

Management Consultant Value

Presentation of study results

Introduction

Objective of this presentation

To present and discuss the results of a study of the value provided by management consultants

Topics covered

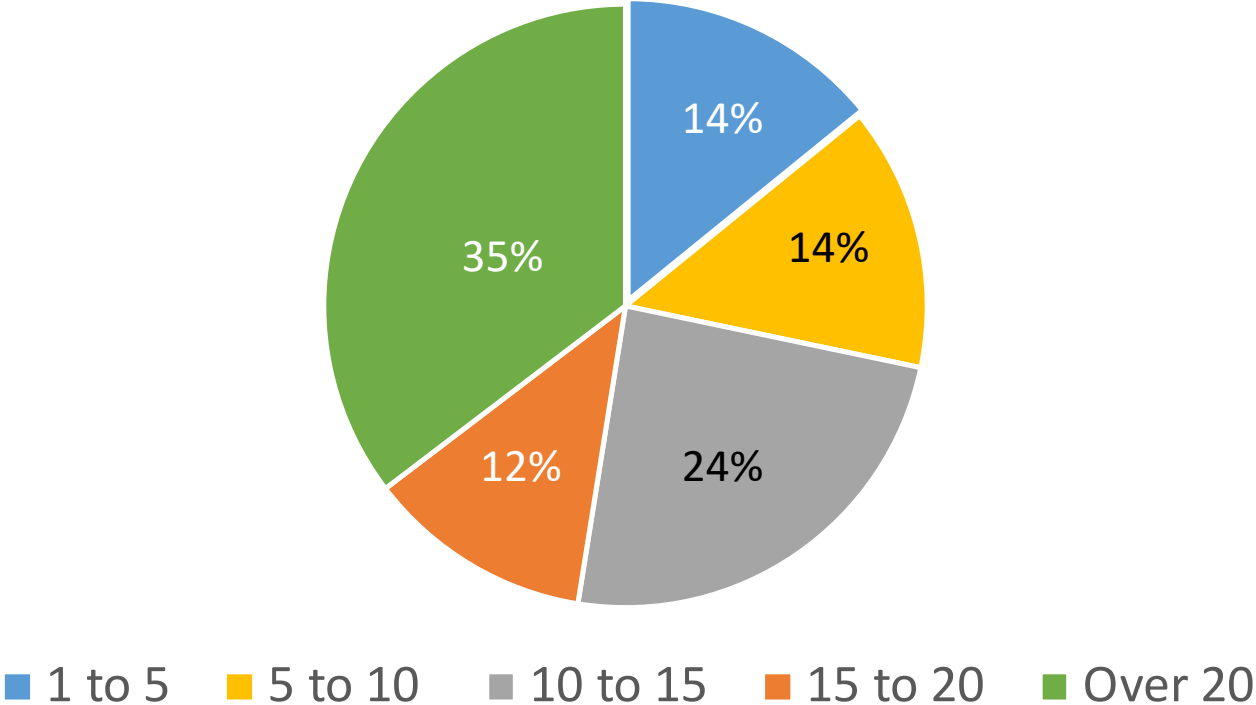
- Background to the study
- Study information obtained
- Key findings of the study
- Guidelines for achieving value

Background to the study

- The study was conducted by CMCE with support from Bayes Business School
- It was a follow up to a study of management consultant value published by CMCE in 2021, aimed at obtaining more detailed information about individual consulting projects and their potential influence on value
- Feedback was received from 49 management consultants, each providing information about a single project

Background to the study

Years of Consulting Experience of Respondents



Study Information obtained

Respondent

- Role
- Organisation size
- Years of consulting experience

Project

- Service
- Delivery method
- Business functions impacted
- Industry sector
- Payment method

Value

- Definition of expected value
- Method of value measurement
- Type of value expected
- Reasons for expected value not being provided
- Frequency of reviews of delivered value

Outcome

- Full Expected Value delivered (Yes/ No)

Key findings of the study

- There is no magic solution to ensuring that management consultants provide value
- But, we have Identified factors that appear to impact and do not appear to impact the provision of value
- Based on these factors, developed a set of guidelines
- Using these in conjunction with related guidelines should be helpful in increasing the likelihood of a management consulting engagement delivering value

