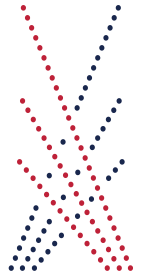




in association with



**BRITISH ACADEMY
OF MANAGEMENT**

Consulting Research 2019

Conference Proceedings

Goodenough College, 12 November 2019

sponsored by



and



Consulting Training Division
Corporate Edge



THE CENTRE HAS BEEN ESTABLISHED BY the Worshipful Company of Management Consultants. Education is one of the primary objectives of Livery Companies and the establishment of the Centre is the Company's contribution in its own domain of interest. It is well placed to lead this initiative, with its broad membership from among the management consulting community.

Sharing know-how and commercialising research of value to the practice of consultancy is vital. The Centre aims to identify and share the most important new ideas for management consultants, thereby developing their performance to the benefit of their clients and the economy in general. It provides a forum for practitioners to share the fruits of their experience and academics to share the results of their research.

The Centre serves a broad range of stakeholders in the management consulting sector. They include practising consultants, academics, consulting firms, clients of management consultants, business schools, and students – all of whom were represented at this year's Conference.



THE WORSHIPFUL COMPANY OF MANAGEMENT CONSULTANTS

Change through Wisdom — *Philanthropy, Education and Fellowship*

WCOMC IS A MODERN LIVERY COMPANY. We are a professional peer group that contributes to the continuing success of the City of London and our consultancy industry, which itself works with, helps and supports all sectors of the present-day economy. We are a charitable enterprise, founded in 1992, incorporated by Royal Charter and an integral part of the network of the civic city, the Lord Mayor and Corporation of London. And the creation of the Centre for Management Consulting Excellence is a major initiative by the Company in this area.

Beyond this we have built up an enviable record in helping and developing not-for-profit organisations with our pro bono consultancy and mentoring. Similarly, we contribute to and enhance the education and professional development and standing of management consultants. Above all we support, stimulate and learn from each other through our professional fellowship, our formal and informal events and meetings and the varied activities of our special interest groups.



Calvert Markham
Director

I AM PLEASED TO INTRODUCE THE proceedings from the first Consulting Research Conference run by the Centre for Management Consulting Excellence which was, so far as I know, the first Consulting Research Conference ever, anywhere in the world!

The Centre was formed by the Worshipful Company of Management Consultants almost three years ago, to support the Company's aim quoted in its Charter, 'To facilitate professional and social discussion and the exchange of information between Members of standing in the profession, their clients and society at large concerned with management consultancy'

From the outset we knew that it would be important to engage with the world of academia. For that reason, the Centre has an active relationship with the British Academy of Management, where we have run popular Professional Development Workshops at the Academy's annual Conferences over the last couple of years.

Our interest is not just research into management consultancy, but research that is relevant to the performance of management consultancy, as we have seen from the papers that have received this year's Awards. Moreover, many academics are themselves interested in applying their research through contributing to consultancy projects. Nowadays it's important to show the impact of research, and the application of research via management consultancy is a useful means of creating impact.

This of course is not a one-way street; many practitioners lecture at business schools and indeed may have visiting positions there. There is a demand for training in consulting skills, and indeed one of the sponsors of this year's Conference was Elevation Learning, which has been training consultants around the world for many years. The Centre is keen to be inclusive and engage with all those who are interested in management consultancy. Our activities are therefore open to all.

Firstly, we hold events which encourage the sharing of leading edge thinking. Discussion among participants is an important aspect of this, a feature of this year's Conference and of the programme of evening seminars that we brand as Showcases, where specialists are invited to present and debate aspects of their research.

We also engage in projects. Earlier in 2019 we published the results of a project we conducted into the skills required of management consultants in 2030, and a current project is looking at the value add that consulting firms add to the client-consultant relationship.

The Centre brings together a very wide range of people and organisations, and so we have been thinking about the services that we might offer. One of these is what we are calling 'Round tables', which offers a basis of rapidly co-creating research papers that could enhance the positioning of a consultancy business.

Finally, we are developing a Knowledge Bank on our web site, of materials that are of value to management consultants. At the launch of the Centre we conducted some research into what would be most useful to our stakeholders, and one of the items was a curated source of information. This surprised us; after all, we live in an information rich age, but in fact the problem is finding what is relevant. When your Google search returns tens of thousands of hits, then how can you make progress? So the Knowledge Bank has been set up to help users save time. It also provides an opportunity for those who are subject matter experts to act as what we are calling Curators, to look after various subject matter domains.

The Centre has made great progress since its formation, and this Conference was its most significant event to date. It has relied on the efforts of a dedicated group of volunteers: the Conference team, led by Sue Whittle; the judging team led by Bob Harris; and Malcolm McCaig who chaired the Conference. Our thanks are also due to our hosts, Goodenough College (some of whose students attended the Conference), to Michael Mainelli for his keynote address, and to Elevation Learning for sponsoring the event.

Introduction

Finally, congratulations to finalists and winners of this year's CMCE Research Awards and of the Urwick Cup, presented by the Worshipful Company of Management Consultants for outstanding research. In these proceedings you will be able to read about the winning research, the people who were involved in the research and in the Conference, and the comments that were made by those present, all of which is intended to help in sharing leading edge thinking of value in management consultancy.

CALVERT MARKHAM IS THE DIRECTOR of the Centre for Management Consulting Excellence and a Past Master of the Worshipful Company of Management Consultants, of which he was a founder. He has been President of the Institute of Management Consultants and a Vice Chairman of the International Council of Management Consulting Institutes, chairing its Professional Standards Committee.

Most of his career has been as a management consultant, initially specialising in HR consultancy but then in consultant development; he has run programmes for hundreds of consultants around the world.

He is a Visiting Fellow at Cass Business School and has had teaching engagements at many other business schools.

He has written extensively on the practice of management consultancy and his two longstanding textbooks on this were published in revised editions earlier this year by Legend Business as *The Art of Consultancy* and *Mastering Management Consultancy*.

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Our Sponsors



Angela Tennent
Sponsor

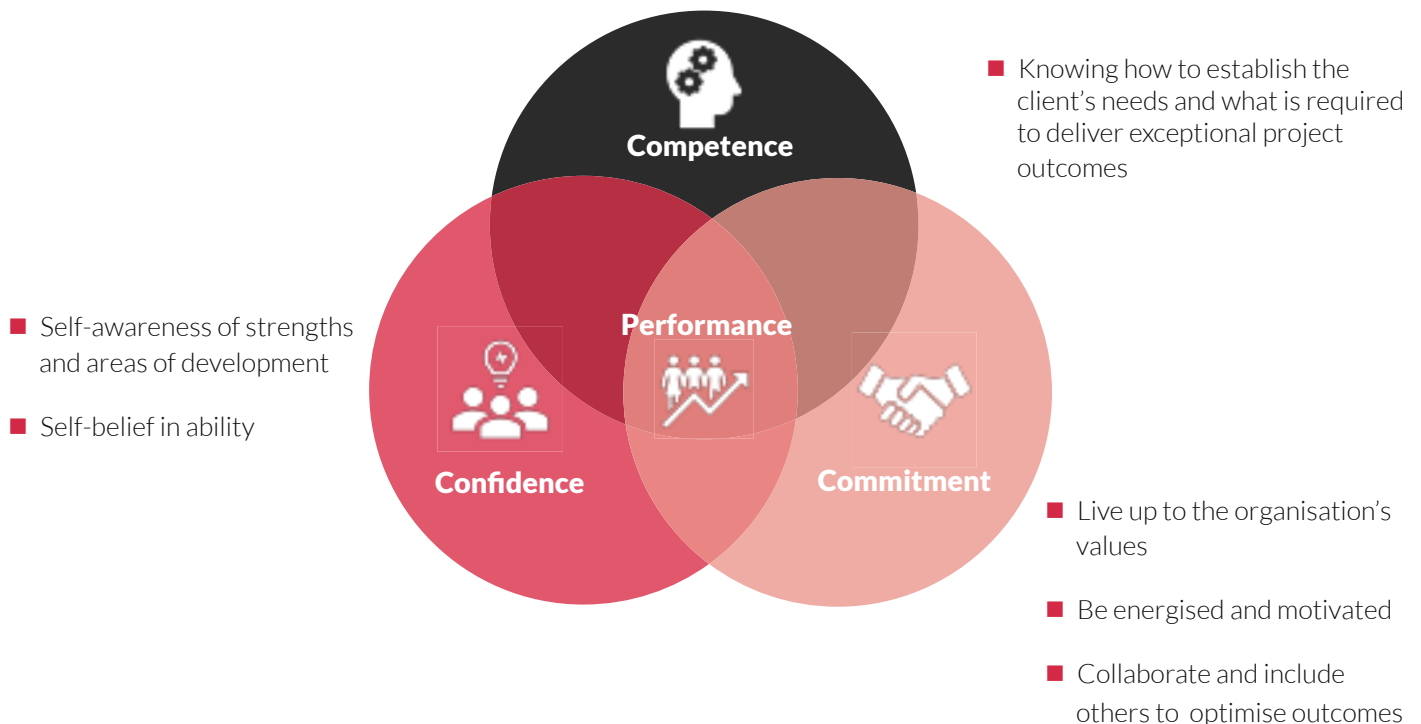
ELEVATION LEARNING IS A SPECIALIST PROVIDER of learning solutions for professional service groups and organisations – most notably consulting businesses and internal consulting teams. We are consultant practitioners who focus on developing the skills and improving the everyday performance of professional consultants. Our learning interventions produce results and we continually invest in our research and learning methods to add a competitive edge to our clients’ businesses.

