

The classic concept in the field of management consulting - the focus on „content experts” - has recently been called into question. Several publications have labelled the re-engineering approach a failure and suggest as a remedy the turn to „process experts”. Analogous to the medical field, where a doctor’s diagnosis and proposed therapy can only be successful if he collaborates with the patient, true customer service can only be accomplished if the management consultant co-operates with the client during the entire project. Thus, „Corporate Wellness” largely depends upon regular check-ups, a timely diagnosis and a therapy that ought to consist of a tailor-made configuration of measures rather than standardised solutions. Apparently this approach demands higher commitments and greater efforts but the achievable improvements make it definitely worthwhile.

MANAGEMENT CONSULTANTS - PHYSICIANS FOR COMPANIES OR OVER- RATED MAGIC MIRACLE WORKERS?

THE SIZZLE FIZZLES

While for many years the management consulting industry has been the guiding light for many entrepreneurs and corporations, its fame is waning recently. Quite a few clients are asking themselves whether the success of a consulting task shows up on their bottom line or on that of their advisors. Every year a new buzzword: Lean Production, Outsourcing, Business Re-engineering, Visionary Management,

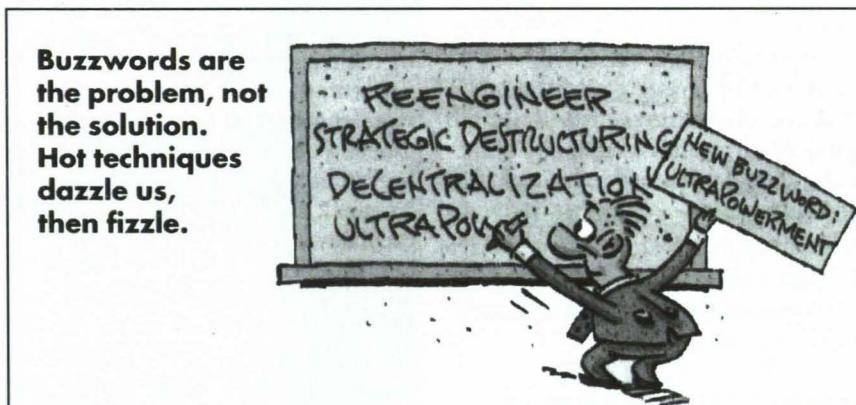
Virtual Corporation, TQM and the list could be continued.

Are they new answers to a continually changing business environment or - as some Americans would say - "Just plain old hype"? A recently published report by Christian Homburg et al.²³ from the University of Koblenz concluded after an analysis of more than 100 large German corporations with multi-year experience in re-engineering, "that the results allow the conclu-



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Source: Harvard Business Review, July/Aug. 1996

ABB. 1: BUZZWORDS

sion that the (re-engineering) concept has failed in implementation".

THE ALTERNATIVE - A PROCESS EXPERT?

These findings are similar to the results of earlier publications, requiring the management consulting world to change from "content experts" to "process experts". While the authors of this article convincingly argue for management consultants to act as pure facilitators, we think this to be the other extreme compared to the traditional role model.

It seems to us that if the service process between client and management consultant is studied closely, one can find several analogies between the field of medicine and the consulting industry.

PHYSICIANS AND CONSULTANTS

The similarities start at the contracting point. Which management consultant has not had clients who, after having tried all quick solutions, arrive at a point in time when it is clearly too late and drastic measures, like surgery, are necessary.

Others know both the diagnosis and the therapy, they see the practitioners office only for getting their preferred medication. This was a common practise in the Eighties, when large corporations chose to reduce staff size or divest business units. If the management wanted better cards in their negotiations with unions, politicians and other stakeholders they needed an objective expert's opinion that preferably fitted their plans. As a result, many management consultants have built an image of job killers.

Another parallel: only a minority of companies perform regular check-ups in the form of benchmarking or audits and even the solicitation of customer opinions in a structured way happens very rarely.

THE HOLISTIC ALTERNATIVE

At Intema Consult, we believe that a good management consultant should be comfortable both in the role of a content and a process expert. Which one will be more pronounced is determined by the client, the consulting objectives and thus the contract. To stick with the medical terminology: a holistic approach to the client's problem appears to offer the biggest chances for success.

