

# MANAGEMENT CONSULTING JOURNAL



## CONTENTS

- 2 Editorial
- 3 Estimating the size of national management consultancy markets
- 5 Becoming a knowledge management consultant
- 6 The paradox PhD graduates
- 7 The skills and competences of management consultants and how they are developed
- 9 Consulting skills for 2030

# Editorial

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## Welcome to the third edition of the IC Management Consulting Journal!

The publication of the third volume of the Management Consulting Journal coincides with 2019 International Consultants' Day. Wishing everyone connected with the sector, consultants and clients, every success. This volume starts with the next stage in the Consulting Readiness Index story (the first paper about the project appeared in volume two of this Journal). The Consulting Readiness Index has now been developed to the point it can be used to estimate the size of national management consultancy sectors. The other papers in this volume seek to shed further light on skills and competence aspects of consulting.

We have personal reflections from Mostafa Sayyadi on Becoming a knowledge management consultant and from Yazeed Alhezzani about the paradox of PhD graduates.

These are followed by Will Morgan's exploration of the critical theory around the skills and competences of management consultants and how they are developed. The volume concludes with a glimpse into the future with a summary of the Centre for Management Consulting Excellence's research project into Consulting skills for 2030. We hope you find the insights useful.

Thanks to all contributors and to colleagues on the editorial board members who reviewed the submissions.

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ESTIMATING THE SIZE OF NATIONAL MANAGEMENT CONSULTANCY MARKETS

Dr Simon Haslam, FMR Research

**The Consulting Readiness Index (CRI) and its background**

The Consulting Readiness Index (CRI) was conceived as a means of helping determine the degree to which a country's management consulting sector is substantial and, by understanding the factors that account for differences in the adoption of management consulting, provide pointers to the aspects which are potentially holding back sector development. The driver for this study was the International Council for Management Consulting Institutes (ICMCI), whose focus is to encourage the professionalisation of the sector and the quality of consulting work.

The basis for the CRI was to use a selection of countries where the sizes of the management consulting sector were known and then seek to determine the other characteristics of the countries which varied in relation to the relative strength of these. To enable meaningful comparison the CRI project used only data from reliable sources, including that for the size of national management consulting sectors. To provide a stable and robust foundation for the project, all the data on the national market sizes for management consulting firms were obtained from Source Global Research, a commercial research organisation focusing on the consulting industry (Source Global Research, 2018). The CRI is based on Source's interpretation of what is meant by management consultancy and its primary research into the size of national management consulting sectors, embracing large firms through the long tail of smaller enterprises.

Fifteen countries were selected as the basis for the CRI, this sample chosen to reflect different geographical areas, cultures, country sizes and amount of management consulting. Fig 1 shows the size of the management consulting markets (\$m) for the fifteen countries. It also shows the strength of the management consulting markets in terms of the proportion of a country's GDP and as a per-capita figure of its population. By taking the size of the country's economy and its population, we gain an indication of that country's propensity to embrace management consulting or not.

Country	Size of management consulting market (2017 data, \$m)	Strength of management consulting sector to GDP (\$m MC/\$bn GDP)	Strength of management consulting sector per capita - \$m/pop (million)
USA	63,185	.326	194.7
UK	10,006	.382	151.1
Germany	9,141	.259	116.2
France	5,111	.198	78.6
Australia	5,003	.378	205.0
China	4,992	.041	3.5
Canada	3,912	.237	106.9
Spain	1,662	.127	35.8
Italy	1,412	.073	23.8
Netherlands	1,402	.154	82.5
Japan	1,408	.029	11.0
Switzerland	1,241	.183	146.0
Brazil	1,183	.058	5.7
Russia	493	.031	3.4
Austria	321	.077	36.9

**Fig 1. National management consulting sectors (sample of 15 countries)**

**How the CRI was calculated**

The CRI aims to explain the differences between the relative strength of national management consulting sectors and a country's disposition towards management consulting as an economically valuable activity. The expectation was that, as an 'index', the CRI would incorporate a range of indicators with no single existing indicator being sufficiently robust or comprehensive to function as the CRI by itself. Through a process of desk research and consultation involving the ICMCI and its community of Academic Fellows, thirty-two factors were offered as potential components of the CRI.

The testing of each of the thirty-two possible indicators led to five indicators being identified which were shown to vary in relation to the GDP-based perspective of the strength of the country's management consulting sector and in relation to the per-capita-based perspective of the strength of the country's management consulting sector. The five indicators of relevance, which correlate strongly with the relative strength of national management consulting sectors, are:

**Hofstede: Individualism-Collectivism (IDV)**, national culture measure. This index highlights the degree to which people in a society are integrated into groups (Hofstede, G., 2011). Individualistic societies have loose ties that, in the opinion of Hofstede, often only relate to an individual's immediate family. In collective societies, these integrated relationships tie extended families and others into 'in-groups'. These 'in-groups' are characterised by internal loyalty and mutual support, for example in the face of conflict with another group. IDV scores range from 0-100 with higher scores reflecting the more individualistic societies.