We have an enviable and enduring track record of success in helping fellow consultants to improve their capability to win clients and deliver business advisory and consulting solutions to the highest standards. Our client work is international, spans all sectors of the consulting world, and embraces the challenges of today’s often complex and ambiguous business environments.

Our experience and rich portfolio of developed content coupled with our ability to tune in to organisational and individual learning needs means we are in demand to deliver open courses; design and deliver bespoke programmes; and advise learning teams on how to improve their learning strategy and practice. Our clients value our commitment to taking a ‘whole person’ or holistic approach to training as a means to personal and professional performance improvement.

What makes us different

We develop high performing consultants by building on their individual and existing strengths to unleash their full potential. This framework is at the heart of our learning model.



We know how to assist consultants change mindsets by applying our deep understanding of how theory meets practice in everyday consulting life. We:

- use our consulting experience to bring the training material to life with stories and real-life examples
- apply our work and life experiences to help course participants view themselves and their roles from fresh perspectives
- share our international experience to broaden participants' horizons

Don't just take our word for it

From our consulting organisation clients...

- "Elevation Learning are extremely professional and accommodating – they listened to our needs and were able to make proactive recommendations on how we could get the best possible outcome for our participants and the business. I found their approach genuine and feel they truly care about the experience had by all. It was and continues to be a truly personal approach. I have no hesitation in recommending them as a true learning partner. Thank you, Elevation Learning!"
- "We engaged Elevation Learning to design an Excellence in Professional Consulting programme. We have been impressed by the time and care they have taken to achieve our desired learning outcomes and ensure the trainer 'fits' with our culture. We are exceptionally pleased with the programme which is borne out by excellent ratings from participants. Elevation Learning really deliver what they promise."

And from our course participants:

- "Really useful course, interactive, great presentations and very relevant."
- "An invaluable workshop for consultants which is interactive and enjoyable."
- "Be prepared, be engaged, think outside the box."
- "Relevant, engaging and value for money."
- "Thought provoking, instant benefit to your role. Added value to my learning right away."

As an Approved Training Centre for both the Chartered Management Institute and Institute of Consulting, we deliver professional qualifications courses to agreed and recognised UK academic standards. We also have a close relationship with many other consulting institutions and associations including the Worshipful Company of Management Consultants and as sponsors of the Centre for Management Consulting Excellence.

ANGELA TENNENT IS MANAGING DIRECTOR OF Elevation Learning and has over twenty years' experience as a learning and development consultant. She has delivered training in all areas of consultancy skills, performance improvement and business development, working with clients in a wide range of industry sectors in the UK and internationally.

Her background is in finance, starting her career at Deloitte where she managed the firms National Leadership and Development Programme for managers up to partnership. She co-founded Corporate Edge, a business training consultancy, in 1996.

Angela is a Chartered Accountant, member of the CIPD and is a Certified Master Practitioner of Neuro Linguistic Programming.

Our Sponsors



Rev. Dr Alan McCormack
Sponsor

OUR INAUGURAL CONFERENCE WAS HELD IN the delightful surroundings of Goodenough College, Goodenough College is an educational charity that provides award winning residential accommodation for talented British and international postgraduates and their families studying in London.

The College provides a vibrant community for all those who live here through a unique programme of intellectual, cultural and social activities that aims to provide Members with an international network and a truly global outlook.



THE CONFERENCE WAS WELCOMED TO GOODENOUGH College by the Dean, Alan McCormack, who is also a Priest of the Parish of Mayfair (St George, Hanover Square). Educated at Oxford and at Yale, Alan was formerly Dean of Trinity College Dublin, Succentor of St Patrick's Cathedral, Dublin and Senior Domestic Chaplain to His Grace the Lord Archbishop of Dublin. He moved to London in 2007, becoming the Rector of St Botolph without Bishopsgate and St Vedast-alias-Foster in the City and an Advisor on Chinese Christian Affairs to the then Lord Archbishop of Canterbury, Dr Rowan Williams. He has been Shrieval Chaplain at the Old Bailey on a number of occasions and was most recently Lord Mayor's Chaplain in 2016. He is a Liveryman of the Worshipful Company of Goldsmiths, and of the Coopers, an Honorary Freeman of the Leathersellers, a Member of the Garrick Club in London, of the Kildare Street and University Club in Dublin, and of a new Club, in Soho, called 'The Court'.

The Conference Programme

Opening Address

Welcome from CMCE
Welcome from Goodenough College
Sponsor's message
Introduction to CMCE research awards

Malcolm McCaig, CMCE
Revd Dr Alan McCormack, Dean
Angela Tennent, M.D. Elevation Learning
Dr Bob Harris, WCoMC

Technology and Consulting

Introduction to award-winning paper 1
Presentation from the award winners
Discussion

Dr Simon Davey, WCoMC
Dr Karl Warner and Max Wäger
Led by Malcolm McCaig, CMCE

Keynote Address

The Utility of Research in Management Consultancy

Alderman Professor Michael Mainelli

Break for tea and coffee

Client-Consultant Relationships

Introduction to award-winning paper 2
Presentation from the award winner
Discussion

Dr Bob Harris, WCoMC
Professor Andrew Sturdy
Led by Malcolm McCaig, CMCE

The Changing Environment of the Consultant

Introduction to award-winning paper 3
Presentation from the award winners
Discussion

Patrick Chapman, WCoMC
Dr Robert Luther, Dr Ellen Haustein and Gail Webber
Led by Malcolm McCaig, CMCE

Closing Session

Summary of the afternoon
Closing address

Malcolm McCaig, CMCE
Calvert Markham, Director CMCE

Reception in Churchill Room Presentation of Urwick Cup

Introduction to Urwick Cup winner
Presentation of Urwick Cup

Dr Bob Harris, WCoMC
Denise Fellows, Master WCoMC

The Conference Programme



Malcolm McCaig
Conference Chair

“

This was an interactive showcase event with something for everyone. It drew on the best of the best academic research in the field of management consultancy. Most importantly, it recognised the potential practical application of that research and awarded recognition where due. Attendees had the chance both to hear from the experts, and also to discuss the content and add their own insights. To add the icing to the cake, Professor Michael Mainelli delivered a splendid key note address. Everyone took away something of value, and I am delighted the conference lived up to its promise.

”

MALCOLM MCCAIG IS AN ASSISTANT DIRECTOR for the Centre for Management Consulting Excellence, and a Certified Management Consultant. He is Chairman of the board of trustees of United Response, one of the UK's largest charities, and until recently Chairman of Unum UK, the largest provider of Group Income Protection in the UK.

His Non-Executive experience over the past twelve years includes OneSavings Bank, Ageas (UK), Crest Nicholson, QBE Insurance (Europe), Tradition (UK), Barbon Insurance Group, Punjab National Bank (International), CMC Markets, 4most Group, Renaissance Capital and The House of Lords. Prior to that he was a partner at both Deloitte and Ernst & Young, and he has held senior executive positions at Cigna Corporation, Prudential UK and National Australia Bank.

In addition to his work as a Non-Executive Director and Corporate Social Responsibility ambassador, he is a Steering Committee member of CIMA's Chairmen's Forum, a member of the Audit Committee Chairmen's Independent Association, and a Senior Advisor to a venture capital fund specialising in Fintech.

Keynote from Michael Mainelli



**Professor Michael Mainelli
Alderman**

AS A RESEARCHER, IT IS A distinct honour to be asked to make a few remarks about the utility of research to the profession of management consultancy. Good research stems from profound wonderment at our ignorance. As Einstein supposedly remarked, “If we knew what it was we were doing, it wouldn’t be called ‘research,’ would it?” Naturally, as a good researcher, it turns out that there is little evidence that Einstein ever said this, or even said this first, and a good deal of evidence that it ought to be attributed to several other people.

If there is a point to my remarks this afternoon it is to encourage you to revel in your ignorance, simultaneously your greatest weakness and your greatest strength. Good management consultancy starts with proper research.

My first of three research tales is about a North American technology firm, let’s call it Boysenberry. Twenty years ago Boysenberry wanted to come to Europe with their personal digital assistants (PDAs, remember?) and sought tenders from consultants to help them. Boysenberry would only do cold tenders. My firm, Z/Yen, was asked to tender to help them enter the European market. We lost. Boysenberry failed in Europe too, trying to sell what they sold in North America. They asked us to tender again. We lost a second time. Boysenberry failed in Europe a second time.

Firms should shop before buying. Shoppers want to learn. Buyers are know-it-alls. Women shop, men buy. At their third attempt Boysenberry decided to shop, they talked to us. We convinced them of their ignorance of the European market. The final research highlighted Europeans very accepting of the status of their IT professionals, accepting claims that PDAs needed a few years of strategic planning. North Americans wanted PDAs now, rolled up their sleeves to install servers, bypassing internal professionals who got in the way. The solution, not exactly a compliment to us Europeans, was to pair Boysenberry with major telecoms firms to provide a full service, otherwise Europeans wouldn’t buy. After three tries, admitting ignorance got Boysenberry going.

Management consulting research is essentially the scientific method applied to business problems. Moving ourselves and our clients down a road from some chaos to some more order. My personal motto is “**Ordo ex χάος**”, ‘Order from Chaos’.

