

## Management Consultancy

### Meaning and Definition

- Literally, consultancy means the act of consulting. It is the process of seeking the advice of a consultant. According to New Webster's Collegiate Dictionary 'to consult' means 'to ask advice of' or 'to seek the opinion of' and - 'consultant' means 'one who consults or gives expert advice'. - The World Book Millennium 2000 defines a consultant as "a person who gives professional or technical advice" and consultancy has been defined as "the work or business of a consultant". However consultant is a word that is likely to be misunderstood until one becomes more fully aware of the many kinds of consultants. It is used in a generic sense and it gets the right meaning only when some prefixes are added like 'management', 'technical', 'investment', 'tax' etc. A consultant is an independent and qualified person.

- "Management Consultancy entails the provision of objective advice and assistance relating to the strategy, structure, systems, management and operations of an organisation in pursuit of its long-term purposes and objectives. This may include the identification of options with recommendations, the provision of additional resources and / or the implementation of solutions".
- Consultancy services are the services provided by an independent and qualified person or persons to identify and investigate the problems concerned with policy, organisation, procedures and methods; recommending appropriate action and helping to implement these recommendations. Even though there are different areas of consultancy, in practice, all these practically originate from management consultancy. Hence it is appropriate to define the concept of management consultancy:

- The Management Consultancy Association of India defines management consulting as "an advisory service contracted for and provided to business, public and other undertakings by specially trained and qualified persons. It is a process of interaction wherein the consultant in an objective and independent manner diagnoses and investigates problems and issues - concerned with management practices, analyses these; recommends appropriate action and provides assistance when requested in implementation of recommended solutions"

- Management Consultants can operate as specialists or generalists, but all typically provide services across a variety of industry sectors in the following areas:  
Strategy Programme Management Operations Human Resources
- Change Management. Management Consultancy firms can range from those that offer end-to-end solution provision, to niche firms that offer specialist skills and knowledge. Whether specialists or generalists, consultants use four key resources: objectivity, broad experience, analytical skill and full-time attention to each assignment.

- A consultant is an independent and qualified person who provides professional service to individuals, organisations or business undertakings. Consultancy services are the services provided by an independent and qualified person or persons to identify and investigate the problems concerned with policy, organisation, procedures and methods; recommending appropriate action and helping to implement these recommendations.

- A consultant who is an expert in the relevant field or discipline identifies and investigates the problems of clients and on the basis of his expertise, he makes suitable suggestions and also helps in the implementation of recommendations. Consultants give specialised services to clients in the form of advice, information and knowledge. They charge commission or fee for their services.

- Management consulting grew with the rise of management, as a unique field of study. Originally these services were provided free of cost. But gradually the consultants were compensated suitably for their services. Materialism, change in values, increased sophistication and better lifestyles, all paved the way for the commercialisation of consultancy services. Organised consultancy services are the contribution of modern civilized complex society. The number of individuals and organisations seeking the help of consultants increased gradually. These individuals and organisations need the help of professional consultants for increasing their rate of profitability or for making personal gains. It is against this background that organised consultancy services developed in the present-day context.

- It is seen that the history of organised consultancy services mainly relates to that of management consultancy. Most of the consultancy services were also centred around management consultancy. Many developments in this area took place during the post independent period, when it was started by the foreign consultants engaged by some multinational companies. With large investments in the public sector during the first and second five-year plans, the local consultancy firms slowly started their operations to meet the needs of Indian industry.

Purpose

- Achieving organizational purposes and objectives- All consulting to management and business trends a purpose of helping clients to achieve their business, social or other goals. Such as sectoral- leadership, competitive advantages, customer satisfaction, achieving total quality or productivity, corporate excellence, high performance, profitability , improved business results, effectiveness, growth, etc.

Solving management and business problems

- Helping managers and other decision-makers with problem-solving is probably the most frequently mentioned purpose of consulting. Such as complaining clients, poor business results, natural disaster, lack of perspective, obsolete control system, high staff turnover, lack of cash, idle resources, slowness of action, internal conflicts.

Identifying and seizing new opportunities-

- Its purpose has not usually been to solve existing problems, but to help clients to see and take major new opportunities that can be exploited by adopting new approaches to doing business.

Enhancing learning

- Helping the only work that is really worth doing as a consultant is that which educates which teaches client and their staff to manage better for themselves through acquire the consultant's special technical knowledge (e.g. in environmental analysis, business restructuring or quality management) and the methods used in assessing organizations, identifying problems and opportunities, developing improvements and implementing changes (interviewing, diagnosis, communication, feedback, evaluation and similar skills).

Implementing changes

- Helping clients organizations to understand change, live the change, and make changes needed to survive and be successful in an environment where continuous changes is the only constant. The importance of this consulting purpose to keep informed about changes that may affect the organization and the increased demands on people's flexibility and ability to cope with changes.