**Index of Economic Freedom (IEF)** (The Heritage Foundation, 2018) The Index of Economic Freedom was created in 1995 by The Heritage Foundation and The Wall Street Journal. It is designed to measure the degree of economic freedom within a country. This is based on twelve factors within four broad categories: the rule of law; government size; regulatory efficiency; and open markets. The index has a scale of 0-100, with higher scores representing countries with greater economic freedom (each of the twelve factors is equally weighted to create the index).

**e-Government Development Index (EGDI)** (United Nations, 2018) This index is a United Nations creation and has its roots in the UN General Assembly Resolution 66/288 'The Future We Want'. This strand of the resolution takes an ICT focus and looks at the flow of information between governments and the public and recognises the power of communication technologies to promote knowledge exchange, technical cooperation and capacity building for sustainable development. The index scale is 0-1 with higher scores representing countries with the more developed e-government processes.

**Global Creativity Index (GCI)** (Florida, R., Mellander, C., King, K.M., 2015) This is a four-dimensional ranking of countries. It combines individually ranked countries based on creativity, technology, talent and tolerance in the overall score. The CGI is published by the Martin Prosperity Institute which belongs to the University of Toronto's Rotman School of Management. The index ranges from 0-1 with higher score representing higher national creativity.

**Corruption Perceptions Index (CPI)** (Transparency International, 2018) This index has been published

annually since 1995 by Transparency International. It ranks countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The index uses a scale of 0-100 where 0 is very corrupt and 100 is very clean.

The combination of these indicators into a single index, with the power of each of five being equally weighted, led to the proposition below.

$$CRI = f (IDV, IEF, EGDI, GCI, CPI)$$

Testing the index showed the CRI has a correlation 'r value' of 0.90 when compared to the assessment of the strength of a country's management consulting sector as a proportion of its GDP and an 'r value' of 0.93 when compared to the assessment of the strength of a country's management consulting sector in respect of the size of the country's population. Appendix 1 shows the CRI data for the fifteen countries used to develop the index. It can also be appreciated that, if a country wishes to alter its propensity to embrace management consulting, it can look at the CRI ingredients and the factors that are comparatively poor. These point to what the CRI suggests are holding the development of the sector back.

**Demonstrating the CRI**

To help demonstrate proof of concept, the CRI was applied in reverse to the fifteen countries from which it was developed. 'Best fit' lines, using least squares method, were calculated for each representation of the consulting market strength (CRI compared to consulting market size as a proportion of GDP and consulting market size as a proportion of population). The two 'best fit' equations are:

$$\text{Man. Cons. Sector as a proportion of GDP} = (1.0084 * CRI) - 0.0167$$

$$\text{Man. Cons. Sector as a proportion of population} = (588.53 * CRI) - 36.092$$

As a result, both of these ways of estimating the size of the national management consulting sectors were applied to each of the fifteen countries, and the resultant data compared with the reference data from Source Global Research. The findings below illustrate the degree to which CRI can faithfully show the size of national management consulting markets.

ESTIMATING THE SIZE OF NATIONAL MANAGEMENT CONSULTANCY MARKETS (CONTINUED)

Country	Size of management consulting market \$m (2017 reference data)	Estimate of management consulting sector \$m (using CRI and GDP data)	Estimate of management consulting sector \$m (using CRI and population data)
USA	81,131	80,294	80,380
UK	13,400	10,463	15,811
Germany	11,629	9,315	12,639
France	7,110	4,973	7,699
Australia	6,739	6,359	7,004
China	6,556	515	12,110
Canada	5,429	5,968	7,940
Spain	2,193	1,643	3,672
Italy	2,028	3,080	5,878
Netherlands	1,983	2,843	3,525
Japan	1,756	5,990	9,927
Switzerland	1,675	2,050	1,545
Brazil	1,552	732	5,633
Russia	607	670	4,450
Austria	398	750	971

Fig 2. Estimates of national management consulting markets using the CRI compared to reference data (illustrating degrees of accuracy).

Having two ways of applying the CRI (via GDP and via population) gives two estimates of the management consulting sector value for each country.

Applying the CRI to other countries

Applying the CRI to other countries enables the index to be used to estimate the size of the management consulting sector in those countries, where this is not known. It can also help these countries appreciate why variances in the disposition towards management consulting exist – the propensity to embrace management consulting being shown to be a function of five factors. The following data (Fig 3 below) estimate the national management consulting market for a selection of ten countries, using the CRI together with country's GDP and population as the basis for these estimates.

Country	GDP (\$bn)	Estimate of management consulting sector \$m (using CRI and GDP data)	Population (M)	Estimate of management consulting sector \$m (using CRI and population data)
Denmark	324	1,289	5,733,551	1,177
Finland	251	771	5,523,231	842
Hungary	139	139	9,721,559	312
Ireland	333	881	4,761,657	608
Israel	350	380	8,321,570	308
Lithuania	47	39	2,890,297	64
Norway	398	1,251	5,305,383	832
South Africa	348	170	56,717,156	122
Sweden	538	1,880	9,910,701	1,760
Turkey	851	62	80,745,020	-1,779

Fig 3. Estimates of national management consulting markets using the CRI, GDP and population data

For some countries, both the GDP and population methods seem in close agreement in terms of the estimated size of the national management consulting sector. In other cases, the two estimates vary. On one occasion the resultant estimate is a negative number, which while an impossibility (the lowest value of an economic sector in reality is zero) illustrates the possible impact of the assumptions underpinning the creation of the CRI and limits of the correlation and 'best fit' approaches.