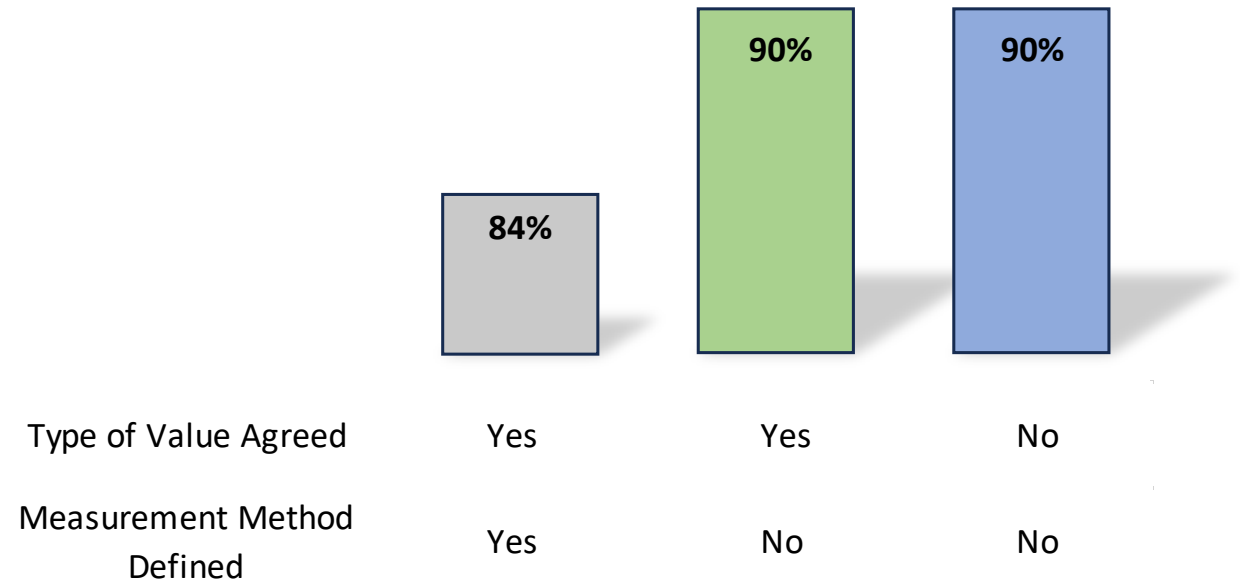
Factors that do not appear to impact value: *Agreement of type of value and measurement method*

We asked whether, at the start of an engagement, there had been agreement between the client and the management consultant on:

- The *type of value* to be delivered
- A *measurement method* for assessing whether value was delivered

This chart shows the percentage of projects in the following categories in which full expected value was achieved

- *Type of Value* and a *Measurement Method* was agreed
- *Type of Value* was agreed but a *Measurement Method* was not agreed
- Neither *Type of Value* nor a *Measurement Method* were agreed

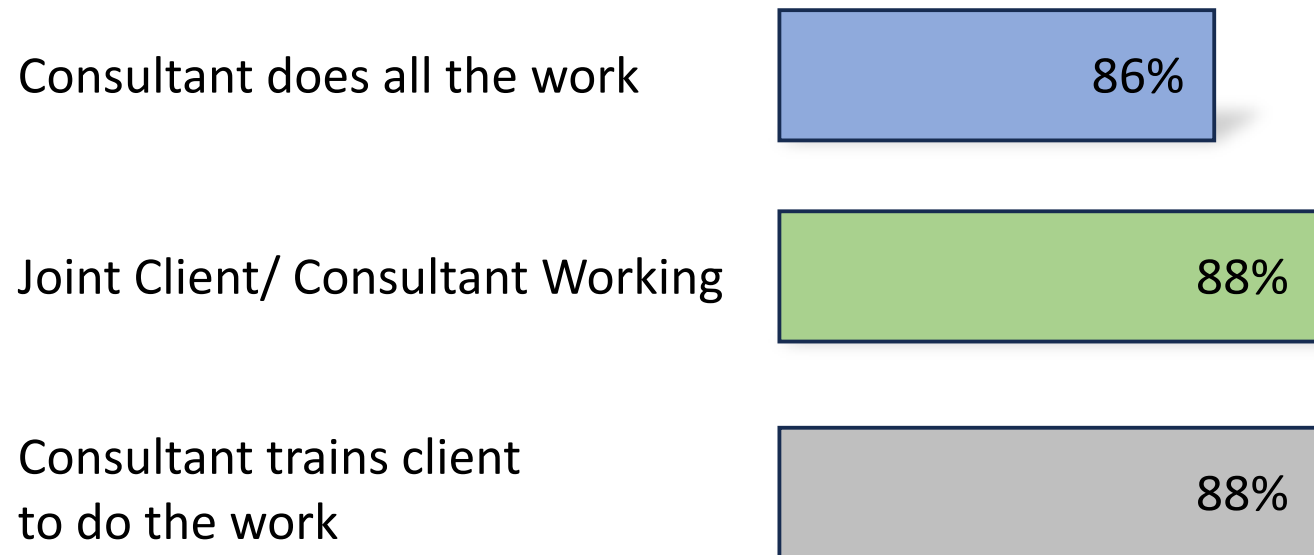


Taking these actions appears to have little impact on achieving value.