Sometimes we consultants go too far. A surgeon, engineer, and management consultant were arguing about whose profession was oldest. The surgeon said, “in the Bible, God created Eve from a rib taken out of Adam. Surgery is oldest.” The engineer said, “even earlier in the book of Genesis, God created the order of the heavens and the earth from out of the chaos. Engineering is oldest.” The management consultant leant back in her chair, smiled, and then said confidently, “Ah, but whom do you think created the chaos?”

My background is science – aerospace and cartographic research, followed by Ministry of Defence research, and even today sitting on the accreditation body for UK certification agencies and laboratories. Z/Yen is a think-tank combining technology and finance research. Z/Yen researches many areas we know nothing about, ranging from quantum computing (our first work here was in the mid-1990s) to smart ledgers (our first blockchain was also in the mid-1990s) to low-loss high-voltage cables.

My second research tale is about some work with the City of London. Over some 12 centuries, The City of London has done a number of amazing things behind the scenes – bringing renminbi clearing to London, or taking the 1997 Kyoto Protocol seriously and starting the carbon emissions trading markets in 2005. At the turn of the millennium, people in London worried about business lost because the UK had stayed out of the Euro. The City commissioned research into the state of the market after the Euro, published in 2003 as “Sizing Up The City: London’s Ranking As A Financial Centre”. The study concluded London hadn’t gained, nor had it been harmed. It compared London with all its major competitors. New York, Paris, Frankfurt... Uhm. That was it.

Keynote from Michael Mainelli

I was stunned. The world I knew included Singapore, Chicago, and other overlooked centres. The City admitted its short-sightedness, but their budget was tight. So we co-created a new way of doing an index for 50 cities for the same price as studying four. Today, every six months you read news about the Global Financial Centres Index (GFCI), now on its 26th edition and analysing over 100 financial centres. GFCI research influences millions of jobs in finance, technology, property, and development. It began with the City admitting its ignorance, but also embracing the scientific method.

Science and the City are not strange bedfellows. In the 15th Century, London became a centre for the New Learning. The New Learning was heretical, subversive, and radical. It meant something big to Erasmus, two Bacons, a Colet, and a Moore. Today we call it Humanism. Metaphysically Humanism rejects belief without reason. Epistemologically it supports scientific scepticism, hypotheses, observation, and repeated experimentation. Humanism thrived in London for two reasons, the egalitarian and discursive culture of the City of London, and Continental war. Sir Thomas Gresham funded Gresham College for the New Learning in 1575. In 1660 the Royal Society began in Gresham College. Science was driven mostly by commerce, and a bit of war, until well after the first London universities in the 1820s. Do see a wonderful, new, permanent exhibition at the Science Museum on this, "London: Science City 1550 to 1800".

Frederick Taylor was a great proponent of a management consulting scientific method well over a hundred years ago with his time & motion studies. Though you can take time and motion studies too far. For years one efficiency expert watched his wife's routine making him breakfast. He analysed her trips between the fridge, stove, table and cabinets, often carrying a single item at a time. One day he told her, "You're wasting too much time. Why don't you try carrying several things at once?" As he explained to his fellow management consultants proudly, it was an enormous success. "It used to take her 20 minutes to make breakfast. Now I do it in ten."

My third research tale is about Climate Change questions. In 2005, 100 researchers working for 24 firms joined the London Accord, sharing investment research to save the planet. We published a 780 page study on investability for climate change, concluding that numerous investment portfolios could successfully deliver the finance if the carbon price was kept above \$25 to \$40 per tonne. Along the way we asked an odd question – "What happens if we burn it all?" (i.e., burn all known reserves on balance sheets).

The comedian Jay Leno once quipped, "According to a new UN report, the global warming outlook is much worse than originally predicted. Which is pretty bad when they originally predicted it would destroy the planet." Remember that we're just over 400ppm now and 500ppm is bad, 550 is really bad, etc. The London Accord team concluded that burning traditional fossil fuel assets currently on balance sheets would result in 1200ppm. Something was wrong. The answers to burn-it-all led to the unburnable carbon initiative, the stranded assets discussion, and the Bank of England realising that such a large balance sheet adjustment constitute a major risk to financial stability.

In the City we talk about our convening power, we identify a problem, then convene people to make contributions, build consensus, gain commitment, communicate, and even celebrate success. That's what the Centre for Management Consulting Excellence conference and awards do – convene us about research in the 20th year of the Urwick Cup.

But the very first stage is identifying the problem, and it always starts with a good question. French thinker, Claude Lévi-Strauss, once concluded that, « Le savant n'est pas l'homme qui fournit les vraies réponses, c'est celui qui pose les vraies questions ». "The learned man is not the man who provides the correct responses, rather he is the man who poses the right questions." This is an old point that cannot be made often enough – or can it?

So three tales of research roles – helping to launch a successful product, helping to measure financial centres, and helping us to challenge fossil fuel finances. As long as there are good questions, there is lots of research ahead. Social, technical, economic, and political questions abound. Geopolitics from Brexit to China, from Australia to Africa and America, all provide great subject areas. Sustainable Development Goals 1 to 17 provide an infinitude of excellent, do-good subject areas.

Keynote from Michael Mainelli

I'll end by sharing a wry quote from Terry Pratchett's book Interesting Times, "Chaos is found in greatest abundance wherever order is being sought. It always defeats order, because it is better organized."

In conclusion, please do admit your ignorance. Please do promote the scientific method. Please do ask great questions. But most of all, have fun. Good research well done is enormous fun. You learn all the time, and once in a while have a chance to change the world. What can beat that?

MICHAEL MAINELLI IS CHAIRMAN OF Z/YEN, a commercial think-tank, which he co-founded in 1994. He is Emeritus Gresham Professor of Commerce at Gresham College in London, an Alderman of the City of London (Broad Street (ward)), and founder of the Long Finance initiative. He was elected Sheriff of the City of London on 24 June 2019

He attended Harvard College, Trinity College Dublin and the London School of Economics and Political Science. His early scientific research in aerospace and computer graphics led to him starting Swiss companies in seismology, cartography and energy information from 1979 to 1984. He conceived and produced the first complete digital map of the world in 1983, Mundocart, as well as the \$20 million Geodat cartography project from 1980 to 1984.

The CMCE Research Awards



Dr Bob Harris
Judging Panel Chair

THIS IS THE FIRST YEAR THAT the CMCE Research Awards have been presented. Chair of the judging panel, Dr Bob Harris, commented on the deliberations of the panel.

Calvert has explained that the Management Consultants Livery Company set up CMCE a couple of years ago to strengthen the relationship between academia and practicing management consultants. This conference is the first of its kind and is intended to provide a forum for interaction – for the presentation and recognition of leading research in the field of management consulting.

As the first such conference, not everything has gone smoothly and we have learnt some lessons! However, we did receive over 20 nominations for awards in three categories, and more than a dozen met the eligibility criteria and hence fell to our Judging Panel to evaluate. You will hear more about the

winning entries later, but first I would like to make a few comments on how we went about the evaluation and what we concluded from our review of the entries.

Evaluation criteria

Eligibility was based on:

- Relevance - to management consulting
- Format – published and/or publicly available
- Recent – within the last two years

For the evaluation of eligible entries, the single most important criterion we used in evaluation was

“To what extent can this research improve the practice of management consulting?”

We did not require that such application had taken place (although evidence of that would be a bonus), but we were looking for research that had the potential to improve practice. Such improvement might in the form of new/improved services offered by management consulting firms, guidance to client organisations on how they used management consultants, and perhaps even opportunities for deploying management consultants where they were not currently used.

As you can infer from this principal criterion, we gave significantly more weight to research which could influence future consulting advice than to descriptive research which analysed historical activities of the consulting profession. We then developed several sub-criteria which included relevance, appropriateness, potential value and potential impact.

What did we find?

Several findings became immediately apparent when we started reviewing the submitted entries:

There is a challenge for academics in getting access to empirical information on management consulting practice. Several papers presented research findings that we judged as ‘common knowledge’ amongst experienced consultants.

Few of the authors had sought or obtained advice from an experienced management consultant in interpreting their findings, which would have had a significant influence on their findings and conclusions.

Several of the nominated papers seemed to be addressed to a solely academic audience, with unnecessarily abstruse language and scores or even hundreds of references cited.

The CMCE Research Awards

Although not a winning entry, we were pleased to read the paper by Olga Matthias: “The world’s newest profession is not dispensable” which observed that management consulting has enjoyed massive growth over the last 30-40 years. This is in contrast to the many negative articles about management consulting – the revolving door syndrome, management consultants cost the NHS more than they save, very high fees etc. Perhaps this negative approach is a consequence of the fact that the work of management consultants is not widely publicised, but only the failures get into the press. The National Audit Office is renowned for focussing on failure rather than success, but it provides a lot of material for others to rake over!

What can we do about it?

I cannot claim to have any knowledge about what motivates academics who wish to research the management consulting profession. But here are three suggestions:

Talk to an experienced management consultant before you start a new research project

Take advice from an experienced management consultant during the research

Write up your research in language that is accessible

If you need help on any of these aspects – contact CMCE and we will provide someone.

What about the winners?

I’m pleased to say that we had some outstanding entries that we chose as winners of the three award categories, and you will be hearing more about these shortly.