Looking at the specific CRI ingredients helps in understanding the relative difference in countries' disposition to embrace management consulting. Appendix 2 shows the data around the five CRI ingredients, for the ten countries where the CRI was used to estimate the size of the management consulting sector. Alongside these data is its global rank in each factor. High CRI values result from high CRI factor scores and high global rank in that factor. Whereas lower propensity to embrace consulting results from the CRI factors with comparatively low scores and global ranks. While causality is neither evidenced nor implied, this gives a country by country insight into which factors might be holding a country's management consulting

back and possible avenues where attention might be focused if there was an ambition to 'move the needle' and create a stronger sector.

Implications of this research and next steps

So, while not definitive or conclusive, the CRI project has helped shine a light of the relative vibrancy of national management consulting sectors. The CRI project is work in progress but thus far the work has created the following:

- A means of explaining why the relative strength of the management consulting sector varies from country to country.
- A means of estimating the size of a national management consulting sector, where this information isn't known.
- Insight into where attention might be devoted, should a country or economy wish to further enhance or strengthen its national management consulting sector.

This paper is one step in a journey which started in 2018. Research into the role and efficacy of the Consulting Readiness Index continues. As a live research project, the development of the CRI will continue. Work in progress includes seeking to re-validate and extend the CRI indicators and ingredients, to refine the CRI

equation, to further evaluate the effectiveness of the CRI as a means of estimating the size of management consulting sectors, to extend the reach of the CRI to look at other countries, and to work with countries and national management consulting institutes/bodies on how the disposition towards management consulting as a relevant activity can be strengthened.

Country	CRI	IDV/100 2017	IEF/100 2017	EGDI 2018	GCI 2015	CPI/100 2017
Australia	0.493	.90	.810	.905	.970	.77
UK	0.442	.89	.764	.900	.881	.82
USA	0.427	.91	.751	.877	.95	.75
Canada	0.391	.80	.785	.826	.920	.82
Switzerland	0.330	.68	.815	.852	.822	.85
Germany	0.294	.67	.738	.877	.837	.81
France	0.227	.71	.633	.879	.822	.70
Austria	0.195	.55	.723	.830	.788	.75
Japan	0.145	.46	.696	.878	.708	.73
Italy	0.139	.76	.625	.821	.715	.50
Spain	0.126	.51	.636	.842	.811	.57
Brazil	0.037	.38	.529	.737	.667	.37
Russia	0.030	.39	.571	.797	.579	.29
China	0.015	.20	.574	.681	.462	.41

Appendix 1 CRI data for the fifteen development countries CRI = f (IDV, IEF, EGDI, GCI, CPI), for the fifteen countries in the study, and the data for the five components of the CRI.

Country	CRI	Hofstede IDV	Hofstede IDV rank	Index of Economic Freedom (2017)	IEF World rank	eGov index (2018)	eGov Index rank	Global Creativity Index (2015)	GCI rank	Corruptions Perception Index	CPI rank
Denmark	0.41008	74	52	75.1	18	0.915	1	0.917	5	88	2
Finland	0.32026	63	74	74.0	24	0.882	6	0.917	5	85	3
Hungary	0.11580	80	40	65.8	56	0.727	45	0.673	28	45	66
Ireland	0.27837	70	60	76.7	9	0.829	22	0.845	13	74	19
Israel	0.12418	54	92	69.7	36	0.800	31	0.665	30	62	32
Lithuania	0.09904	60	80	75.8	16	0.753	40	0.49	51	59	38
Norway	0.32781	69	62	74.0	25	0.856	14	0.883	11	85	3
South Africa	0.06498	65	70	62.3	81	0.662	68	0.564	39	43	71
Sweden	0.36310	71	58	74.9	19	0.888	5	0.915	7	84	6
Turkey	0.02389	37	126	65.2	60	0.711	53	0.348	88	40	81

Appendix 2 CRI data for the ten new countries to which the CRI has been applied.

**BECOMING A KNOWLEDGE MANAGEMENT CONSULTANT**

**Mostafa Sayyadi**  
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**Knowledge in Organizations**

It is important for management consultants to understand how knowledge can be categorized. There are two important taxonomies of knowledge that need to be discussed. The following section addresses these taxonomies in depth to set the record straight upon the facilitation of organizational knowledge management.

**Human, Social, and Structured Knowledge**

Two scholars by the name of Long and Fahey (2000) argue that knowledge can also be classified using individual, social, and structured dimensions. Executives can categorize followers based on their human knowledge which focuses on individual knowledge and manifests itself in an individual's competencies and skills. This type of knowledge includes both tacit and explicit knowledge. Long and Fahey (2000) suggest that this form of knowledge comprises the skills gained by individual experiences, and learned as rules and instructions formulated by executives for followers to use as a guide. Social knowledge, on the other hand, is categorized as tacit knowledge that is shared so that it can become collective knowledge. Executives can use structured knowledge that emerges in formal language from annual reports, memos, and other means of communication to be represented as statements, and is considered explicit knowledge. Therefore, consultants can classify knowledge in this way so that it emerges at three levels; individual (i.e. human), group (i.e. social) and organizational (i.e. structured).

