holds only one, however sincerely, is either a charity running out of runway or a business not worth having built.

8. Questions and Answers (Q&A) Session

Q1 by Herlina Ab Aziz: Consultants faced many challenges. The work scope is wide, time is short, finance limited and yet the client wants to squeeze us. So how best to manage and be in the middle ground between the client and the regulators and affected parties while upholding the trust, yet being able to deliver and remaining profitable?

A1 by Dr Bala: It is essential to create and obtain the respect from your client. This is very much needed. When you are competent about your work, and the value that you are creating, you have built your reputation. However, there are times that the client acknowledges your value but you feel you are still being squeezed. Sometimes this occurs because of the Government procurement system. Your client would find ways to overcome, sometimes the client will go to the board to defend you.

So you need to understand the clients, and see their vision. This will help in project selection.

To the responses, Herlina added that the term 'CONSULT' may implies 'con' and 'insult'. Like all industries, there are good and bad clients and also there are bad proponents. So one cannot generalise. The better principle is to create and obtain the respect from your client.

Q2 by Ku Noor Asma:

- a. How to ensure deliverables are paid? Do we place a complaint to regulators?
- b. How to handle projects that conflict with yourself?

A2 by Dr Bala:

On a) There are several steps that consultants have to take:

- i Screen your clients and check with other consultants.
- ii Be careful about contract. Be open with the client. Do not accept contract blindly, instead negotiate.
- iii Built your paper trails. Worst come to worst declare to quit or threaten to not present, they will pay something.

On b) On projects that conflict with your personal values for example on offer to consult involving with projects that involve huge resources, yet, it is acknowledged that Malaysia needs data development centres? His philosophy is not take project that is not suitable to his heart and principle.

Q3 by Nur Shahirah Abdullah:

Do we need to get and obtain certification?

A3 by Dr Bala: When a staff is employed, it is not the certificate that is vetted first, but more the attitude first. It is advisable for a young consultant to gather experience first and not to specialise when you are new. Certificates can wait, join the workforce first and acquire the experience.

Q4 by Herlina Ab. Aziz: What is the minimal requirement before opening a new business?

A4 by Dr Bala: In professional services, it is slightly different. Opening a professional service like consultation requires certification for example a need to register with the Department of the Environment (DOE) and obtain accreditation from PLANMalaysia, but there are many other fields that do not require certain qualifications but require experiences. In social sciences can try undertaking a project that do not require certification such as on climate change

Q5 by Mohd Shahwahid: There are consultants that compete on prices by undercutting and quoting lower prices, what is your comment on this strategy?

A5 by Dr Bala: For a consultant to quote a price by undercutting or by competing on small price differences is a normal practice. At the end of the day the PLANMalaysia and the client should be concern on Quality not Pricing. Sometimes to take care of the client a lower price is provided but do not sacrifice on quality.

Q6 by Herlina Ab. Aziz: Quality cannot be compromised. Quality of SIA reports would be assured by the role of MSIA Panel of Assessors forwarded to PLANMalaysia SIA Report Assessment Committees at both Headquarters and State levels. This is survivality of the profession. MSIA still pondering over the issue of scale of fees.

A6 by Dr Bala: Scale of fees only applies to generalists because they provide basic works. But if specialists, there should be no scale of fees. We have to ask ourselves. Are SIA consultants generalists atau specialists?

Suggestion by Mohd Shahwahid that quality reporting can be much monitored through SIA assessment panelists at PLANMalaysia. Maybe it could be suggested to MSIA to conduct a course on what constitute quality SIA reporting and assessment.

Q7 by Herlina: Having undergone through 30 years in the consultancy profession, have you pondered over certain decisions that you have taken?

A7 by Dr Bala: There are several, for example

- i When I was just starting, a client came to me with a big project but not taken, I should have gone for it.
- ii There were situations that I doubt about my decisions whether to take and tolerate a client for fear of not enough projects. But I made the right decisions and not waste time with bad clients.
- iii I made good decisions on the need for training for my staff. Training is priority whether it is in-house or external.
- iv I hosted end of year dinner inviting sub consultants and organised seminars. These are wise decisions and serve as a marketing strategy.

Acknowledgement

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