Judging panel L-R Dr Simon Davy, Dr Bob Harris, chair, Patrick Chapman

BIOGRAPHIES OF THE JUDGING PANEL can be seen next to the award over which they presided. Sue Ells (not present) was also a member of the judging panel.

Winners of the Award

Technology and Consulting



Dr Simon Davey
Award Judge

“

This research is founded on empirical evidence from senior executives in a number of large organisations that are addressing strategic change, along with the leaders of global management consulting companies providing advice on such change. The findings are highly relevant and provide a practical model for any consultant advising organisations that are seeking to build the agility required to successfully embrace digital transformation.

”

SIMON DAVEY WORKS WITH INDIVIDUALS AND organisations to overcome challenges, do things better and do better things. He focuses on strategy, digital, data and change and their application to transform the capabilities of organisations, people and enhance the outcomes for their customers and beneficiaries.

Simon was originally involved in analytical chemistry and biotechnology and became an independent management consultant in 2000. He is a guest lecturer at Cass Business School's Centre for Charity Effectiveness and an Independent Commissioner for the Direct Marketing Commission as well as practicing journalism and sitting in judgement on Awards Panels.

His recent work has focused on transformation in the legal advice sector and identifying AI opportunities to improve access to justice.

Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal

Karl S.R. Warner, Maximilian Wäger

IN THIS QUALITATIVE STUDY, WE EXAMINED how incumbent firms in traditional industries build dynamic capabilities for digital transformation, which have important implications for strategy research in fast-changing environments. During our research project, we aimed to make sense of digital transformation by drawing on senior executives' lived experiences with leading digitalization projects.

Digital transformation has been defined as the use of new digital technologies, such as mobile, artificial intelligence, cloud, blockchain, and the Internet of things (IoT) technologies, to enable major business improvements to augment customer experience, streamline operations, or create new business models. Throughout our fieldwork, we found that leaders in various industry circles inconsistently used the term “digital transformation” to describe various strategizing and organizing activities. For example, we observed that leaders would draw on strategic activities such as experimenting with rapid prototyping, moving operations to cloud computing, or simply establishing a digital marketing team as concrete examples of digital transformation. Indeed, by encountering such divergent opinions on what a digital transformation really means, our industry-wide data show there is a general misalignment in strategic thinking, planning, and action on this topic. This is problematic, especially for incumbent firms because digital transformation is now a strategic imperative on most senior leadership agendas.

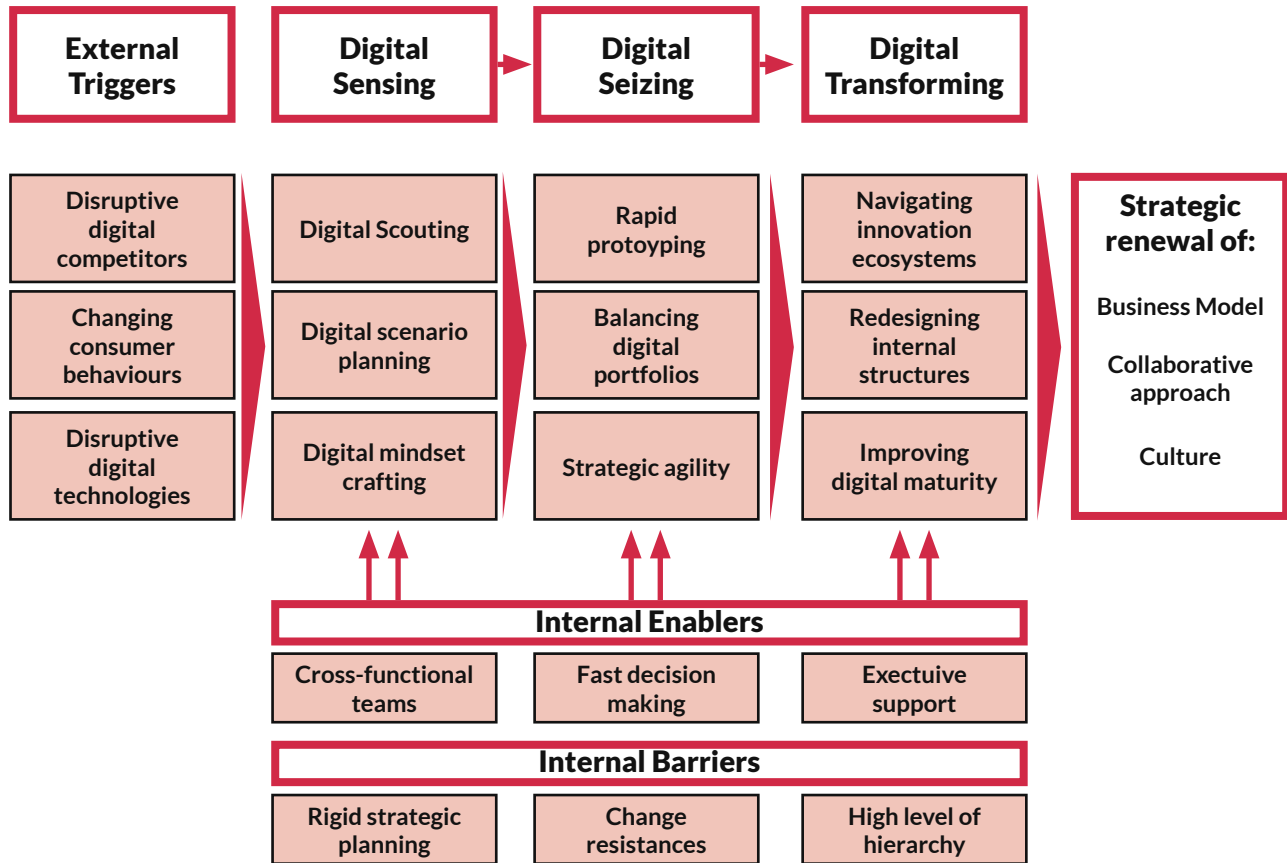
To explore digital transformation, we took a novel methodological approach to develop a breadth and depth of contextuality. We collected and analyzed a wide range of case data that span several industries. We interviewed the authors of published strategy consultancy reports on digitalization and combined this with case study data that drew on senior executives' experiences with leading and embracing digital transformation.

We propose a process model comprising of nine innovation capabilities (e.g. microfoundations) to reveal the generic contingency factors that trigger, enable, and hinder the building of dynamic capabilities for digital transformation. The starting point of our model is represented by external triggers, including disruptive digital competitors, changing consumer behaviors, and disruptive digital technologies, which trigger the building of dynamic capabilities for digital transformation. Our model specifies three core enablers—cross-functional teams, fast decision making, and executive support—along with three core barriers—rigid strategic planning, change resistances, and a high level of hierarchy, which influence the building of dynamic capabilities for digital transformation.

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Winners of the Award

Technology and Consulting



Building dynamic capabilities for digital transformation: A process model.

Our findings reveal that digital transformation often starts with the strategic renewal of the incumbent's business model and changes in business models, tend to lead to wider changes in the firm's collaborative approach, which, if executed correctly, will eventually lead to deeper changes in organizational culture. Therefore, our findings align with perspectives that recognize strategic change as an ongoing process. As a result, we contribute to the literature by providing an empirically grounded definition that conceptualizes the scope of digital transformation, as follows:

"Digital transformation is an ongoing process of strategic renewal that uses advances in digital technologies to build capabilities that refresh or replace an organization's business model, collaborative approach, and culture."

Reflections on the paper

DISCUSSION GROUPS AT THE CONFERENCE WERE invited by the paper's authors to consider the following questions:

- Can you share best practices with us for supporting firms with digital transformation?
- How would you start a traditional firm's digital transformation?
- What enablers and barriers are you likely to encounter when guiding client firms?
- How can we measure the success of digital transformations?
- What capabilities in our model are most important for digital transformation?
- What benefits or limitations do you see in using our model for consultancy?
- What further guidance would you need to use this model?

Observations from Conference participants

The main points fed back by groups following their deliberations were:

- Digital transformation is not new; all organisations are digital to a degree, but we are now talking about accelerating the journey. Adoption by senior executives will be only by learning from their own experience, but how do you get your executives to learn through that experience? Answer: take them out of the village and get them to see what is going on in other villages!
- A barrier to achieving the potential offered by digital transformation lies in traditional management and leadership, who have high investment in current logic. Management consultants therefore need to help build capabilities for courageous leadership and develop a change of culture overall.
- Be aware of the distinction between technology push and consumer pull. Digital strategy needs to take account of what is happening with the customer.
- There is a real challenge in how best to transform a traditional company. There are many routes e.g. IT, systems, younger entrants into the workplace with a different digital experience than management. But it is also important to have a clear understanding of the context into which digital transformation is to be introduced. A useful role of the management consultant is to develop a brief for what the actual needs of the company are rather than purely to digitise – not an 'everything everywhere' approach.

Winners of the Award

Technology and Consulting

About Maximilian Wäger and Karl Warner

by Mick James

THE AWARD CATEGORY “TECHNOLOGY AND CONSULTING” recognises that these two worlds are deeply intertwined. But how does the new world of digital change transformation. That’s the topic which the award winners in this topic tackled, in research which also won them the “victor ludorum” award of the Urwick Cup.