**Scientific, Philosophical, and Commercial Knowledge**

There is a scientific, philosophical, and commercial side to knowledge that consultants should at least be aware of in today's hypercompetitive business environment. Demarest (1997), divides knowledge into three categories. Scientific knowledge is objective and manifests itself as provable and verifiable knowledge or truth, while philosophical knowledge clarifies that "truth is embedded in language and therefore inaccessible"

(Demarest 1997, p.375). The key for consultants is that knowledge as per Demarest (1997, p.375), especially commercial knowledge, unlike scientific and philosophical knowledge, focuses on enhancing "effective performance". Answering the questions consultants often ask: "What works?" Based on this view, this kind of knowledge empowers the capabilities of an organization, and actively improves its competitive advantage in the marketplace. Consultants are already aware that commercial knowledge takes an objective approach and can positively contribute to a firm's performance. The key is how to use this knowledge, enhance it, distribute it, and capture it.



**Facilitating Knowledge Management**

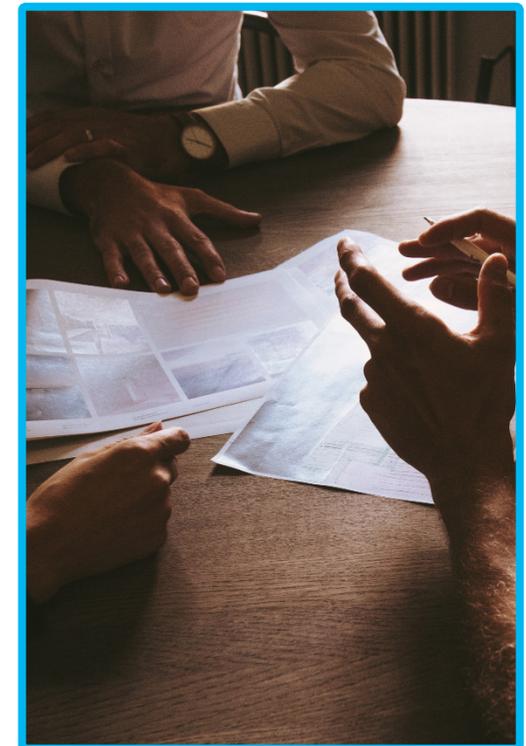
Executives today are more focused on strategic management decision making due to the hypercompetitive global environment and the public and private sector evaluation and opinion. Public organizations are attempting to function as private profit-wise while public companies have the Wall Street analysts continuously evaluating their every strategic move. Lee and Kim's (2001) model for managing knowledge takes a strategic process oriented approach and is relevant to executive leadership. It is important for management consultants to build a climate of openness for individuals to exchange ideas. Knowledge is accumulated by creating new approaches to gathering, evaluating, and disseminating information throughout the organizations. Consultants need to make deliberate

attempts to inspire people to create new ideas and develop effective mechanisms to acquire knowledge from various sources such as suppliers, customers, business partners, and competitors. This is similar to a value-chain approach. Consultants need to first support this approach for the model to work because they play a strategic role in expanding the knowledge accumulation through applying incentives as mechanisms to develop a more innovative climate and managing effective tools to acquire knowledge from external sources.

It will also be necessary for consultants to integrate knowledge internally. Knowledge integration focuses on monitoring and controlling knowledge management practices, evaluating the effectiveness of current knowledge, defining and recognizing core knowledge areas, coordinating expert opinions, sharing organizational knowledge, and scanning for new knowledge to keep the quality of their product or services continuously improving. Consultants can promote knowledge integration by creating expert groups or steering committees to enhance knowledge quality and evaluate knowledge assets. Follower's diversity of skills and interpersonal relations that is based on trust and reciprocity can improve the performance of group cohesiveness. In the process of knowledge integration, knowledge enters organizational processes and provides valuable contributions to products and services. Consultants must have the desirable expertise to steer the organizational strategy and facilitate this process, by undertaking initiatives that improve knowledge transfer, thus enhancing the performance of employees and the implementation of effective changes to maintain the quality of products and services. The burden of success, where effective implementation of knowledge integration is concerned, is heavily dependent on the capabilities of the organization's management consultants.

Furthermore, it is important for management consultants to reconfigure organizational knowledge. When executives agree to share knowledge with other organizations in the environment, studies have shown that that knowledge is often difficult to share externally (Zehua, 2012; Jianbin et al., 2014). One reason is that other organizations have too much pride to accept knowledge or are apprehensive to expose themselves to the competition. Therefore, Executives may lack the required capabilities to interact with other organizations,

or distrust sharing their knowledge. In addition, just the notion of creating an expert group or steering committee may be shortsighted because such groups may not have sufficient diversity to comprehend knowledge acquired from external sources. Consultants are aware of networking with business partners as a key activity for organizations to enhance knowledge exchange. Networking is a critical concern for management consultants in this process, as developing alliances with partners in external environments. Executives and their expert groups and/or steering committees are the ones who can make final decisions about developing alliances with business partners. Consultants, therefore, need to understand what it is about the organization's capabilities that allow the organization to develop alliances with business partners, and interact with other organizations accordingly.



