# management consultancy

JOE O'MAHONEY



# **DETAILED CONTENTS**

Guide to the Book

How to use the Online Resource Centre	xxii
1 Introduction	1
Chapter Objectives	1
The Management Consultancy Phenomenon	2
The Backlash	2
Perspectives on Consulting	3
This Book	4
Part 1: The Descriptive Perspective	5
Part 2: The Practitioner Perspective	5 5
Part 3: The Critical Perspective Part 4: The Career Perspective	5
A Note on Sources	6
PRACTITIONER INSIGHT: A POSITIVE FORCE FOR THE ECONOMY (ALAN LEAMAN)	7
THE THOREWAYSIGHT, AT OSHIVE FOR THE ECONOMITY (ADAR EDWARY)	,
PART 1	
The Descriptive Perspective	
2 The Consulting Industry	13
Chapter Objectives	13
The Basics of Consultancy	14
What is Management Consultancy?	14
· ·	17
The History of Consulting	16
Consultancy 1990–2010	16 17
· · · · · · · · · · · · · · · · · · ·	16
Consultancy 1990–2010 The New Face of Consultancy? The Institutions of Consultancy	16 17 20 <b>25</b>
Consultancy 1990–2010 The New Face of Consultancy? The Institutions of Consultancy Professional Institutes	16 17 20 <b>25</b> 26
Consultancy 1990–2010 The New Face of Consultancy? The Institutions of Consultancy	16 17 20 <b>25</b>
Consultancy 1990–2010 The New Face of Consultancy?  The Institutions of Consultancy Professional Institutes Trade Associations Procurement Institutions	16 17 20 <b>25</b> 26 26
Consultancy 1990–2010 The New Face of Consultancy?  The Institutions of Consultancy Professional Institutes Trade Associations	16 17 20 <b>25</b> 26 26 27
Consultancy 1990–2010 The New Face of Consultancy?  The Institutions of Consultancy Professional Institutes Trade Associations Procurement Institutions  Why Do Consultancies Exist? Because They Do Things Clients Can't Transaction Cost Economics	16 17 20 <b>25</b> 26 26 27 <b>28</b> 28 30
Consultancy 1990–2010 The New Face of Consultancy?  The Institutions of Consultancy Professional Institutes Trade Associations Procurement Institutions  Why Do Consultancies Exist? Because They Do Things Clients Can't	16 17 20 <b>25</b> 26 26 27 <b>28</b> 28

xx

Government Legislative Institutions  Labour Markets	33 34
Legitimisation and Identity	35
International Perspectives on Consulting	36
International Markets for Consultancy	36
Chapter Summary	41
PRACTITIONER INSIGHT: CONSULTANCY—IS BEHAVING PROFESSIONALLY ENOUGH? THE LONG JOURNEY TO BECOMING A PROFESSION (LYNDA PURSER)	46
3 Types of Management Consultancy	49
Chapter Objectives	49
Introduction	50
Different Business Models  Hybrid vs. Pure Consultancies Niche vs. Generalist Small vs. Large Consultancies Body-Shopping Internal Consultancy Contractors Interim Managers  Consulting by Service Problems of Classification Strategy IT Consulting Outsourcing Advice Generalist/Change Management Consultancy	50 51 52 53 54 54 56 57 58 58 59 63 69 70
Consulting Specialisms	74
Consulting by Sector Finance and Banking Telecoms/Entertainment The Public Sector Health Utilities, Energy, Mining, and Infrastructure FMCG, Retail, and Consumer Business Manufacturing Not for Profit/Social Sector Environmental	75 75 76 77 78 79 79 80 80
Chapter Summary	81
DDACTITIONIED INICICAT, INITERNIAL CONSCILITING (ALANI MADD)	85

## PART 2

## **The Practitioner Perspective**

4 Clients	93
Chapter Objectives	93
Introduction	94
Client–Consultant Relationships  The Relationship  Consultancy Roles	<b>94</b> 94 95
From Personal Engagements to Procurement  The Personal Engagement Model  The Rise of Procurement	<b>98</b> 98 100
Recruiting Consultants  The Procurement Process Defining Projects Finding Consultants Selecting Consultants Negotiating Putting the Pieces Together Does Procurement Work?	103 103 104 108 111 112 114 115
Managing Consultants Preparing the Organisation Reporting and Managing Building the Relationship Handover and Exit Evaluating Consultancy	115 115 117 119 120 121
Chapter Summary	122
PRACTITIONER INSIGHT: PROCUREMENT'S ROLE IN BUYING CONSULTANCY (ALAN GOTTO)	128
5 The Consulting Life-Cycle	131
Chapter Objectives	131
The Consulting Life-Cycle	132
Sales A Sales Overview On Developing a Sales Strategy	<b>134</b> 134 135