Karl Warner is a lecturer at Edinburgh Napier University, where he met Maximilian Wäger, a strategy consultant with the Nunatak Group who was studying for a double masters. They decided to research digital transformation simply because no-one seemed to know exactly what “digital transformation” means, despite the phrase being widely used—and misused. “The basis of the project was to go out and actually find out what was industry’s best opinion of what do we mean by this idea of digital transformation?” says Warner.

A literature review carried out by Wäger as part of his dissertation found that even within the consultancy industry there was a wide divergence of opinion. “We then said that a good approach would be to interview the authors of these consultancy reports, who, incidentally, were senior strategy consultants,” says Warner. And by doing that we realised there was a real need to try and create some type of strategy tool to really help consultants guide clients through digital transformation.”

“What really surprised me was that these executives helped guide clients for many, many years in topics like digital transformation, but they really had different opinions,” says Wäger. While some focused more on technology others were more focused on organisational culture, and it was this aspect that was missing from the academic literature. “There was a real lack of discussion about the softer side of things, and how you go through these change processes and so forth.”

This overemphasis on technology, rather than people and strategy all pointed out to the lack of a definition of digital transformation itself. So Wäger was able to develop a broader definition which itself became a strategy tool which could be used when working with clients to better understand their particular flavour of digital transformation.

The next step was a joint research project to take the tool “on the road”.

The pair interviewed a number of big German companies, and used the tool to understand the different ways they were undergoing digital transformation. “We found that we can really use our model to explain different types of digital transformation,” says Wäger. “For example, the digital transformation of BMW is completely different to Continental: BMW focused on business model refreshment or transformation, whereas Continental had a lot of initiatives to transform or refresh the culture.”

This work suggests a three-step approach to digital transformation: using digital technologies to change business models; using digital technologies to change the way organisations collaborate both internally as well as externally; and creating deeper cultural change either by retraining or hiring new skills. And that helps define what capabilities you need at each stage.

Winners of the Award

Technology and Consulting



Maximilian Wäger

MAXIMILIAN WÄGER IS A CONSULTANT FOR Digital Business at The Nunatak Group, a Munich-based strategy consulting company. He supports large incumbents with digital transformations in sectors ranging from media, financial services and automotive to conventional industry. Prior to his consulting career, Maximilian has gained working experience in strategic management at Siemens, Deloitte and the NGO Manager without borders. In his international master's double degree program with Edinburgh Napier University, Maximilian was awarded the best graduate at ESB Business School Reutlingen.

His research interests lie at the intersection of strategy, innovation management and entrepreneurship.



Dr Karl Warner

KARL WARNER IS A LECTURER IN Strategy at the Adam Smith Business School at the University of Glasgow. His research and teaching examines how technology firms use digitalisation and internationalisation as a commercialisation and growth strategy. Using qualitative methods, he is interested in studying how leadership teams go about building innovation capabilities and networks for collaborating and competing in fast-changing environments. He currently leads research projects that investigate the digital transformation of large companies in traditional and high-technology industries. He holds the Adam Smith Business School 2015 prize (Management) for PhD excellence at the University of Glasgow.

Winner of the Award

Client-Consultant Relationships



Dr Bob Harris
Award Judge

“

A thoughtful and reflective analysis of the way in which clients and consultants work together to structure problems and develop solutions. While the conclusions will be unsurprising to the experienced consultant, the paper will be of value to clients, consultants and academics in throwing light on the professional practice of management consultants in their engagement with client organisations.

”

BOB HARRIS IS A NON-EXECUTIVE DIRECTOR of CMCE and chaired the Judging Panel for the 2019 Research Awards.

After an early academic career in a leading business school, he joined an international management consulting organisation. He has over 30 years' experience in management consulting – as a partner with EY and subsequently with Accenture – where he led major assignments across all functional areas, primarily in the public sector, and worked directly with a number of senior Ministers. He also contributed to a major internal project to review and update the management consulting methodologies used within the Accenture global organisation.

Bob now plays a lead role in the WCoMC pro-bono programme: he recently led a national study of charity trustees and has overseen its pro-bono work with Youth Business International for the past five years.

Management consultancy and policy - Promoting solutions and co-constructing problems?

Andrew Sturdy

Three practices around client problems

THIS RESEARCH FOCUSES ON A RECENT debate and concept in policy studies (instrument constituencies) which suggests that consultants in practice often do not so much respond to client demand as promote solutions almost regardless of client need ('solutions looking for problems').

In contrast to this polarised view, but in keeping with the classic 'garbage can' model of decision making (Cohen et al, 1972), the research identifies a continuum of practices including chasing and responding to problems, but also co-producing them with clients.

These practices will be familiar to many in consulting but raise questions for research and governance of consulting use. I take each practice in turn below.

1 Identifying and responding to client problems (rational or demand-led)

Historically, the management consulting industry 'can be understood as a kind of reflection of prevailing managerial problems and definitions' (Kipping, 2002). 'Problem recognition' is also central to the project cycle and new product development. They respond to client problems.

Consultants recognise this - 'Our approach is not very different from any of our competitors ... The key thing is to listen and to find out what their (clients') problem is, where they are solving it and what their thinking is' (reported in Sturdy, 1997: 398)

'One of their tricks is brilliant: get the (client) board into a room and get them all to write down the 10 things that worry them most about the business, then take the answers and write a report around them, and send it back... It's a bit like going to see a solicitor.' (Scriven, 2012)

2 Problem co-production

Clients are never all powerful or sovereign, especially given the ambiguity of management/ consulting knowledge. This allows for greater consultancy power and active involvement in shaping problems together with the client, rather than simply responding to client-defined issues. There are three forms of co-production:

Articulation and accentuation of client problems - 'double dealing' (regulator- regulated), 'burning platforms' and benchmarking

Adaptation of problems (e.g. costs) into work - 'hooks'

Consulting power varies and other parties are involved (e.g. procurement) leading to *negotiation* in defining the project nature and scope etc, including what is the problem.

3 Problem Chasing/Construction

This relates to the common critique of a sales push approach. It is hard to research, but there is evidence of opportunism/manipulating clients by constructing problems (e.g. if the organisation structure is X, suggest Y is needed and vice versa) - create a niche and convince clients they are in it.

Winner of the Award

Client-Consultant Relationships

This is also evident in selling-on during projects – extending scope regardless of need – for example a study of IT costs leads to one in IT strategy and then on business strategy.

Similarly, through diversification into new markets, existing problems spread to new domains (e.g. sustainability products to the events/conferences market) i.e. ‘old wine in new bottles’ (e.g. ‘Environmental Impact Assessment’ becomes relabelled ‘Corporate Social Responsibility’) – solutions chasing solutions?

Discussion – ‘Chicken and egg’?

In sum, there are three positions on a continuum – responding to, co-producing and chasing/constructing problems. Under what circumstances/contexts do they occur?

- Management consultant and firm variation (even within firms) – e.g. idealists, specialists, diversifiers?
- Client skill/push back/professionalism
- Project/knowledge type?

Even so, in practice, it ‘is difficult and perhaps deceptive, to ascribe distinct and sequential stages to the process of management knowledge production. The events most likely occur contemporaneously...’ (Suddaby & Greenwood 2001). Consultancy is an interactive knowledge practice.

Is any of this a problem? If so, what can be done – governance?

- need to go beyond regulations or culture/ethics initiatives and ‘bad apples’ views
- consider alternative structures/incentives in consulting (vs up or out) and other forms and sources of expertise – pluralism in policy advisory systems - my new research focus (see Sturdy, forthcoming)

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Reflections on the paper

DISCUSSION GROUPS AT THE CONFERENCE WERE invited by the paper's author to consider the following questions:

- To what extent is the construction of problems with little regard for client needs evident in your experience?
- What are the most likely conditions for problem chasing/construction to occur?
- Assuming it occurs, what are possible ways of reducing it?
- In practice, there may be a fine line between articulating a client problem, co-producing it with them and actively constructing problems. How, if at all, might we distinguish these practices?

Observations from Conference participants

The main points fed back by groups following their deliberations were:

- The professional bodies should collaborate to create an excellence model as guidance for management consultants. It would be even better if this was done on a global basis.
- Market dynamics and size of the consultancy increases the risk of disregarding client needs because as an independent it's easy to say, 'I don't think you should do that', but if you are in a large organisation it is harder. What may be true about some large consultancies is not necessarily true about small ones. It is not sustainable to invent a problem – you would not have a long-term relationship if you did this. Reputation is everything – you won't last very long by not behaving well.
- Dysfunctional clients may be in denial about the problems that need to be addressed. From their point of view, it may therefore be that consultants are problem chasing. You can neglect client needs just by sitting and listening to them as they give you yesterday's logic, because what else can we talk about apart from the past? Consultants have a duty of care to clients, not just to identify problems but also to bring in outside knowledge and bring in your own ignorance and curiosity to bear on the problem which on one hand leads to the solution the client needs but also to joy as a consultant.
- Creating problems is unethical. The reality is that clients are not perfect – they don't always know what their issues are and there is a lot of research outside the management consultancy industry that suggest that clients want new insights, new perspectives, to be told when they have problems they have not spotted yet. The author's emphasis [on consultants falsely identifying problems where none exist] suggests that consultants are doing things that are not in the best interests of the client to develop business; but this should not be confused with a trusted adviser pointing out problems in this way.
- There is always scope for preliminary diagnostic review to validate if a problem suggested is genuine and is worth really looking at. B2Bs outside of consultancy are increasingly raising their game in terms of advising – not becoming consultants but giving consultancy advice early in the relationships.