THE PARADOX PHD GRADUATES

**Yazeed Alhezzani**

I remember when I started my PhD in 2010, one of the first tips my doctoral supervisor told me is “the results of your PhD are very theoretical; however, doing your PhD is a very practical process”. At that time, I did not realise how practical doing my PhD would be until I completed my thesis; and I had not appreciated the value of the practical process of doing a PhD until I started working in the consulting industry. This article sheds light on the paradox that PhD graduates’ skills are purely academics not practical.

Nick van Dam, Global Chief Learning Officer at McKinsey, listed the top ten critical skills (i.e. competencies) of the future (Hendrick, 2017). Amongst the skills are crucial ones that every PhD student needs to build to successfully complete their PhD. These are critical thinking, creativity, and complex problem solving. And there are others that PhD graduates normally encompass such as taking initiative, communication, research, and report writing skills (Irish Universities Association, n.d).

Therefore, when consulting employers assess job candidates who have a PhD, do they appreciate or even perceive that PhD graduates have gained skills that enable them to work in industry and even be at senior levels? Yes, employers are right that the industry environment is different from academia (although there are still similarities), but this is like someone who is an excellent driver but has not driven in a particular town.

Some of the top consultancy firms listed in the report by Hill (2019) mention that the skills they need for their posts involve analytical and quantitative problem-solving skills, communication skills, research skills, report writing and presentation skills. These skills are essential for PhD students to complete their research and get their degree (Irish Universities Association, n.d). However, by reading through the qualifications and skills required for some of the posts listed in the top consultancy firms, reference is made to BSc and MSc or MBA degrees as necessary or preferred qualifications but rarely, if at all, is reference made to a PhD. For example, for a business analyst post, a consultancy firm states that the postholders should

have a BSc or MBA with 1-3 years experience without reference to a PhD as a preferred qualification or how it equals the 1-3 years experience. Not until I started working in the consulting industry did I realise that the skills PhD graduates have are largely underestimated by consulting employers. Below are examples from my experience:

**Communication skills:**

A PhD is about both verbal and written communication of a message that ultimately lets students get their PhD. Throughout my PhD, I experienced that PhD students had to practise all sorts of communication whether in the form of one to one with their supervisors, in the form of presentation to conference and symposiums audiences, or in the form of interviews with industry to gather data for their research. As part of a project I was a member of, we conducted focus groups. My role was merely note-taker and the project manager was not confident enough in my abilities to assign me the role of session leader. For the following focus group session, none of the senior managers were able to attend the session and the client refused to postpone it since the arrangements with 20 participants had already been made. So, the project manager had no choice but to ask me to lead the session. Everything went perfectly with the session but without this unforeseen circumstance of senior managers being unable to attend, the project manager would not have appreciated my communication skills that I have gained from my PhD study.

**Research skills:**

A primary goal of doing a PhD is to prepare and train students to carry out a sophisticated research independently in their subject area. Unfortunately, some employers think that this skill is solely about academic research and has nothing to do with the consulting industry. From my experience working in the consulting industry I noticed that some employees, even those who have ten years of experience in the consulting industry, tend to lag behind PhD graduates in terms of their ability to conduct research. One colleague, who was at a senior level, was in charge of arranging an interview to collect data about a training program they wanted to develop for

a particular organisation. The training program director asked if it was possible for him to be present during the interview. The senior colleague agreed. This of course led the interviewee to be biased in their answers. However, as PhD students, we were all taught that any interview for data gathering purposes has to be as neutral as possible to reduce bias.

**Creativity:**

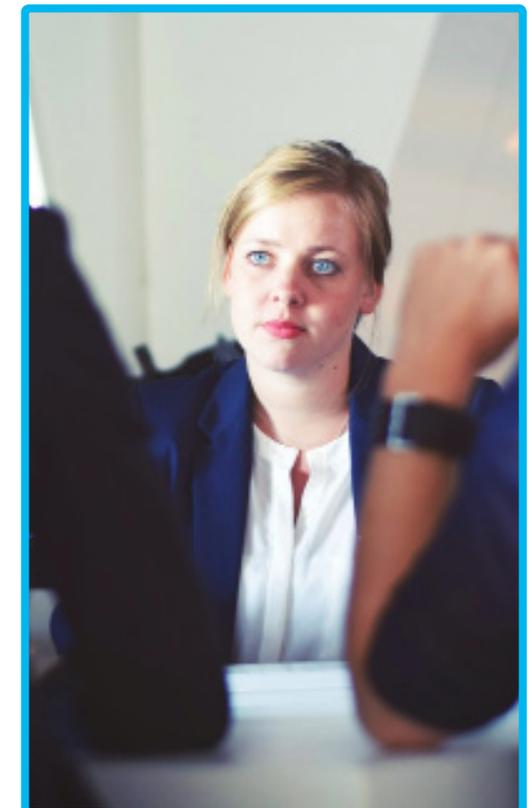
Creativity is what all PhDs are about. Without it, no contribution to human knowledge is made and therefore no PhD is gained. In other words, creativity is the jewel in the crown of a PhD. Students are urged to go beyond understanding, analysing, and evaluating levels of learning to the top of the learning pyramid, creativity. Throughout the PhD journey, students need to have a sense of creativity in every stage of the research starting from generating the research idea, forming an appropriate methodology of data collection, to writing their thesis. From my experience, the shortest period PhD students need to find a research topic and formulate a research question is 6-8 months, and for some it is 12-18 months. This is an intensive course in itself that students take to come up with a research idea that satisfies two conditions of the research topic, novelty and utility.

