

Leading from the front. Behind the headlines

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The management consulting landscape is being reshaped by the large corporations due to an increasing number of executives mandating the smaller and more agile firms to service key parts, or indeed all, of their requirements. In the 1990s many consulting firms were claiming to be the driving force behind the reinvention of the corporate landscape. But less than a decade later, the purchasing patterns of business executives in large corporations have changed and they are now reshaping the management consulting landscape. Most senior executives have realised that using larger consulting firms does not guarantee success. They see that the service offerings of some of the larger players have become less distinct as they struggle to maintain a consistently high quality of work across vast numbers of staff via standardisation. It is not surprising that, as the larger firms grow, they are being weighed down by the very issues they are trying to address through standardising their service offerings. This is, in turn, reduces their competitive advantage. Therefore, senior executives are beginning to recognise that bringing together smaller consulting firms will deliver a distinct solution to their specific business needs. Another benefit in dealing with small to mid-sized management firms is the opportunity to work with a senior advisor who is focused on their business and that is not distracted by the complexities of their own firm. Smaller firms have a genuine interest in transferring skills and capabilities. They can do this firstly from a client perspective to ensure work can get to scale and secondly by managing their own business exposure to a single client revenue stream. Due to the closeness of the consulting teams in smaller firms, clients can also be highly confident of the quality and consistency of the results. Many smaller firms are so confident of 'putting their money where their mouth is' they will work on a performance-related fee basis. These firms are taking things one step further and engaging clients in a results based conversation. Small really can be beautiful.