Winner of the Award

Client-Consultant Relationships

About Andrew Sturdy

by Mick James

ANDREW STURDY IS A PROFESSOR OF management and organisation at Bristol University whose research focuses in innovation and taking an external view of consultancy. His winning paper on “Promoting Solutions and Co-constructing Solutions” won the client-consultant relationship category and looked at the thorny issue of whether consultants solve problems or push solutions. But it also had to tackle the question of how to address issues that are familiar to practitioners in such a way as to engage an academic audience.

“There is an old debate about the extent to which research should speak to theoretical concerns,” says Sturdy. “An example I would give is someone I worked with who had some great data on informal consulting practices--what happens over dinners and informal meetings---which was really quite insightful. Academically we had to connect it to the concept of “liminality”--this idea that you’re halfway between a formal workspace and informal work.”

So while Sturdy’s research speaks to some real concerns about the nature and value of consultancy projects, it also has one foot in a wider debate in policy studies about “instrument constituencies”.

“But now I think there are real opportunities for trying to engage and get some sort of impact with different communities, whether that’s clients, consultants, or both,” he says. “And that that I would say is probably the biggest hope for the future of research.”

This has already led to the British Academy of Management creating special interest groups which bring together practitioners and academics and also academic-practitioners. The CMCE awards represent another level of engagement.

“Ironically, consultants are not always very interested in research on consultancy because they see people from outside such as myself giving an external view of consultancy and they’re sceptical of it,” says Sturdy. “Yet consultancy thrives on offering an outside view of organisations itself. So there’s a bit of an irony. I would say that consultants are as interested in research on consultancy as academics are interested in consulting reports on higher education!”

Consultancies also carry out a lot of research on their own part, and Sturdy believes that given the resources available this represents a missed opportunity, as potentially fascinating research is often used for internal reports or for marketing.

“Obviously the data is collected in a different way from an academic-oriented project, but it seems to me that there is some scope for overlap,” he says. “Somewhere like the CMCE could have a broker function so that while one can accept that some people have commercial interest other people have their academic interests, but there is some space in between, and link to clients as well.”

Sturdy’s award-winning research posited a continuum of practices which fall into three main groups. One is where consultants are demand led, and identify and respond to client issues; the intermediate stage is where consultants and client’s “co-produce” the problems in a less pre-defined way. The third stage is where the consultants construct or chase the problems and push them onto clients.

This last seems controversial but Sturdy points out that we actually don’t know enough about consultancy projects to know whether this is a good or a bad thing and if so what can or should be done about it.

Client-Consultant Relationships

“I’m not critical of consulting because there’s always going to be a space for external expertise, but there are pressures and one of the main ones is commercial pressure,” he says. “I’m trying to do something now on governance, or how can we prove things. Another irony is that the big firms measure individual performance on projects to the nth degree, but clients are very loath to do so; no-one seems to evaluate the projects.”

Sturdy hopes that this kind of research will also prove beneficial to consultants and offer insight into things that happen in clients that they are unaware of—but gaining access is never easy. “There needs to be some sort of transparency and trust,” he says. “So these are the issues now that I’m trying to wrestle with.”



Professor Andrew Sturdy

ANDREW STURDY IS PROFESSOR OF MANAGEMENT and Organisation at the University of Bristol. Previously, he held posts at Imperial College London and the Universities of Bath, Melbourne and Warwick. His research lies mostly in the field of organisational innovation and in providing an external view on external management consultancy. His work includes books such *Management Consultancy* (Oxford University Press, 2009), *Management as Consultancy* (2015, Cambridge University Press) and *The Oxford Handbook of Management Ideas* (2019). His latest work explores consultancy use in the NHS and cross-nationally and the possibilities of its governance.

Winners of the Award

The Changing Environment of the Consultant



Patrick Chapman
Award Judge

“

This research captured data from 78 UK companies about the nature of management controls that facilitate innovation. The findings will be of direct value both to management consulting companies in respect of their own operations, and to enhancing their advice to client organisations seeking to improve their capacity to develop and implement innovations.

”

PATRICK CHAPMAN COMBINES MANAGEMENT CONSULTANCY WITH professional learning, development and skills transfer, particularly now focused on helping Non-Profit Sector organisations. Most recently, he has been advising and assisting a number of Charities and CIOs with their people and board development, and their strategic business plans.

This work includes helping to refine their fundraising programmes, building on his practical knowledge of governance and executive responsibilities, business transformation, information and process improvement. He is a Past Master of the Worshipful Company of Management Consultants and chairs their ProBono Programme, overseeing about £1m annually of ProBono Consultancy and Mentoring Support, as well as being an active Trustee of three UK Charities.

Patrick has Honours and Masters Degrees in Computer Science from the University of Cambridge, an Honorary MBA from the University of West London, UWL, and a Certificate in Education from the University of Nottingham. He is a Certified Management Consultant, a Fellow and Past President of the Institute of Consulting.

His career started as a senior officer at Cambridge University helping staff and graduates with their research work and has built on this experience in the field of commercial consultancy and ultimately in philanthropic partnership with The Claude Littner Business School and UWL.

Management Control in UK Innovation Companies

Robert Luther, Ellen Haustein and Gail Webber

THE MANAGEMENT CONTROL SYSTEMS (MCS) OF innovative companies is a topic of ongoing relevance. This study investigates direct forms of control, namely Results and Action Control, and indirect forms: Personnel and Cultural Control. The theoretical framework builds upon existing management control theory literature, mostly focused on R&D, product development and innovation settings, extended by field observations. We investigate the extent to which the innovation companies' characteristics influence the intensity of use of the four MCS categories and their impact on company success. In addition, we report the relationships between the company characteristics and 22 individual control instruments.

Data from 78 UK based innovation companies were collected by online and postal surveys. We present detailed descriptive statistics on the usage of individual controls and their perceived contribution to innovation performance. The report concludes, inter alia, that individual Personnel and Cultural Controls are particularly effective in these companies. Action Controls, presumably constraining employee behaviour, are only of general importance for companies with a cost leadership strategy; the use of Action Controls, as currently practised, has a negative effect on overall company success. Results Controls are intensively used in innovation companies and their overall impact on company performance seems to be positive, but some individual instruments are less effective in terms of their contribution to innovation performance.

For the scope of this study, MCS are defined as "all the devices or systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organization's objectives and strategies" (Merchant & Van der Stede, 2017). We adopt the Merchant and Van der Stede (2012) objects-of-control framework as a coherent set of management control systems. According to this framework, four categories of MCS can be distinguished: Results, Action, Personnel and Cultural Control. An overview of these, their definition and examples of corresponding control techniques, is shown in the Table below. We adapted and extended the original measures of Nassimbeni (2001) to identify the following three components of innovation capability: Ability to generate product and process innovations (8 sub-items such as the company's ability (relative to other companies in the economy) to innovate/develop new input materials and new channels for customer interaction). Amount of investment in innovation (including past and planned investments in innovation), and Inter-organisational co-operative relationships (5 sub-items including co-operative relationships with customers, suppliers and universities). These components were then merged into one overall measure of 'innovation capability'. Company performance was represented by the Gong and Ferreira (2014) construct that evaluates firm performance based on the following perspectives: financial performance, customer-relations performance, operational performance, innovation performance and overall performance relative to industry average.

Main findings and implications for practice

Caution should be exercised in drawing conclusions about, and prescriptions for, 'Innovation companies'. This term encompasses enterprises creatively adapting in a wide variety of ways. UK Innovation companies comprise not only 'prospectors' and 'differentiators' but also enterprises in mature markets actively innovating to drive down costs by process innovations.

The overall ability of a company to innovate is very significantly associated with both types of indirect control - Personnel and Cultural. No relationship is found with direct controls.

Winners of the Award

The Changing Environment of the Consultant

- Managers seeking successful innovation should emphasise and invest in indirect controls – in particular Personnel Controls. Two instruments very widely used and also highly effective for innovation are Job specific recruitment, and Orientation programmes for new employees.
- The pervasive reliance on Results Controls is unsuitable for promoting innovation. None of the 5 instruments of control most effective (and 2 of the least effective) in contributing to innovation are Results Controls. Routine analysis of financial performance against budget is the most widely used control but ranks only 13th out of 22 in terms of promoting innovation. However, Results Controls although not promoters of innovation, are associated with better overall performance in innovation companies.
- Furthermore, the increasingly prescribed North American practice of reinforcing Results Controls by Pay for performance and Profit-sharing are found to be neither much used or as effective in promoting innovation performance as instruments of other control categories.
- The use of a budget approval process as an Action Control is widely adopted by innovation companies with a cost leadership strategy but not by 'differentiators'.

Category	Results Control	Action Control	Personnel Control	Cultural Control
Mode of control	direct	direct	indirect	indirect
Definition	enforce target achievement through monitoring and rewarding outputs	prevention of undesired behaviour promotion of desired behaviour	fulfilment of job requirements	control through establishment of shared values social norms and beliefs
Notion of control	control of outputs through management	control of behaviour through management	exercise of self-control by individual employees	group control among organizational members
Examples of control techniques	- performance measurement (e.g. ROE, net income, inventory control, quality) - budgeting - reward structures	- procedure guide - operating manuals - physical or administrative restrictions (e.g. expenditure approvals, passwords)	- recruitment policies - training programmes - job design - provision of sufficient resources for the job	- codes of conduct - group-based rewards - interaction - manager = role model

The objects-of-control framework (Merchant and Van der Stede 2012, and Hutzschenreuter 2009, adapted by the authors)

This research is part of a larger research project on management controls and management control systems in innovation companies. The support of CIMA General Trust is gratefully acknowledged.