**Initiative:**

A PhD is a lonely journey. This means that without taking the initiative, students would struggle to get their PhD. I remember that when I stayed idle for one day not working on my thesis, I felt guilty because no one can do my research but me. This has driven me to take the initiative all the time to have something valuable to enhance my research whether this was looking for a workshop/ seminar to attend, finding relevant resources, or even speaking to other PhD students. So, doing things that contribute to the work and team without being asked is a habit that develops with PhD graduates and becomes ‘in their blood’.

The above examples are just a few of the skills learned from my PhD study that are relevant to the consulting industry, but there is more, such as critical thinking,

writing reports, and presentation skills. Therefore, PhD students should not underestimate the skills they acquired from their PhD study. They are encouraged to convince others that the skills are crucial and relevant to the consulting industry. Consulting employers should rethink the way they select job candidates, especially PhD graduates, and not merely focus on years of industry experience. PhD graduates have gained skills that might never be experienced without having studied for a PhD.



**THE SKILLS AND COMPETENCES OF MANAGEMENT CONSULTANTS AND HOW THEY ARE DEVELOPED**

Will Morgan

“  
**Every consultant knows that his clients are his teachers and that he lives off their knowledge. The consultant does not know more. But he has seen more.**”

Drucker's quote seems highly appropriate when considering the skills and competences required of management consultants and how they are developed. It also highlights the difference between the consultant and the client-side executive.

Much work has been done by the ICMCI to formalise the skills and competences required by consultants, and in early 2014 a competence framework was launched to complement the long-standing CMC qualification. Kubr (2002, p.4) argued people need to master tools and skills as well as observe the behaviours to be effective. The CMC qualification is not a prerequisite to practise as a consultant and many firms operate their own frameworks to ensure their consultants epitomise their brand and values as well as measuring their individual development and evaluating competences.

The competences expected of a consultant within the ICMCI framework revolve around three core elements: business, technical and values and behaviour with further sub-competences to pinpoint specific skills required. Within the business competence, it is evident the consultant is required to look outwardly at external factors, develop and draw on their experience and knowledge of the consultancy market as well as the factors affecting the client in the broader context in which they operate. The technical competence revolves around the deeper understanding of the project, the skills required which the client may not possess and the ability to apply appropriate techniques to the project to bring about the desired outcome. The values and behaviour competence reflect the ethical and professional standards expected of a consultant. Within this competence, the framework looks at key skills in terms of listening, picture building, questioning and interviewing skills used by consultants in order to add value to clients. This can be done by challenging the

client through discussions in the "Zone of Uncomfortable Debate" promoted by Bowman (in Haslam, 2017, p.59) and the effective and ethical use of the Wickham and Wickham push pull model (in Haslam, 2017, p.70). A consultant has to be adept with each element and able to deploy a specific element of the model at the right time to deliver the benefit to the client. Having identified these core competences, it is evident the ICMCI sees these as being developed whilst on the job, a point endorsed by Kubr (2002, p.800) who agrees that learning on the job is the main method of learning, although there is an expectation any consultant should also have some experience either in the form of a professional qualification or degree or specific work experience. This statement within the framework lends some credence to the assertion that the ICMCI is seeking to introduce a greater sense of professionalism, formalising skills required of consultants through the CMC qualification and to affirm management consulting as a profession. However, as stated by McKenna (2009, p.203), it is difficult to determine whether consulting can be seen as a profession given the CMC qualification is not a requirement to enter the consulting world, as evidenced by both O'Mahoney (2013, p.23) and Law (2009, p.63) who recognise that fewer than 3% of consultants hold the CMC qualification, a figure which has barely changed in recent years.

Visscher in 2006 suggests the larger firms simply do not need codified knowledge or certifications because their methods of developing consultant competence revolve around enhancing the overall competitiveness of the firm, rather than developing the whole profession which may erode any competitive advantage held.

It is clear the professionalisation of consulting debate is ongoing and despite the broader context of consultant skills and competences being developed internally by individual firms, Drucker (1981) summarised the development of individual consultants in terms of skills and competences in the form of practitioners who bring previous knowledge, situations and outcomes to bear in their work on individual cases. Alvesson appears to agree with Drucker, stating their work has more to do with "experience in adapting to new situations" (Alvesson, 1993, p.1005) rather than specific expertise. Bourgoin and Harvey (2018) refer to this challenge as "learning-

credibility tension", based on the fact consultants must appear competent and confident when undertaking new assignments, all the while gaining knowledge of the client's business in a discreet manner. Although the competency framework suggests the need for functional expertise in a sector, the ICMCI acknowledges the additional importance of learning from others. Visscher points to a survey conducted in his own research in 2006 which demonstrates how individual consultants in Holland felt they developed their consulting skills and competences. Unsurprisingly, given the conclusions in the range of literature cited above, these consultants felt overwhelmingly that they self-developed their skills either as an individual or with colleagues, which in the latter also demonstrates the effectiveness of mentoring programmes in aiding consultants develop their skills and competences. Visscher concluded "learning-by-doing in concrete projects in interaction with clients and colleagues, were in general considered more important" (Visscher, 2006, p.257).