Targeting Clients	136
Making Contact	137
Managing the Proposal	140
Moving to Contract	145
Types of Payment	147
Research	149
Introducing Research	149
Planning Research	149
Research Methods/Data Collection	152
Data Analysis	156
Delivery	159
Building a Project Partnership	159
Planning Delivery	160
Exit	164
Project Handover	164
Withdrawal	166
Project Review	166
Follow-Up	167
A Final Note	167
Chapter Summary	168
PRACTITIONER INSIGHT: CLIENT INTERVENTIONS (BEVERLEY BROOKES)	175
The internation Collect Internations (Covered Brookes)	1,73
6 Consulting Tools Skills and Toolniques	170
6 Consulting Tools, Skills, and Techniques	179
Chapter Objectives	179
Introduction: The Art of Consultancy	180
Frameworks for Business Analysis	181
Introducing Methods and Tools	181
The Basic Tools of Business	182
What Should our Strategy Be?	183
How Can We Improve our Operations?	186
How Can We Maximise Profits?	190
How Should We Price our Products?	193
What Markets Should We Enter?	195
Bespoke Frameworks	197
Soft Skills	198
Personal Skills	199
Communication and Presentation Skills	200
Team Skills	204
Chapter Summary	205
PRACTITIONER INSIGHT: RELYING CONSULTANCY SERVICES (PETER WALMSLEY)	212

7 Running a Consultancy	215
Chapter Objectives	215
Introduction	216
Key Metrics	217
Calculating Profit Per Partner	217
The Importance of Leverage	218
Strategy	220
The Difficulty of Strategising	220
The Influence of Partnerships	222
Strategic Directions	224
Finance	229
A Question of Balance	229
A Closer Look: Clever Consultancy Company	230
People	234
Valuing the Key Assets	234
Planning	235
Culture Management	236
Training	237
Knowledge Management	238
Internationalisation	241
Managing the International	241
Chapter Summary	246
PRACTITIONER INSIGHT: THE STORY OF A CHAMELEON (DEBORAH FLEMING)	253

# PART 3

#### **The Critical Perspective**

8 Critical Themes in Consulting	259
Chapter Objectives	259
Introduction	260
Knowledge and Innovation in the Consulting World	261
The Growth of Information and the Specialisation of Work	261
Consultancies as Innovators	263
Knowledge Managers	266
Professions	268
What is a Profession?	268
Why Are Professions Interesting?	269
Is Consultancy a Profession?	270

Conditions of Modernity Sources of Uncertainty	274 274 275
Dealing with Ambiguity  Consulting Identities  From Rationality to (Post)Modernism  Consulting Identities	276 280 280 281
The Global Perspective: Colonisation and Capitalism The Neo-Liberal Agenda Missionaries for Capitalism Aiding and Abetting the New Public Sector Management	283 283 284 286
Chapter Summary	286
PRACTITIONER INSIGHT: STUDYING CONSULTING CRITICALLY (ANDREW STURDY)	293
9 The Ethics of Consultancy	297
Chapter Objectives	297
The Growth of Ethics?	298
Institutional Relationships 1950–2000 Audit Companies The Government IT Companies	<b>299</b> 299 301 303
The Failure of Institutional Reform?  Audit  Government  IT	<b>305</b> 305 306 308
The Individualisation of Ethical Responsibility  Understanding Individualisation Ethical Codes of Practice Segmentation of Ethical Behaviour Professionalisation	309 309 310 311 312
Considering the Charges  Charge 1: Consulting Advice Isn't Value for Money and Doesn't Work Charge 2: Consulting Solutions Are Fads or "Boiler-Plated" Templates Charge 3: Consultants Can't Be Trusted Charge 4: Consultants Prey on the Insecurities of Client Managers	315 315 317 318 319
Chapter Summary	320
PRACTITIONER INSIGHT: DO CONSULTANTS GET RESULTS? (DAVID CRAIG)	324

# PART 4

#### **The Career Perspective**

10 The Consultancy Career	329
Chapter Objectives	329
An Overview of the Consultancy Career	330
The Consulting Career  The Dominance of Consultancy  More Business—Less Professional?  Reasons for Joining  Career Structure  Salaries	330 330 331 332 333 335
Points of Entry  Degree  MBA  Experienced Hires Internships Associates	338 338 339 340 341 342
The Recruitment Process  Covering Letters and CVs  Competency-Based Interviews  Assessment Centres  Dealing with Rejection	342 343 344 348 349
Getting On Setting your Career Strategy The Formal and Informal Mentoring Planning a Promotion	350 350 351 351 352
Getting Out  Why Consultants Leave The Personal Cost of Consulting Where Consultants Go	<b>353</b> 353 354 355
Key Career Questions  What Degree Should I Do?.  Why Should I Choose Consultancy as a Career?  Should I Do a Postgraduate Degree?  Where Should I Apply for a Consultancy Job?  How Should I Choose Between Job Offers?  I Plan to Get Out of Consultancy after Making Some Money	358 359 359 359 361 361 361
Chapter Summary	362
PRACTITIONER INSIGHT: RECRUITMENT (DON LESLIE)	365

#### xviii DETAILED CONTENTS

11	Case Interviews	367
Chap	pter Objectives	367
Intro	oducing the Case Interview What Is a Case Interview? How Is a Case Interview Marked?	<b>368</b> 368 371
Man	naging the Case Interview	372
	Listening and Clarifying the Case	373
	Structure the Problem	373
	Requesting Specific Information	374
	Analysing the Problem	375
	Presenting Findings	377
	Questions/Recommendations	377
	Hints and Tricks	378
A G	ood Answer	379
Wall	k Through Cases	379
Cha	pter Summary	393
Ind	lex	395