Reflections on the paper

DISCUSSION GROUPS AT THE CONFERENCE WERE invited by the paper's author to consider the following questions:

- Why may management control be different in innovation companies compared to non-innovative companies?
- What are the implications of being an innovation company for their management control systems?
- Why may it be expected that the use of indirect forms of control (i.e. personal and cultural control) is beneficial for innovation companies? What do you think are reasons that the effect of personal and cultural control on company performance is not statistically significant?
- What recommendations should be made to innovation companies that intensively use action control? What alternative forms of control might be used?
- Based on the individual control instruments presented, which instruments would you recommend innovation companies use and combine?

Observations from Conference participants

The main points fed back by groups following their deliberations were:

- It is important to have a specific on-boarding programme – not just an induction programme – that matches reality. The activities of embedding, developing, networking need to be delivered in three phases of Pre-joining; Orientation; and Induction
- All companies need to innovate to survive and therefore need to build capabilities for rapid strategic renewal. The size of companies is relevant; small companies have shared values while large companies need to create an innovation culture. What is needed changes at different levels of growth and maturity. Management consultancies should encourage disruptors and invention and giving space for it to happen, e.g. by providing non-billable time to innovate.
- The innovation process: generate good ideas select/prioritise, develop into action. To do this there has to be clarity about the company's culture to allow innovation with a movement away from command and control to co-creation and trust. Need to allow different departments within the organisation with diverse employees and generations to perform in different ways; some may be more creative than others. There should be freedom for individuals to come up with creative solutions and take them to an executive. Some businesses fund employee created enterprise.
- Contemporary organisations favour personal cultural control systems rather than active and results-based ones. There must be a balance between 'freedom' and 'space' for innovation/generalisation of new ideas versus stricter control e.g. along a production/assembly line style of operational optimisation, cost efficiency. Even so, there is a distinction between companies who measure innovation and those who don't.
- In innovative companies there is a balance between providing freedom and space for innovation versus stricter control e.g. in an assembly line where you are trying to optimise cost efficiencies so there is a lot of difference. What these innovation companies need and often have is an innovation process which means that for example in Amazon and GM everybody was encouraged to come up with new ideas and get them consolidated, selected and prioritised and developed into action. Very different from simple optimum and has more uncertainty and higher risk
- Usually companies are good at generating ideas but not putting them into action; they need to pick the right ones and then action them.

Winners of the Award

The Changing Environment of the Consultant

About Robert Luther, Ellen Haustein and Gail Webber

by Mick James

THE “CHANGING ENVIRONMENT OF THE CONSULTANT” recognises that the clients consultants work with form an ever changing landscape. “What works” varies to company to company but can this insight be made more systematic?

Three researchers shared the award in this category, which took a detailed look at how management controls work in innovation companies.

For Ellen Haustein, a senior lecturer at the faculty of economics in the University of Rostock, Germany, this research built on her strong interest in management control systems. “It was one of my favourite topics,” she says. “I find it very interesting how managers can succeed in getting employees to behave in the right direction or according to the objectives. And the larger the companies get the more important are management control systems.”

However she realised that for innovation companies, things are very different. “You cannot simply use the same management control systems as in non-innovative company, and so I started reading and I came across indirect controls, for example, personal and cultural controls.”

Haustein’s thesis became the basis of a wider research project. Robert Luther, Emeritus professor of Accounting at Bristol Business School, University of West England, found that his research interests in the intellectual value of companies, and accounting’s interface with Human Resource Management “came together very neatly with the idea of the relationship between management controls and innovation and their performance.”

Gail Webber, a chartered accountant and part time researcher, brought a different perspective to the project. “Having been on the other side because of my career in business, I’ve seen how management controls are implemented in various departments and are not working,” she says. “So it was interesting to do some research and see which ones might work better.”

The research, which was supported by the CIMA General Trust, certainly bore out the thesis that innovation companies used different control mechanisms than other companies, but also provides the insight of how different control mechanisms are deployed in other types of companies. In particular it highlights the difference between the way direct controls are less effective in innovation companies than indirect controls which rely more on personnel measures and culture and values. But it also warns against a simplistic one-size fits all approach as “innovation companies” form quite a varied group.

One of the things the group are keen to highlight is difficulty of assembling sufficient study data for this type of detailed study, and they warn other researchers that social media is not a panacea that will solve this particular communication issue.

“We were encouraged to make maximum use of contemporary technology and in particular, Twitter and other digital ways of approaching companies, says Luther. “But it was remarkably unsuccessful—you do need to have some level of direct connection.” Haustein hopes the award will not only make the research more visible in academia but highlight its value, and the value of this kind of research to practitioners, who can help provide these of connections: “Maybe this can also be a call for practitioners because we had a lot of trouble to find enough companies to complete our questionnaire, so it would have helped us a lot if practitioners could have helped us to get the data.”

“I’ve always felt that the interrelationship between universities and business is extremely important,” adds Luther. “I’ve been very pleased that the University of the West of England has been a place that has encouraged and promoted interaction--so it’s not just ivory tower research.”

Winners of the Award

The Changing Environment of the Consultant



Ellen Haustein

ELLEN HAUSTEIN IS SENIOR LECTURER AND Researcher of Accounting at the Faculty of Economic and Social Sciences, University of Rostock, Germany. She holds a PhD in Accounting from Bristol Business School, U.W.E. Her main research interests are public sector accounting and reporting and citizen participation. Ellen served as coordinator of the EU-project 'Developing and implementing European Public Sector Accounting modules' (DiEPSAm) and currently leads the EU-project 'Empowering Participatory Budgeting in the Baltic Sea Region' (EmPaci).



Robert Luther

ROBERT LUTHER IS EMERITUS PROFESSOR OF Accounting at Bristol Business School, U.W.E. After qualifying as a Chartered Accountant and CIMA member with Deloitte in South Africa, he was with KPMG, largely responsible for UK SME clients, before moving to academic life at Exeter University in 1988. He has researched and published widely in subjects such as extractive industry accounting, ethical investment, takeover defences, intellectual capital, heuristics and biases in investment appraisal, performance measurement and comparative international management accounting practices.



Gail Webber

GAIL WEBBER QUALIFIED AS A CHARTERED Accountant and ICAEW member with Price Waterhouse in Nottingham and then transferred to Hong Kong. She spent her corporate career working for Hongkong Telecom, Cable & Wireless and Orange in commercial finance roles. She now prepares small business accounts and undertakes part-time, academic research projects on subjects including the green economy, small business pricing, the living wage and the impact of motherhood on women accountants.

Finalists

How strategic is HR management in small firms?

Carol Atkinson

THE FOCUS OF MUCH STRATEGIC HUMAN resource management (SHRM) research has been large firms and there are questions as to the applicability of these normative models for small firms that have different modes of operation, particularly in respect of the dominance of owner managers. There is nevertheless growing evidence that SHRM approaches can be effective in small firms, but this research is at an early stage. To develop understanding, this paper explores how HR practice is applied in small firms, the owner manager's role and the impact on firm performance. We use qualitative data from small firm owner managers to demonstrate how HR-focused business support services create awareness and understanding that lead to exercise of owner manager agency, which results in HR interventions that improve performance in different way. Theoretically, we propose a model that explains how HR plays out, arguing that 'strategic' may be different in small firms.



Carol Atkinson

CAROL ATKINSON JOINED MMU BUSINESS SCHOOL from Bradford University's School of Management. At both she has held a wide range of management, teaching and research roles. Prior to becoming an academic, Carol worked as an HR practitioner in the financial services, retail and voluntary sectors. She has won both research council and organisational funding to research topics such as working time flexibility, the HR/performance relationship and older workers.

Carol is also a former British University Industrial Relations Association Executive Committee member and sits on a number of academic journal editorial committee/review boards. Her research has won a number of awards including the prestigious CIPD Professor Ian Beardwell prize on two occasions.

The world's newest profession is no longer indispensable. What does it mean for consulting firms?

Olga Matthias

THE RESEARCH PRESENTED IN THIS paper provides a client perspective into an industry which permeates modern corporations and strongly influences their economic performance, and arguably the global economy. The paper outlines the decision-making sequences, the operational processes and the institutional influences involved in the engagement of management consultants. In doing so, the research demonstrates how clients maximise management value by establishing consultants as a cornerstone of management decision making embedded in organisational contexts, influencing and influenced by institutional norms.



Dr Olga Matthias

OLGA MATTHIAS IS RESEARCH LEAD AT Sheffield Business School in the Department of Finance Accounting and Business Systems, Olga applies her considerable experience in service design, customer service delivery and performance improvement through enhancing people skills, process and IT to optimising Business Operations and Performance in many industries.

Before joining Sheffield Business School, Olga was at the University of Bradford School of Management, where she was Head of Operations and Information Management Department (2013-2017) and Director of Masters programmes (2010-2013). Prior to joining academia in 2007 Olga was a Managing Consultant at PA Consulting Group, where she was Practice Head of Retail Finance – Mutual Sector and Deputy Head of Retail Finance Sector.