One could argue the skill set required of a consultant and an executive are not dissimilar and the hiring of former consultants into executive positions by firms has narrowed the gap. Sturdy (2008) presents them as change agents and that their skills and superior knowledge of practices external to firms have enabled organisations to close the gap and rendering them less likely to require the services of an external consultant.



He suggests that although client-side executives may lack the reputation of external consultants, they are in a better position to effect change within an organisation particularly as they have to provide leadership and decide whether or not to act on the advice being given.

This is supported by Groysberg who highlights change-management as one of the seven skills or traits most valued by companies suggesting "an external hire can bring "a new skill set that can lead to significant change and growth" (Groysberg, 2014). Where consultants were previously deployed to improve processes, the outlook of organisations and imparting external knowledge, the client-side executive is now seen as being broadly capable of doing so himself. Furthermore, if consultants are required, the greater number of former consultants in executive positions means they are often able to take their pick of a variety of consultancies, leading to a higher quality certainty on any project undertaken. The quality of the consulting firm is also particularly important to client executives when seeking legitimacy for any decision, notably when working with a range of stakeholders from the board to shareholders.

Knowledge and expertise are prevalent themes in the ICMCI framework, and although the framework suggests a need for a year of consulting experience and the application of sector knowledge to at least one business sector, it is evident knowledge and expertise are a crucial aspect of any consulting project and to an extent it differentiates a consultant from a client-side executive. The conventional view in literature is that consultants are viewed as outsiders who bring knowledge into the organisation, and help them create new knowledge. This view appears to be confirmed in O'Mahoney's work (2013, pp.25-26) who cites two surveys which state 66% of clients bring consultants in for their skills, 45% for original thinking and 34% for an objective perspective, although this contrasts with another survey which stated that clients valued the objective advice the most at 84%, tailored solutions at 81% and close working relationships at 78%. Despite the view of Niewiem and Richter (2004, p.11), where expertise is being seen more and more as a crucial source for superior value creation this contrasts with the procedural approaches which lack distinctiveness, and a survey cited by O'Mahoney suggests clients do not value the expertise or the sector

THE SKILLS AND COMPETENCES OF MANAGEMENT CONSULTANTS AND HOW THEY ARE DEVELOPED (CONTINUED)

knowledge as highly at 44% and 63% respectively. This affirms the view that client side executives are deeply embedded within their organisation and have a greater knowledge of the context in which they operate. However, as client-side executives become more embedded in their organisation, their knowledge and skills become narrower and more specific, whilst consultants are able to maintain a broader perspective through their exposure to different sectors, market forces, countries and technologies.

Armbruster (2006, p.103) suggests client executives develop their networks internally and take time to identify and define consulting issues, and as such possess greater internal knowledge of the organisation in terms of power relations, micropolitical issues and sensitivities, its employees and operations as well as points of resistance and any pitfalls. By identifying consulting issues within their organisation, client executives are in a strong position when it comes to scoping the project, negotiating and pricing with consulting firms, particularly if they are a sophisticated client who has previously worked with a number of consulting firms and has strong ties with different consultants. As a result, consultants develop their skills in regularly communicating with their clients to influence their thinking and also steering them towards their strengths and addressing weaknesses and market threats or opportunities. Client executives have to develop their trust in consultants in order to avoid any future embarrassment if the termination of a consulting project is necessary.

Groysberg (2014) highlights technical and technology skills as another important trait required of executives, and that the need for these skills is increasing in importance in organisations. The growing need for strategic thinking and execution amongst executives also suggests that as Christensen et al (2013) posit, by hiring former consultants, the skills in applying tools and techniques are no longer necessarily being sought externally, and as a result, external consultants are being used in a more modular way so that organisations derive greater value from them and have greater control.

Beyond demonstrating appropriate knowledge and expertise, a consultant must be able to present solutions effectively as well as work with the client in a variety of ways to effect change and pass on knowledge. Sturdy's

work in 2008 suggests many of the former consultants surveyed had to draw upon these skills in order to help organisations make explicit and implicit changes in cultures and values as well as developing individual

skills. It is evident communication, presentation, team and relationship-building skills are moving to the forefront of skills required of client-side executives, and given the emphasis given to the development of these skills and competences in consultants through the framework but also day-to-day practice, it seems clear the differences in the skill sets required is narrowing.

**Conclusion:**

In conclusion, consultants develop their skills and competences through their work on projects, and these are developed by exposure to a range of different sectors which require different knowledge and the application of different tools and techniques. It is clear the ICMCI competency framework goes some way to formalising the skills and competences required of consultants, although as discussed above, with around 3% of consultants formally holding the CMC qualification, larger firms use their own frameworks to develop their skills and competences which serve to enhance the overall competitiveness of the firm.

The differences in the skill sets required of client-side executives and consultants is narrowing, and the recruitment of former consultants to executive positions has contributed to this change, although there remain some differences in terms of knowledge. As cited above, client executives have greater internal knowledge of their organisation and are often in a better negotiating position when considering contract details empowering them over consultants. It is clear consultants possess a greater perspective of broader issues through their exposure to different sectors, tools and methods in each project, whereas the client-side executive is more embedded and the skill set narrows over time to the specific organisation and sector. Drucker's 1981 quote still seems highly relevant today when discussing the skill set of consultants and how they are developed in contrast to the client-side executive.



