1. Introduction

There is a growing need for clarity about what can be expected from a management consultant. Furthermore, the consulting competency is no longer the “magical secret” of the chosen few in an organisation but skills necessary for the support of making everyday business operate effectively.

This leads to the following questions:
- What is a tentative definition of management consulting?
- What do consultants really do? When are consultants necessary?
- What are the trends in management consultancy?
- What are the required qualifications of management consultants? How can they be educated and trained?
- How can qualifications be regulated in order to contribute to the consulting industry’s reputation?
- How to use consulting services reliably, with no more than a reasonable risk?

2. Definitions

A formal definition of management consultancy is as follows:

The service provided to business, the public and other undertakings by an independent and qualified person or persons in identifying and investigating problems concerned with strategy, policy, organisation, procedures and methods, recommending appropriate action and helping to implement those recommendations.

It follows that a management consultant is an independent and qualified person who provides a professional service to business, the public and other undertakings by

- identifying and investigating problems outlined above,
- formulating recommendations for appropriate action by factual investigation and analysis, with due regard for broader management and business implications and / or
- discussing and agreeing with the client the most appropriate course of action,
- providing assistance where required by the client to implement these recommendations.

On one side of the scale, we have what we could term the “fact-based” consultancy, where the consultant is effectively hired to tell the client what to do. By contrast, “action-based” consultancy is much more process-oriented. Rather to be told what to do, clients in this type of assignment want to learn how to decide what to do for themselves. In a process-based assignment consultants will work with a small or larger number of the client’s staff to discuss, investigate and design solutions to the problems at hand. The process consultant will therefore look for the underlying causes of a problem, rather than the symptoms with which is manifests itself, while “fact-based” analytical consulting is very much about talking to clients based on a pre-specified framework. At its most extreme form, the consulting process shifts into a secondment in which the consultant works for the client, as part of the client’s own team.
There are also clearly defined roles that consultants might undertake. These roles can be identified as Executive, Researcher, Powerbroker, Counsellor, Tutor, Coach / Mentor, Mediator, Educator / Trainer.

The consultant may be either internal or external to the organisation, but always external to the problem or need. The internal consultant may be an employee of the organisation, but not directly related to the unit, group or individual seeking help and therefore usually more familiar with the culture of the client, whereas the external consultant often has the power inherent in being an independent, objective influence.

In principle a consultant is necessary whenever there is a serious problem in the client’s organisation and an inability to find a solution. This may be due to any of the following:

- Lack of time to analyse the cause.
- Lack of skills or tools to study the problem.
- Need of experts to work out a solution and / or help in the implementation.
- Lack of resources to do the job.
- There is the capability within the company to solve the problem, but an external consultant could do the job in a shorter period of time without or with less disrupting the work of the regular staff.


Management consultancy is a growing global industry with its markets, segments, brands. The global consulting industry is estimated to be worth about US$ 100 billion in total fee revenues, with the US and Western Europe accounting for a full two thirds of the total world-wide industry. Today the fastest growing consulting economies include Central and Eastern Europe, Asia Pacific, Latin America and Africa.

There are between 250,000 and 500,000 management consultants worldwide at the present time, depending on the definitions used. A few big brand name firms employ up to 10,000 consultants worldwide. Yet the majority of consultancy firms are small, with nearly two thirds of consultants working in consultancies with fewer than ten employees and then hundreds of thousands of consultants working from small units, often as sole practitioners.

Today clients want to get more value for money from consultants. They will want innovative and global thinking, but they will not to wait long before that innovative solution has an impact and they aim at setting more ambitious and tangible goals for their consultants. This means a greater emphasis on reduced “time to solution” and the main reasons why consultants are hired are as follows:

- Knowledge-sharing: External consultants as outsiders can bring fresh and objective intellectual capital to their clients, thus providing
- access to new intellectual capital and
- alliances by bringing together experts and know-how globally.

The major trends in management consultancy can be outlined as follows:
Shift from “advising” to “doing”

“Facts” and “Actions” have been seen to be mutually exclusive in consultancy for quite a long time. According to the original form of consulting the role of consultants was to provide the factual analysis which fuelled management action. Most consultants were not expected to take actions themselves. The bottom line for consultants was that they had more facts in the form of wider knowledge and experience. This fact has been an increasing source of frustration to clients. But in the past 25 years the pendulum has swung much more towards action. Facts (studies, concepts, analysis) have become less important. What has mattered has been the extent to which consultants can work with a team from the client’s own staff in order to help make decisions and then execute them. The emphasis has shifted toward “process consulting”, enforcing consultants to incorporate some aspects of implementation – “doing” - into their work.