Factors that do not appear to impact value: *Ways of working*

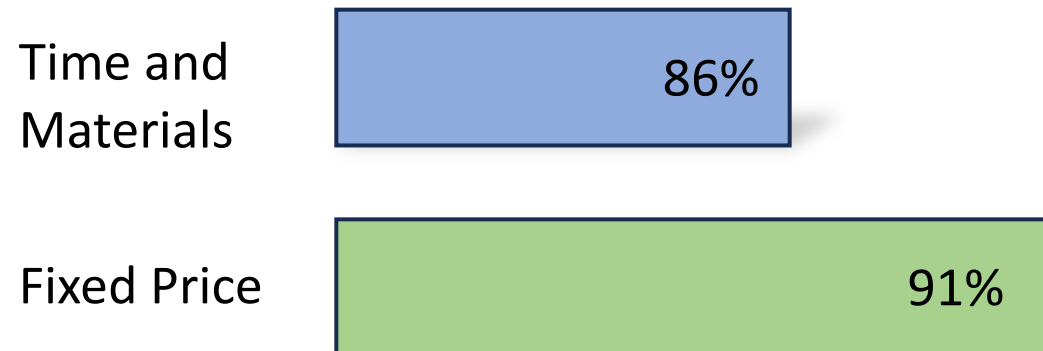
This chart identifies the percentage of engagements in which Value Expectations were met fully for the three principal ways of working adopted on the engagements for which respondents provided information.

There was no significant difference between the impact of each approach.



Factors that do not appear to impact value: *Commercial arrangements*

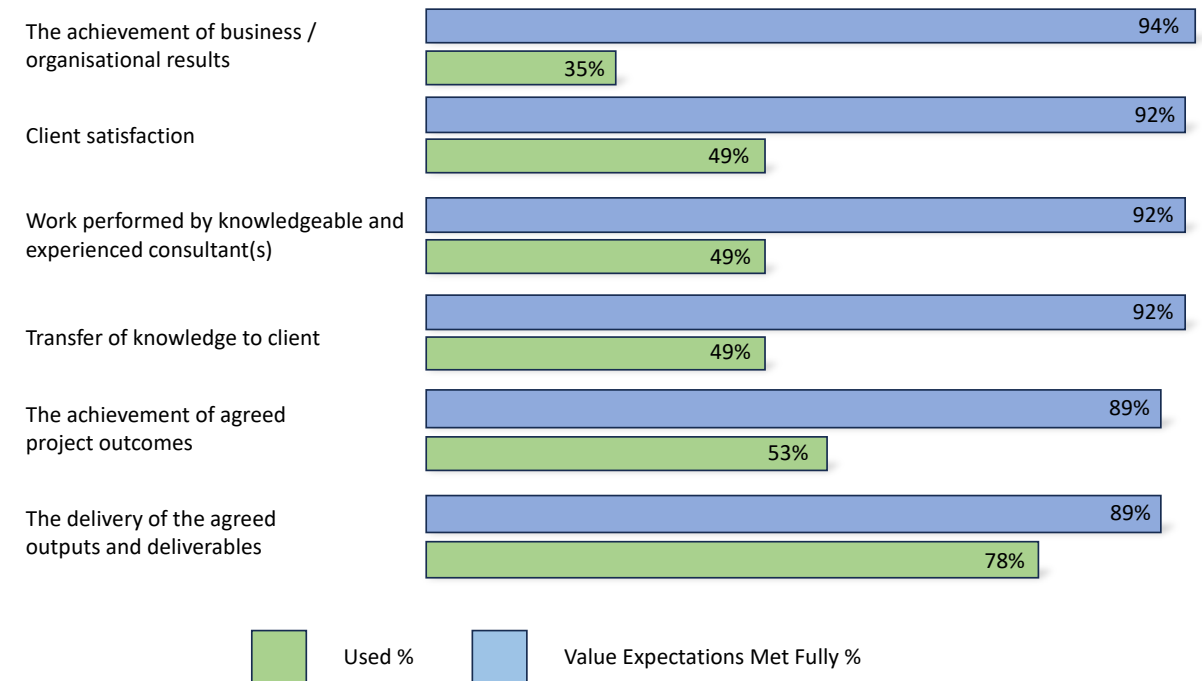
- Time and Materials and Fixed Price were the two principal payment methods adopted for the engagements on which respondents reported.
- This chart indicates the percentage of engagements in which Value Expectations were met fully for these two types of Payment Method.