Finalists

Towards the Consulting Readiness Index

Simon Haslam, Robert Bodenstein, Tamara Abdel-Jaber

THE CONSULTING READINESS INDEX (CRI) is an attempt to assess the stage of development of a country's management consulting sector by the analysis of indicators shown to vary in proportion to national management consulting markets. This paper outlines the logic applied and includes the key data which are leading to creation of the CRI.

How developed is a country's management consulting sector? The CRI is offered as a means of helping determine the degree to which a country's management consulting sector is developed and to provide pointers to the aspects which are potentially holding back development. The driver for this study is the International Council for Management Consulting Institutes (ICMCI), whose focus is to encourage the professionalization of the sector and the quality of consulting work. For the ICMCI, a greater understanding of the factors that accord with strong management consulting markets can help with its understanding of the global dynamics in the management consulting sector and also help focus support to the national Institutes of Management Consulting (IMCs).



Dr Simon Haslam

SIMON HASLAM IS PROGRAMME LEAD FOR Strategy at the Institute of Directors and Chair of the Academic Fellows at the International Council of Management Consulting Institutes. He is a Chartered Director, Fellow of the Royal Society of Arts and a member of the Advisory Committee at the Institute of Consulting.

Simon co-owns the market and social research firm FMR Research Ltd, whose work has been cited in Westminster and Scottish Parliaments. He is a Certified Management Consultant and double-finalist in the CMI/Institute of Consulting UK 'Consultant of the Year' awards. His firm was nominated to represent the UK in the 2012 Constantinus International (International Council of Management Consulting Institutes) awards. Simon works internationally and his consulting clients include leading public, private and third sector organisations.



Robert Bodenstein

ROBERT BODENSTEIN IS A MANAGEMENT CONSULTANT specialised in the field of IT for more than 35 years. His extensive experience in IT includes knowledge and experience in implementing different systems based on different technologies like Cognos, ERP Software, iSeries, SAP, and basic SQL Knowledge. He worked for medium sized software companies and is co-founder in two IT start-ups. Furthermore, he is member of the board in funding organizations and evaluated more than 850 IT projects, mostly with cutting edge technology background.

Robert has contracted with clients in different industries like tourism, trade and IT, and of different size from very small to very large international companies in Europe, Middle East and Asia.



Tamara Abdel-Jaber

TAMARA ABDEL-JABER IS A CO-FOUNDER and the chief executive officer at Palma Consulting. She is responsible for strategy, project oversight, performance management and business development. She currently serves as the elected Chair of the Global Institute of Certified Management Consultants. Tamara is also a founding member of Girls in Tech – Jordan Chapter and served as its chair. Additionally, Tamara serves on the board of the Business and Professional Women Association in Jordan. She also serves as an observer for the Women Entrepreneurs Finance Initiative (We-Fi) Governing Committee.



The Urwick Cup



Denise Fellows
Master of the WCoMC
Presenter of the Urwick Cup

THE URWICK CUP COMMEMORATES THE life and work of the distinguished management consultant, writer and educator Colonel Lyndall Fownes Urwick, and is presented annually by the Worshipful Company of Management Consultants (WCoMC).

Colonel Urwick was one of the British pioneers of scientific management prior to the Second World War. In 1934 he set up a management consultancy practice, Urwick, Orr & Partners and in 1969 a foundation was originated in his name for the purposes of furthering management education. In 1999 the foundation endowed the Company with its residual funds and the Cup was donated by Sir Alan Urwick, son of Lyndall Urwick.

The Cup is presented for an outstanding piece of research or thought leadership, published in the last two years, relevant to management consultancy. Recent winners have been:

- 2016 Professor Andrew Sturdy, University of Bristol, Professor Christopher Wright, University of Sydney, and Dr Nick Wylie of Oxford Brookes University for their book *Management as Consultancy: Neo-bureaucracy and the Consultant Manager*.
- 2017 Professor William Harvey, Exeter Business School, Professor Timothy Morris, Saïd Business School, University of Oxford, and Dr Milena Mueller Santos, Kellogg College, University of Oxford, for their paper *Reputation and identity conflict in management consulting*.
- 2018 Professor Gerry McGivern, Warwick Business School, Professor Sue Dopson, Saïd Business School and Professor Ewan Ferlie, King's Business School for their paper *The Silent Politics of Temporal Work: A Case Study of a Management Consultancy Project to Redesign Public Health Care*.
- 2019 The Urwick Cup was presented to Karl S.R. Warner, Maximilian Wäger for their paper *Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal*, a winning entry in this year's Consulting Research Awards.

DENISE FELLOWS IS MASTER OF THE WCoMC having joined in March 2002 after stepping out from over twenty years in the high tech sector where she had held a series of demanding roles, including leading the Telecoms group within Sema Group Consulting, Director of Consulting at UUnet Technologies and European Products Director within the internet services division of MCI WorldCom.

Denise helped found the Cass Centre for Charity Effectiveness (Cass CCE), jointly established by the Company and Cass Business School, and set up the Consultancy and Talent Development practice.

She is part-time CEO of The Honorary Treasurers Forum, which provides support and advice to treasurers of charities and is also involved in a voluntary capacity with a number of other charities including Treasurer of our own charitable fund.

Denise is the author and editor of several books and is an Honorary Senior Visiting Fellow at Cass Business School.

The Urwick Cup



THE URWICK CUP BEING PRESENTED BY Denise Fellows, Master of the Worshipful Company of Management Consultants Karl Warner and Maximilian Wäger.

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AWARD WINNERS

Technology and consulting: the application of new technologies and their relevance to consultancy

Building dynamic capabilities for digital transformation: An ongoing process of strategic renewal

Karl Warner and Maximilian Wäger

<https://www.sciencedirect.com/science/article/pii/S0024630117303710>

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Client-consultant relationships: issues around governance, trust, integrity, social responsibility and ethics and the implications of these for consultancy

Promoting solutions and co-constructing problems – management consultancy and instrument constituencies

Andrew Sturdy

<https://www.tandfonline.com/doi/full/10.1080/14494035.2017.1375247>

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The changing environment of the consultant: the demands that changes in society and the business environment are placing on consultants and the need for new skills to complement the consultant's timeless 'soft skills' and new methodologies

Management control in UK innovation companies

Robert Luther, Ellen Haustein and Gail Webber

https://www.cimaglobal.com/Documents/Thought_leadership_docs/Academic-research/Management%20Control%20Academic%20Report.pdf

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FINALISTS

How strategic is human resource management in small firms?

<https://www.bam.ac.uk/human-resource-management-0>

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The Consulting Readiness Index

<https://www.cmc-global.org/content/consulting-readiness-index>

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World's Newest Profession' is no longer dispensable; what does it mean for consultancy firms?

<http://shura.shu.ac.uk/23012/>

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Eligibility and assessment criteria for 2020



The Urwick Cup

ONE OF THE OBJECTIVES OF THE Centre is to encourage and promulgate research that is of value in management consultancy. The CMCE Research Awards, presented at the annual Research Conference, are aimed to recognise outstanding research in this area. Awards currently will be made for research in several categories. These have not yet been confirmed for 2020 but as an indication the three categories in 2019 were:

- Technology and consulting
- Client consultant relationships
- The changing environment of the consultant

The Urwick Cup for the best entry overall is also awarded at the same event by the Worshipful Company of Management Consultants.

Anyone can nominate research (their own or someone else's) for an Award but should consider the eligibility criteria set out below. The Centre's Assessment Panel will consider the nomination and if it is eligible will confirm with the author(s) that they wish to be considered for an Award. One of the requirements is that the author (or at least one of the authors if the research has been conducted by a team) should be available to present their research at the annual Research Conference, which in 2020 will be on November 10.

The Assessment Panel will then construct a shortlist of eligible research and authors will be asked to prepare a short summary of their research explaining how it meets the assessment criteria set out below. This will be used to create a list of finalists, whose research papers will be reviewed in order to determine the winners in each category.

Eligibility

The eligibility criteria for the award (i.e. the conditions that need to be satisfied for a piece of research to be considered) are:

- 1. Topic** of the research: it should be relevant to the field of management consultancy. It can therefore be about management consultancy, or of value to the practice of management consultancy.
- 2. Form** of the research: It should be a piece of research that has been published. This might be in a journal, in a book or on-line, or in any other medium that the Assessment Panel deems appropriate. For the avoidance of doubt, whole books are not eligible for an Award. A full copy of the published research must be provided free of charge for the Assessment Panel to review.
- 3. Time limitation:** it should have been published in the previous two calendar years.
- 4. Language** of the research: it should have been published in English.

Assessment criteria

The Assessment Panel uses assessment criteria as follows:

- 1. The relevance** of the research to management consultancy. For example, while any research into management in general might be argued to be relevant to management consultancy, research that is about the practice of, or is of clear application to, management consultancy would be deemed to be more relevant.
- 2. The potential value** of the research to those involved in management consultancy – for example, research that shows how consultants can provide more value in terms of higher quality or lower cost to clients.
- 3. The potential or actual impact** of the research. This might, for example, consider the ease of its dissemination, adoption or application in the management consulting community.
- 4. The appropriateness** of the research to the award category for which it has been entered. If the research is applicable to more than one award, the Assessment Panel will consider it for each such award, but it will only be eligible to win one award.
- 5. Any other criteria** that the Assessment Panel determines are applicable.

**The Centre for Management Consulting Excellence (CMCE)
aims to share academic research and practitioner experience
to the benefit of the consulting community.**

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