Specialisation

Consultancy has always been a balance between generalisation and specialisation. Even in the smallest, most focused firms, the specialist consultant has been expected to complement his or her specific skills with a broad understanding of the business environment as a whole. Therefore somewhere along the line, the ideal “T-shaped consultant” was born: Someone who is capable of generalist knowledge across a wide range of areas, complemented by an in-depth-understanding of one specific area. In this respect information technology will become a major component of consultancy work, a subset of disciplines within an overall consultancy mix to offer fully-rounded business solutions. Important is that each type of consultant find his/her appropriate niche and the limits of their discipline, thus calling in the appropriate type, if necessary and bring that awareness to the client’s attention.

Branding and Differentiation

Traditionally, consultancy firms sold business through their reputation and the recommendation of its clients, rather than as a result of an advertising campaign. The main approach to differentiation has been specialisation. But it is becoming more and more difficult for the specialist being promoted to add up to a sustainable brand. The implication is that clients will more and more ask the question: “What are you famous for?” Therefore creating a differentiated brand in the future will involve firms identifying and promoting the values embedded in their organisation, which will set them apart from their competitors and using these values to attract clients with similar values. Secondly those core values have to be translated into a promotional campaign, and ultimately a brand.

Globalisation

Globalisation has been a source of growth for consulting firms. With technology, political and regulatory environments changing radically, clients look to consultancy firms to provide the skills and knowledge to give them a competitive edge in their global markets. Having the ability to provide services which are built around an understanding of how companies operate in a transnational basis is the key to success in the global consulting market.

It is still a long way to go before the ideal of the global consulting firm becomes a reality. National firms continue not to co-operate, cultural difficulties and domestic loyalties are still major barriers. Therefore
establishing a viable foothold in a foreign market is as difficult as ever. In the model for the future, the emphasis will shift from a vertical integration, i.e. adding more services to the existing portfolio, to a cross-firm integration, where existing elements come together under a new identity. For the global practice areas, this will mean that it is becoming more and more important to bring together experts and know-how internationally. Thus alliances and networks by linking themselves or their business to other consulting firms or companies in other industries provide opportunities for the consulting firms and industry. In this environment it is likely that for the consulting firms the characteristic of being “global” may be more important than the precise nature of the service being offered.

4. The Global Consulting Industry – Qualification and Standardisation

Consulting is an international professional community with its standards, ethics, education, qualification, codes of conduct and professional institutes and trade associations.

Today the international management consultancy profession is organised by professional institutes who work closely with its trade associations in each country and region. In many countries the professional institutes and trade associations are part of the International Council of Management Consulting Institutes, ICMCI, as the umbrella organisation worldwide. ICMCI was founded in 1987 and is an international membership organisation as well as a network of 43 national consultancy associations and institutes worldwide. The mission is to

- increase the acceptance of management consulting as a respected profession,
- raise standards of the profession of management consultants, create the Certified Management Consultant (CMC) designation as the international benchmark for individual management consultants and support the development throughout the world,
- ensure adherence to an International Code of Conduct and a Common Body of Knowledge (CBK),
- encourage networking of management consultants across national boundaries.

ICMCI and its member institutes is the common voice for global management consultants, setting recognised universal standards as a basis for reciprocity between the member institutes, such as:

- One common standard for global qualification of management consultants (CMC designation) based on a common framework of competency and of assessment techniques
- Accreditation of Management Consulting Practices (ACP)
- Code of Professional Conduct
- Common Body of Knowledge (CBK)
- Assessment process to validate and ensure equivalence of the standards of member institutes. All members are subject to a triennial assessment.

4.1. Certified Management Consultant

As per definition the Certified Management Consultant (CMC), is a management consultant who views management consulting as a profession and meets certain requirements pertaining to character, qualifications, experience, independence and competence as defined by the CMC competency framework.
- This framework sets out the core mandatory elements, the minimum standard, which describes a CMC and must be interpreted for relevance in each market to cover specific national issues, e.g. legal or regulatory requirements. It implies that a CMC possesses a certain (minimum) profile of competencies and should progress further.
- Furthermore the qualification standard distinguishes between inexperienced consultants (new to business and / or new to the profession) and individuals with a wealth of professional experience. A management consultant applying for the CMC designation has to have at least a previous three years professional experience.
- Compliance with the Code of Conduct is required, evidence must be formally recorded.
- A forth requirement is independence as owner or employee of a firm in independent practice, or internal consultant in organisation meeting independence criteria.