Just one example may illustrate the point: companies ordering a market analysis for a new market may be concerned if the consultant starts developing the market research skills of their staff. However, if the contract calls for assistance in developing the same new market, extensive coaching and considerable skill development will have to be on the menu for the company to be successful.

EXPERIENCED PRACTITIONERS

We also resort to the practise of the medical field in our evaluation of the "latest and greatest" in our industry. Like drugs used in medicine, each approach has its merits and indications, but also produces side effects - all of which can only be found out in solid research and long-term practice. This is the reason why we rely on experienced practitioners.

In the same way that a good doctor would do, they will start with a careful analysis of the customer's situation. Together with the client, an accurate diagnosis is made before deciding on the therapy, which again requires working closely with the "patient". In most cases a mix of drugs and different doses thereof will be required in different phases of the consulting process.

DIAGNOSTIC EXAMPLES

Such as it is the case in the medical field, there are also many disci-

plines a management consulting company can focus on: from logistics to financials and human resources. At Intema Consult we believe that many managers spend too much time fixing the symptoms of present aches rather than curing the root cause and building a solid base for the future.

While streamlining operations may yield a few percentage points in productivity gains per year, different design philosophies - a high degree of modularisation, platform strategies, supplier involvement early in the design phase - are likely to provide much higher savings. At the same time, correctly implemented programs can potentially lower development cost, reduce development time and enhance product quality, all of which has a positive impact on the customer's bottom line. If this approach is complemented by true innovations that offer a sustainable competitive advantage, higher prices and higher margins may help further.

Other often neglected areas for improvement in technical industries are the sales and distribution channels. Once a channel has been established, many companies treat it like a marriage: something that cannot be dissolved, independent of the results. But if one studies the market life cycle of a product, it becomes obvious that the skills to generate a market during the introduction are quite different from financing and reaping the benefits of a growth phase or squeezing out the last „margin drops“ of a saturated and declining market.

Simultaneous marketing via a number of channels is another strategy rarely adopted by predominantly technical manufacturers. The struggle of many PC manufacturers with managing their channels became obvious when the PC market moved from the early innovators/pioneers stage into rapid growth. Companies that held on to their high value added marketing channels for too long lost market

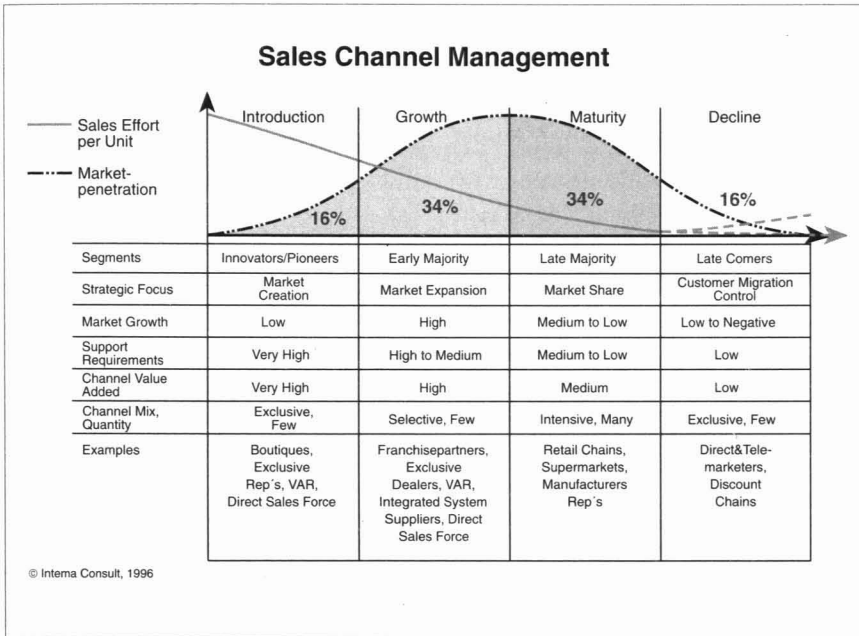


ABB. 2: CHANNEL MANAGEMENT

share that was at least very costly, if not impossible, to recover.