Nature of Consultancy Services

- Professional Consultancy services encompass a broad range of - activities but can all generally be defined by certain common characteristics. They are:
  1. High Expertise
    - In the consultancy services, the product is 'expertise'. Consultants are highly trained, well experienced and knowledgeable in a complex specialist area of expertise. They provide expert advice to their clients in the area of their specialisation. They acquire the skills by training and experience.

2. Membership in Professional Bodies:

- Consultants hold qualifications and accreditations in their field of expertise. They have to acquire the prescribed qualification and procedures to overcome the entry barriers in the field of consultancy services. Further membership of a professional society or governing body is also required.

3. Highly Customised Services:

- Consultancy services are tailored to meet client's needs. This leads to greater customisation of services and high levels of variance in service quality. These are high contact, people-based services with high degree of specialisation.

4. Confidentiality:

- Consultancy services are provided to clients individually. These are provided on a basis built upon mutual trust and confidence. Credence plays an important role in the selection of a consultant. A consultant should have knowledge, integrity and reputation.

5. Quality Services:

- Last but the first preference is the quality of the service of consultancy. Quality is the pivot around which the consultancy service revolves. Clients expect high quality of services from consultants at reasonable rates. If the consultants offer world class services, the task of its marketing is simplified. It is in this context that almost all the consultancy organisations have been found making innovative efforts to develop a new perception of quality which helps them in achieving the desired results.

6. Role of Consultants

- A consultant provides an expert professional service to his clients. Generally, consultants follow a 'problem-solving approach' towards client's problems. They help the clients by:
  - identifying and investigating problems concerned with strategy, policy, markets, organisation, procedures and methods.
  - formulating recommendations for appropriate - action by factual investigation and analysis with due regard for broader management and business implications.

- Discussing and agreeing with the client the most appropriate future course of action.
- providing assistance where required by the client to implement recommendations.
- In carrying out these activities, professional consultants should be expected to exercise independence of thought and action, deal with the clients problems in the right perspective, give well-balanced advice and continuously strive to improve their professional skills and to maintain a high quality of service.

- Consultancy Skills required for management consultancy:
- Listening Skills
  - Communication Skills
  - Motivational Skills
  - Problem-solving Skills
  - Decision-making Skills
  - Human relations Skills
  - Time -management Skills

- The Consultant - Client Relationship
- The role of consultant has a direct bearing on consultant-client relationship. In this context, the consultant has certain duties towards the clients and strict adherence to certain guidelines. These duties are:
    1. Providing clients with information
    2. Providing clients with techniques
    3. Providing clients with an objective point of view.
    4. Providing clients with Problem Diagnosis and recommendation.
    5. Providing clients with final report and follow up.

- It may not be out of place to state the nine points' code of professional practice laid down by the Association of Management Consultants in the USA. These are reproduced below :
  1. Management consulting is a profession and, therefore, consultants must adhere to professional standards of practice.
  2. A member will not accept an engagement unless he has reason to believe that tangible results can be obtained for the clients.
  3. Information gathered on assignments will be held in strictest confidence.
  4. A member will not accept assignments to serve as a tool for management to carry out plans which he has agreed to in advance, and to which the member disagrees.
  5. A member will advertise and promote his business in a professional way only.
  6. A member will not accept fees, commissions or kickbacks as a result of recommending equipment, supplies, or services without the knowledge of the client

7. He will not at the same time serve two or more clients who compete with each other without the full knowledge all parties.
8. He will strive to improve the effectiveness of the work of all Management Consultants.
9. Failure to adhere to the foregoing Code of Professional Practice is a basis for isolating him from the professional body.

- The Art of Consulting
- The way in which a consultant renders his service varies enormously, depending upon the specific needs of clients and their own preferences and skills. There is no uniform approach applicable to all clients. The approaches vary according to the main area in which they are working. The possible approaches to consulting services are:
    - (1) Strategic Studies:- the development of broad strategies and policies and major revisions to organisational structures and activities to meet long term requirements. (2) Systems Development-the introduction or amendment of system and procedures.

- (3) Problem solving:- providing solutions to organisational and management problems.
- (4) Service Provision:- the delivery of services such as recruitment, selection and training which could be carried out within the organisation.
- (5) Process Consulting:- the provision of advice and help in process areas -- such as organisation, planning, objective setting, quality management performance management, team building, conflict resolution and change management.

Emerging Trends

- Management Consultancy have moved from being based on creation of new knowledge to application of new knowledge." - Fundamental to this transition is the speed of technical and innovation change. The faster the change, the more challenging it is to be at the frontier of new knowledge for consultancy organization. The emergence of new technology - driven business systems such as typified by e-commerce, presents a real challenge to consultancy firms as they are likely to be more knowledge seekers rather than knowledge-creators. Consultancy opportunities will increase in areas like management consultancy, information technology, market research etc. The consultant will be more professional, demanding and seeking tangible results.

The end