**CONSULTING SKILLS FOR 2030**

**Chris Sutton, Mike Fenn**  
**Centre for Management Consulting Excellence**

In 2018 the Centre for Management Consulting Excellence (CMCE), a pro-bono organisation established by the Worshipful Company of Management Consultants that brings together management consultants, academics and other stakeholders in the management consulting community, conducted research into the skills that management consultants will need to sell and deliver assignments in 2030.

We sourced data from 157 respondents through face to face interviews and an online survey. The respondents comprised not only consultants and their clients, but a broad range of stakeholders. The consultants came from both large and small firms, and many have management experience in industry.

Respondents were asked to rank and comment on a number of technology and societal drivers of change, in terms of the scale of their likely impact on the skills needed by consultants (Table 1). The survey then asked whether the traditional skills of a consultant (change management and the like) would still be relevant by 2030. We also gave space in the survey for respondents to provide unprompted insights.

**Table 1: Respondents' ranking of each driver of change (%)**

	Radical	Significant	Radical or Significant
Cyber Security	38	39	77
AI	33	43	76
Self Employment	29	46	75
Big Data	32	40	72
Globalisation	25	43	68
IoT	23	31	54
Robotics	26	27	53

The figures above show percentage of respondents. For example, 77% of respondents thought the impact of Cyber Security will be radical or significant. The remaining 23% thought the impact would be moderate or negligible. 100% would represent 157 respondents.

Cyber Security (as a risk management skill) came out top in the impact rankings, with cyber risks being seen by respondents as a potential massive roadblock to a digital future beset by "unknown unknowns". How to assess the risks, and how much of an organisation's limited resources should be expended, in a context where assailants are out to destroy your business or steal your IP? While there will continue to be a technical battle between the good and bad guys, management consultants will be expected to drive board level discussions on steering their clients' businesses through the cyber minefield.

In second place came AI (Artificial or Augmented Intelligence). There was a huge polarisation of views; some respondents see AI as huge disruptor, others see consultants taking it in their stride. Several respondents argue that the full impact will be felt by 2040 not 2030. New consulting skills will be in demand in framing questions, assessing how AI insights can be translated into human capabilities to deliver results, and advising on ethical implications and accountability.

In third place came the trend among consultants towards self-employment. Respondents agreed that concepts such as portfolio careers and work/life balances are here to stay, while also recognising that much of the new technology (AI engines, for example) will demand a level of investment that only big consultancies can afford. Will there be anti-trust legislation by 2030 if big firms act as AI monopolists? Respondents also commented about the pressures for independent consultants to both deliver and sell, with a new breed of agencies already offering to sell.

While coming out lower in the impact rankings, the other prompted themes – Big Data, Globalisation, Internet of Things and Robotics all generated incisive comments. Timeless consulting skills such as senior relationship building and change management will remain very important in 2030, as humans look to humans to contextualise and interpret the recommendations that technology will generate. This comes with two provisos – consultants must invest in understanding the new technologies if they are going to be able to interpret them, and they must beware the dangers of interpreting purely through the lens of past experience. The T-shaped consultants of 2030 (combining both deep specialist and broad generalist ability) must also need resilience in

order to thrive at an increased pace of change. The most frequently mentioned "new skills" that consultants will need, according to our respondents, are:

**New Technology | Cyber Security | Innovation | Self-promotion | Cultural adaptation | Empathy**

There will be a change, and perhaps some reduction, in the opportunities for junior consultants to enter the market, with AI and Robotics taking over some of today's entry-level consulting activity. Yet there will be new junior roles in scrubbing and keeping secure, at an industrial scale, the data that will feed the new technologies. We will also see an increased percentage of data scientists on many consulting assignments. We asked our respondents: "All things considered, what change will there be in Consulting Skills needed in 2030 versus today?"

The overwhelming answer from our respondents is that the impact will be incremental, not radical. It suggests that adaptable consultants can march forward to 2030 in their stride. But the survey data rings an alarm bell for consultants when the results of consultants and non-consultants are compared. Non-consultants see the impact of cyber security, AI and self-employment on consultant's skills as being much more radical by 2030 than do the consultants themselves. There are some powerful implications here, which might lead to two alternative conclusions.

**Consultants see the world through a filter of "we have seen changes before, we will overcome" and are better prepared than their clients give them credit for.**

*Or*

**Consultants are under-estimating challenges that are much more evident to the clients that they seek to serve, calling into question whether they will have the knowledge and aptitude to be of use to clients in 2030.**

Both are valid hypotheses, and of course for the management consulting profession the first one comes across more comfortably than the second. Yet it could be disastrous to ignore the second conclusion. Consultants must direct their inquisitiveness and knowledge building to get to grips with what is happening with

new technologies and demographic trends, and to understand better the implications that these will have both for their clients and their clients' customers. These are not all things that are fully known today, but that fact cannot be an excuse for any complacency. Clients need consultants to be thinking ahead of them, not lagging behind. A copy of the full report can be accessed free of charge through the following link:  
<https://www.cmce.org.uk/projects>

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