Finally, many companies, who have technically outstanding products, are firm believers of the „the truth will out“ myth. This myth is based on the assumption that the best solution will in the end - automatically - succeed in the market place. However, as can be clearly observed in a number of cases, this belief regularly leads to market shares below the solution's potential. The models for the diffusion of innovation of Bass, Chatterjee/Eliashberg or Sinha/Chandrashekar suggest that the number of information units conveyed to potential customers is critical in overcoming their uncertainty regarding adoption of an innovation and thus to its market success. Consequently a new product must be launched with an „all out“ communication effort. Clever integration of all possible instruments will yield better results than allocating all funds to advertising or trade shows, the traditional means of communication for technical companies. For example, the Danish company Brüel&Kjaer has supported its dominant position in the acoustic and sound measurement technology market by a series of seminars tailored to the needs of

engineers working in this field. Their customers pay fees as high as \$600.00 per day and participant to hear about the latest application information and technology.

SPECIALISED IN TECHNOLOGY MARKETING

Consequently, Intema Consult offers its clients a skill portfolio that enables us to successfully analyse and develop creative solutions as well as to help implement projects in the following areas:

- Market and channel development
- New Technology and Products

- Integrated Marketing Communications

There we can best combine the client's existing skill and technology base with our know-how and experience for a common objective. In our experience, the knowledge of a running company has enormous depth; we can complement this by a wide exposure to different markets and segments of our target industries:

- Transportation
- Manufacturing and engineering systems and plants
- Medical instruments

Each project starts with a thorough analysis that provides a solid foundation. Other key pillars are the acceptance of the outcome of the analysis and the common objective. Professional project management makes sure that time lines and budgets are kept. Communication and coaching skills keep everybody on board throughout the whole project duration.

We strive to operate by mission commitment because we have found that the enthusiasm of our "champion" for finding a common solution will in many cases ignite motivation and drive others. Developing skills in the project groups comes from moderated sessions where ideas can be freely exchanged.

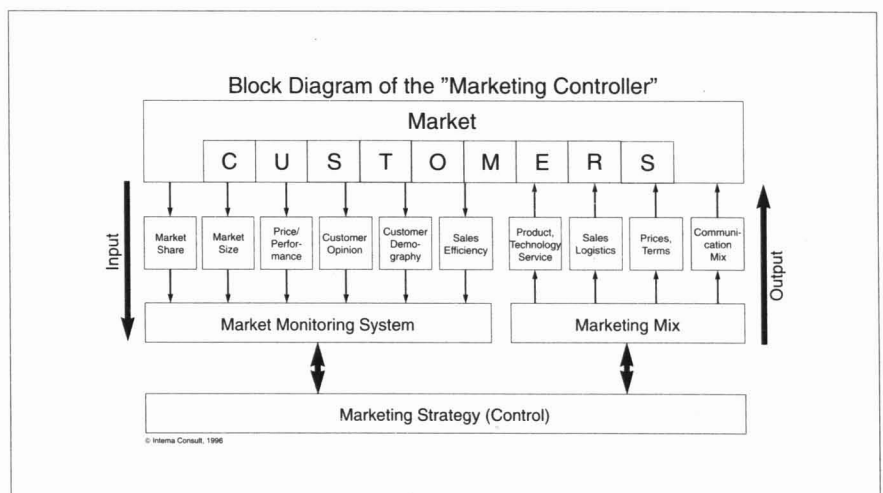


ABB. 3: CONTROLLER

SUCCESS FACTORS

Thus, successful client consultant relationships not only in the health industry but also in our field are based on the following factors:

- Regular check-ups
- a long term "Marketing Wellness" program
- a timely diagnosis and beginning of therapy in case of symptoms
- analysis should drive the therapy approach
- individual configuration of measures rather than standardised solutions
- co-operation rather than confrontation between the different disciplines
- many small steps or projects enable faster success, build confidence and foster learning while not depleting the management resources of the client.
- Continuous coaching and feedback throughout the project enables closing the loop for better results.

Of course, we cannot perform miracles but we can certainly be a factor in improving our client's "Corporate Wellness". We are aware of the fact that our approach requires higher commitments and greater effort both on the consultant's and on the client's side; yet, the achievable improvements in process and result quality in our opinion make it worthwhile.

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12. November 1996, 8.30 bis 18.00
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