Factors that appear to impact value:

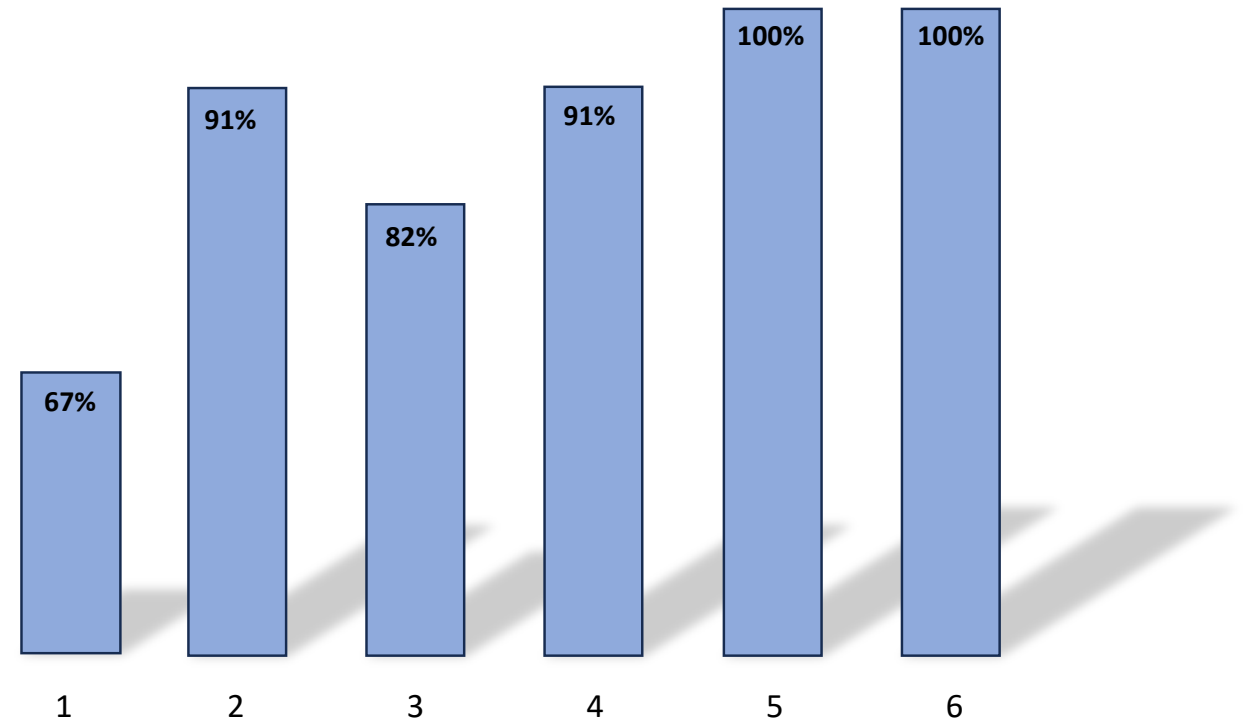
Use of measures of value that are difficult to define and assess

- Respondents identified a number of different measures that had been used to assess value.
- This chart identifies each of the measures used, the frequency with which they were used, and the percentage of engagements using each measure in which value expectations were met fully.
- ***Measures that are likely to be more difficult to assess were used less frequently but were more likely to be used on engagements where value expectations were met.***