This is reflected in the following table by the three components:
  - Values and Behaviour
  - Technical competence
  - Business acumen

with specific reference to more detailed definitions of each competency required.
### International Council of Management Consulting Institutes (ICMCI)

**Professional standards**

Competencies and Definitions © ICMCI 2005

<table>
<thead>
<tr>
<th>Major</th>
<th>Sub set</th>
<th>High level components</th>
<th>Core component of assessability - definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values and Behaviours</td>
<td>Ethics and Professionalism</td>
<td>Values, ethics &amp; professionalism</td>
<td>Adheres to code of conduct and ethical guidelines. Demonstrates professional integrity, consistency, transparency, accountability, responsibility and reliability.</td>
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<td></td>
<td>Analytical Skills</td>
<td>Observations &amp; analysis</td>
<td>Recommendations are supported by objective facts and research.</td>
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<td></td>
<td></td>
<td>Conceptualisation &amp; problem solving</td>
<td>Employs structured approaches to generate ideas, evaluate and select options.</td>
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<td></td>
<td>Personal Interaction</td>
<td>Complexity, change &amp; diversity</td>
<td>Understands complexity of operating environment and impact of selected course of actions on others.</td>
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<tr>
<td></td>
<td>Communication &amp; presentation</td>
<td></td>
<td>Uses a range of techniques and approaches to convey thoughts and ideas in a range of situations.</td>
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<td></td>
<td>Responsibility &amp; accountability</td>
<td></td>
<td>Responsible for own actions, demonstrating resilience, drive and commitment to results.</td>
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<td></td>
<td>Influencing</td>
<td></td>
<td>Presents ideas convincingly to produce specific outcomes.</td>
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<td></td>
<td>Personal Development</td>
<td>Focus and time management</td>
<td>Delivers timely solutions, balancing priorities and managing time effectively.</td>
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<td></td>
<td></td>
<td>Self development</td>
<td>Proven track record of self development and personal growth. Proven ability to learn from past assignments and apply knowledge.</td>
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<td>Major</td>
<td>Sub set</td>
<td>High level components</td>
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<tr>
<td>Technical Competence</td>
<td>Functional Specialisation</td>
<td>Knowledge and skill</td>
<td>Recognised as an expert in own discipline, applying expertise in one or more industry sectors</td>
</tr>
<tr>
<td>Consulting Skills</td>
<td>Client focus</td>
<td></td>
<td>Scopes client requirements, presenting clear comprehensive proposals. Identifies and articulates project drivers, strategic fit and commercial benefits with client in respect of one or more individual projects. Understand client cultures, addresses client satisfaction; understand client motivation impacts</td>
</tr>
<tr>
<td>Project management</td>
<td></td>
<td></td>
<td>Manages client projects effectively- setting objectives, deadlines and budgets, using appropriate project management tools and methodologies and ensuring seamless withdrawal process.</td>
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<tr>
<td>Consultative process</td>
<td></td>
<td></td>
<td>Uses a range of techniques, including facilitation, to deliver solutions of mutual benefit.</td>
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<tr>
<td>Knowledge</td>
<td></td>
<td></td>
<td>Captures, shares and applies knowledge in a structured way, relevant to the engagement needs</td>
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<tr>
<td>Partnering and networking</td>
<td></td>
<td></td>
<td>Leverages network effectively to engage expertise of others, developing others as appropriate</td>
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<tr>
<td>Tools and methodologies</td>
<td></td>
<td></td>
<td>Selects and uses an appropriate range of tools and methodologies</td>
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<tr>
<td>Risk and quality management</td>
<td></td>
<td></td>
<td>Defines quality standards, ensuring quality of delivery and client satisfaction. Defines risk criteria, identifying, mitigating and managing risks and outcomes.</td>
</tr>
<tr>
<td>Major</td>
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<tr>
<td>Business Insight</td>
<td>Consulting Business Knowledge</td>
<td>Consultancy business knowledge</td>
<td>Understands the nature of the management consultancy market, competitors and capabilities.</td>
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<tr>
<td></td>
<td></td>
<td>Commercial aspects of assignments</td>
<td>Demonstrates understanding of commercial aspects of project including scope, risk, terms and conditions and pricing.</td>
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<tr>
<td>Breadth of Business</td>
<td>External awareness</td>
<td>External awareness</td>
<td>Demonstrates understanding of political, economic, social, technological, legal and environmental factors (PESTLE) impacting on area of work</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Business knowledge</td>
<td>Business knowledge</td>
<td>Understands business structures, processes, management and disciplines and impact on own area of work</td>
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<tr>
<td></td>
<td>Understanding the client</td>
<td>Understanding the client</td>
<td>Has researched and understood client business operations and agenda</td>
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The framework of competencies is not exhaustive, it delineates the competency territory within which consultants can develop in various ways. Therefore the CMC designation is only a stage in the professional development of the management consultant.

Based on that competence model it is necessary to develop the assessment processes including a selection of recommended assessment techniques. ICMCI has set out a recommended practice for the selection of assessment tools in the assessment process. The recommendation is that:
- are at least two preferred assessment techniques in use and
- each competency to be assessed at least twice in the assessment process
- best in writing and personally.

