

# Consulting Over the Horizon

*Perspectives on the future of management consulting*

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# Executive Summary

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The international financial crisis, new technology and environmental concerns are among the factors that are fundamentally changing today's business environment, providing new opportunities to management consultants who are alert and flexible. The objective of this research project, conducted as the final paper of an MBA programme, is to provide insight into how management consultancies can prepare themselves today to take advantage of opportunities that will appear tomorrow.

A review of the academic literature confirmed that management consulting has frequently experienced growth during economically difficult times, but revealed little that was helpful when considering the future. Primary research was conducted by interview with 13 consultants and senior executives, with findings summarised as follows:

- management consultants will continue to be in demand, because executives will always face challenges;
- the essence of management consulting is not changing: its fundamental role is, and will continue to be, to identify problems and propose solutions;
- leading consultancies play a special role in identifying innovative business thinking and converting it into practical business advice;
- being a business, a management consultancy won't succeed if it pushes an agenda that doesn't support its financial interests.

Reflection upon the material obtained through the literature review, research interviews and discussions led to the view that strategic planning for management consultancies should reflect an horizon of 2 years for skills development and 10 years for its investment in people. This study also concluded that executives are facing a future that involves managing and reporting on multiple objectives, and that management consultants will be in demand if they are able to assist their clients in incorporating environmental and social objectives into the bottom line and help them to identify and profit from the opportunities that will appear.

Although the research findings suggest that management consultants can successfully cope with the transformation that is being experienced in the business world, this report argues that change will be of a scale that requires a strategic response from management consulting firms. The following recommendations will help prepare management consultancies to take advantage of opportunities in an uncertain future.

1. **Change** Remain alert by keeping close to leading business thought and practice:
  - examine corporate structures to ensure that they allow for quick responses to new opportunities, particularly those that require unconventional thinking and a new mix of skills;
  - evaluate the mix of staff that will be required to ensure a flexible and responsive firm;
  - cultivate relationships with leading business schools and research units;

- be actively involved in entrepreneurial ventures as a deliberate strategy to identify new business knowledge;
- ensure a training process is in place that allows for the rapid up-skilling or re-skilling of staff.

2. **Diversity** Increase flexibility by ensuring that the firm's workforce contains a diverse set of skills and experiences:

- examine recruitment policies to ensure that recruitment occurs from a heterogeneous applicant pool, so that the workforce is diversified with a wide range of backgrounds and skill-sets;
- ensure that senior management recognise and give serious consideration to divergent thinking, so that they can more effectively identify emerging opportunities and navigate through the changes ahead;
- follow diversification strategies in order to reduce risk and increase flexibility, while seeking to identify niches with the potential for significant growth opportunities.