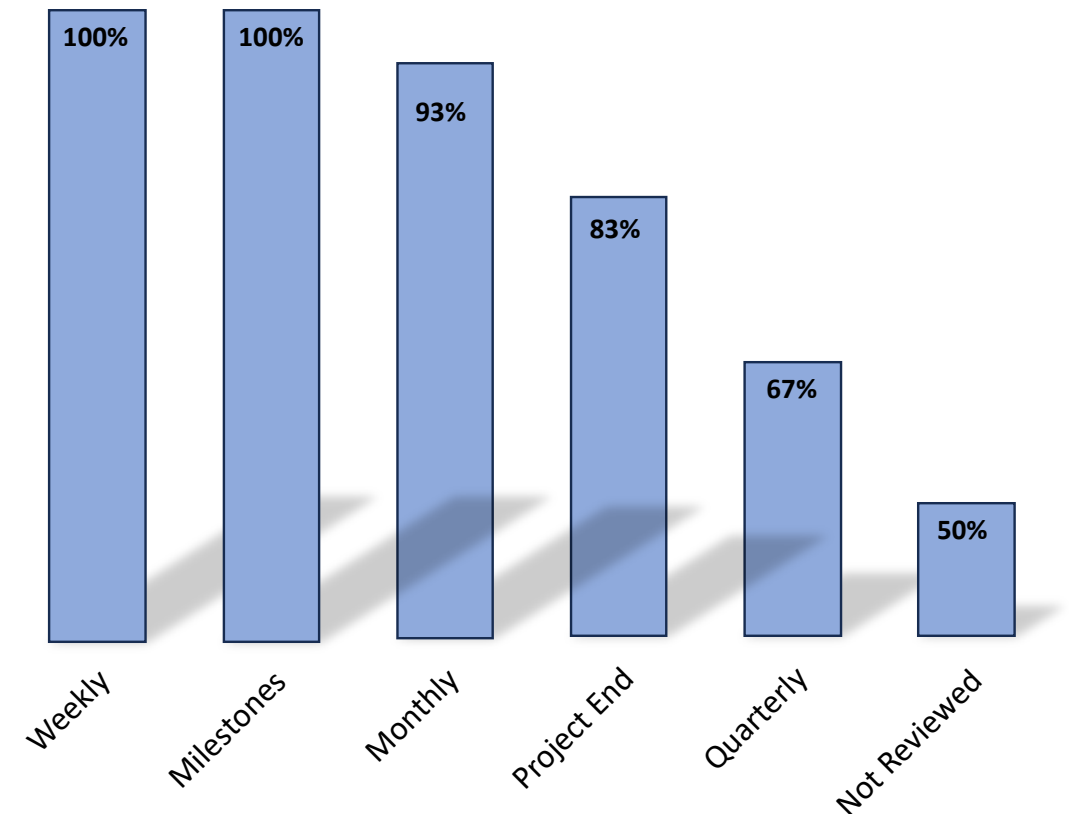
Factors that appear to impact value: *Adoption of multiple measures of expected value*

- Respondents identified between one and six different measures that were used to assess value.
- The chart identifies the percentage of engagements in which expected value was achieved for different numbers of measure (1 to 6)
- ***This indicates that the greater the number of measures that were used the more likely that value expectations were met.***



Factors that appear to impact value: *Conduct of regular reviews*

- The chart identifies the impact of frequency of reviews on meeting value expectations.
- ***This indicates that the more frequently reviews were undertaken the more likely that value expectations were met.***



Our suggested guidelines

Actions to take

- Define measures of value upfront
- Adopt multiple measures of value
- Review achievement of value regularly

Actions to avoid

- Assuming that the choice of commercial arrangements will directly impact value
- Limiting the measures of value to ones that are easily measured
- Assuming that the choice of ways of working will directly influence the achievement of value

Also consider other relevant guidelines such as those included in *ISO 20700: 2017 Guidelines for Management Consultancy Services*

Next Steps

- This phase of the study was based on information provided by providers of management consulting services.
- In the next phase of the study, our intention is to pose a similar set of questions to buyers and users of consulting services, and to obtain their views on the usefulness of the guidelines that we have developed.
- We also plan to investigate the impact of different commercial, contractual and working arrangements in meeting the objectives of consulting engagements.

About the Authors



Paul Kelly is an associate of CMCE, and a member of the Worshipful Company of Management Consultants. Paul is part of the management team of a manufacturing and operations consultancy focussed on supply chain planning and optimisation. He provides support to clients helping them to solve difficult organisational problems, rethink operations, and get ambitious x-functional change programmes moving.

He has over 15 years' experience as a management consultant and many more in Technology, Operations and Supply Chain management in the telecommunications industry. Paul is a Chartered Management Consultant.

Jim Foster has over 40 years' experience as a management consultant, including 12 years as a Partner at PwC Consulting, based in London and New York. He is experienced in assisting organisations in a wide range of business sectors to implement system-enabled business change. Jim now specialises in advising and supporting organisations that are implementing Enterprise Resource Planning (ERP) solutions. He is also active in providing pro-bono consulting services provided by the Worshipful Company of Management Consultants to UK charitable organisations.



You can download our 'Management Consultant Value' report from <https://www.cmce.org.uk/projects>

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