- One recommended assessment technique is documentary evidence, a candidates’ application to be submitted in advance by the candidate in writing.
- An assessment could also rely on the assessment of the candidate’s skills by a sponsor (another CMC or a CMC tutor, mentor, coach).
- Academic and professional qualifications are required to verify that the candidate has suitable professional qualifications in their area of practice (part of the documentary evidence).
- Clients testimonials include independently collected written evidence and feedback primarily from clients.
- Written examinations to test the candidate’s knowledge of consulting theory and concepts.
- Group case study, a structured session with a group of candidates based on a hypothetical case study observed by qualified assessors.
- Candidate interview in the form of a structured question and answer session with qualified assessors.
  Evidence must be formally recorded.
- Peer Review in the form of a presentation and discussion of one or more recent projects/assignments to qualified assessors. Evidence must be formally recorded.

The current practice and thus the most common and appropriate assessment tools are the written evidence of the formal qualifications as well as a structured session with qualified assessors allowing certification bodies to evaluate the level of competence of each CMC applicant.

Each assessment must be based on externally validated international quality assurance standards and has to be carried out by experienced, accredited assessors.

4.2. The Concept of Accredited Consulting Practices (ACP)

The Accredited Consulting Practices (ACP) Standard is applicable to management consultancy organisations which wish to demonstrate their qualifications in management consulting and to be recognised as ACP. The ACP Standard is designed to assure that a management consultancy organisation has the professional processes, the standards, and the commitment in place, in order to develop and propose CMC candidates who can be confidently accepted with minimum scrutiny as meeting the standards of the national certification bodies.
The ACP standard comprises mandatory features. All of these have to be satisfactorily met in order for a national ACP scheme to comply with the standard.

− The management consultancy organisation is formally accredited as ACP by the national certification bodies, for a maximum of 3 years.
− Its professional processes are assessed to assure they are at least equivalent to the CMC standard and thus are appropriate for developing consultants to the CMC standard.
− ACPs are authorised to propose CMC candidates to the national certification bodies.

This qualification scheme offers clear benefits to the management consultancy organisations, the individual consultants of that organisation as well as to the national certification bodies.

For the management consultancy organisations:

− External, independent recognition of the commitment to the highest professional standards and of the excellence of the training and development systems.
− A clear statement to existing and prospective consultants of the commitment to their professional development.
− An additional incentive for recruitment and retention of the highest quality staff.

Individual consultants are also able to benefit from the scheme in terms of:

− An in-house route to a portable, internationally recognised qualification.
− Permanent independent recognition of training, development and experience.
− Clear distinction between qualified and less qualified consultants, profiling the individual professional level to clients.
− Qualification as a member of the national management consulting institute including all the benefits of membership.

The value proposition to the national management consulting institutes is:

− Cooperation with the management consulting industry for the benefit of the clients and the professionals as well.
− Emphasising accountability of professionalism and ethics to clients and society.
− A business opportunity to gain more members from large practices.

4.3. Code of Professional Conduct

In recent years lack of individual ethical behavior has received increasing publicity and scrutiny in the media. The ICMCI Code of Professional Conduct has been established to ensure higher ethical standards and is focused on three basic principles:

− Meeting the client’s requirements
− Integrity, independence and objectivity
− Responsibility to the profession and the national management consulting institutes.

This Code is binding to all members practicing as management consultants, formal evidence required.
4.4. The Common Body of Knowledge (CBK)

The Common Body of Knowledge (CBK) provides with the required knowledge of management consultancy. Each national management consulting institute can regionalise the base, but still ensuring global reciprocity.

5. Critical success factors

Indeed, a number of client-consultant relationships have simply not worked out. In those cases either the consultant did not do what he/she should have done or the client did not do what was expected. More likely, the answer lies in a combination of mutual responsibility.

We have to consider the consultant’s contribution in the relationship:

- Identify the real problem.
- Ensure competence.
- Specify the roles and responsibilities.
- Consider the individuality of the client’s problems.
- Leave the clients as early as possible.

What steps can a client take to insure that the assignment with a consultant is profitable?

- Accurately identify the problem.
- Screen a prospective consultant.
- Seek clarification of how the consultant will operate.
- Seek clarification of what the money will buy.
- Inform the organisation of the consultant’s role and goals.
- Try to solve the problems by themselves.

Clients therefore increasingly insist on more transparency with regard to what management consulting actually involves and how management consultants work. Successful management consulting is always based on two aspects: First of all, the consultant must always have the knowledge and experience to serve the client’s needs. Secondly, the relationship between consultant and client should be based on mutual trust. Clarity in the way management consultants works, and how the process of consultancy develops, can lead to a successful outcome.

Literature:

Markham, C.: How to be your own management consultant, London 2000