



**Round Table**

**Excellence in Consulting**



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## ■ 1. Introduction

The pursuit of excellence in any professional discipline is something that we probably take for granted. No one wants to hire a mediocre lawyer or get treated by an incompetent physician for example.

Just the same applies to management consultancy yet the constituent elements of excellence in consulting are, we believe, neither widely understood nor agreed, despite the best efforts of the Institute of Consulting or the Management Consultancies Association.

CMCE's purpose is to share leading and emerging practice in consulting amongst its professional network to promote excellence in the services delivered to clients. Our work over the last few years has identified that the pursuit of excellence requires work by both clients and consultants. We also believe that there is much more that can be understood through academic research in this area.

## ■ 2. Background

The Centre for Management Consulting Excellence (CMCE) arranged a roundtable discussion on 10<sup>th</sup> June to discuss the topics which influence *Excellence in Consulting*. We prefaced this with a series of survey questions posted on our [LinkedIn page](#) in preparation for the roundtable. This paper summarises the key points discussed, and includes the responses to the survey questions.

The roundtable discussion was led by a panel comprising:

- Professor Julie Hodges, Professor of Organisational Change at Durham Business School
- Chris McKee, who has held senior level positions at Direct Line and Ingenie car insurance companies
- Kevan Jones, a former partner in Oliver Wyman management consultancy
- Nick Warn, a member of the UK Institute of Consulting and a board director of the International Council for Management Consulting Institute (ICMCI)

The panel responded to a number of questions, and participants had the opportunity to provide their responses to these questions and to ask additional questions of the panellists. The questions covered the topics of:

- Consulting value
- Role of client staff
- Consultant performance
- Consultant accreditation

## ■ 3. Consulting value

One of our surveys was on the Golden Questions that clients should ask management consultants. The most important question for clients to ask consultants was considered to be “*How will we realise the benefits of your work?*”, and 90% of respondents considered that consultancy fees should be linked to value. But, 46% responded that this linkage of fees to value had never happened on projects on which they worked.

Our survey respondents identified that the key reasons that this linkage of fees to value does not happen regularly are that it is difficult to determine value and it is not offered by the consultant.

The roundtable agreed that it is difficult to determine the value for reasons including that the value derived by the client may:

- Be impacted by factors in addition to the consultant’s contribution
- Be different for different people in the client organisation
- Change during the project

A number of guidelines for determining consultant value were suggested.

- The assessment of value should take into account the role of the consultant, which may include providing:
  - Expertise: consultant provides knowledge that the client does not have
  - Externality: consultant provides external perspective
  - Extension: consultant provides additional resource
  - Endorsement: consultant reviews and legitimises a client decision
- There needs continuing dialogue between client and consultant about the value being provided by the consultant
- Consultant value can be tangible and intangible
- Consultant value should be defined by the client not the consultant

## ■ 4. Role of client staff

"How will you transfer knowledge and skills to our staff?" was considered to be the second most important Golden Question for clients to ask consultants. This endorsed one of the key findings of the CMCE "Consultant Value Add" report, published in 2021, that the best way for consultants to add value was to transfer skills and expertise. However, that report also found that this was not an important factor in selecting a consultant.

The discussion reinforced the important role of client staff in ensuring the successful outcome of a consulting project. Key points discussed included:

- Embedding change is dependent on the capability of the client organisation
- The consulting work should include transferring the skills required to do this
- This can probably be met by having joint consultant/ client teams
- Clients and consultants need to differentiate between the transfer of knowledge, skills and behaviours, as these may all require different approaches

## ■ 5. Performance evaluation

80% of respondents to our LinkedIn surveys considered that consultancy fees should be linked to performance, but 46% responded that this linkage of fees to value had never happened on projects on which they worked.

Linkage of fees to performance should be driven by clients, not consultants. However, clients may resist doing this to avoid paying an increased fee for better than expected performance.

If the client requires fees to be linked to performance, there should be an open discussion clarifying the client's objectives and the impact on the consultant's profitability.

## ■ 6. Methods, standards and accreditation

100% of respondents to our LinkedIn surveys considered that methods and standards improve quality and that they should be subject to independent certification. 92% of respondents considered that firms should be accredited and 64% considered that consultants should be accredited.

Accreditation of UK management consultants is provided by the Chartered Management Institute (CMI). The UK Institute of Consulting, an organisation within the CMI, is one of around 50 global members of the International Council of Management Consulting Institutes (ICMCI).

It is estimated that around 1% of the management consultancy profession around the world is currently accredited in some reasonable form. Austria is the only country in which accreditation is mandated, but there is growing interest in accreditation of management consultants in Asia and among students.

In addition to accreditation as a management consultant, it is possible to obtain accreditation to provide specific management consulting services, for example coaching and facilitation.

Accreditation is a requirement in a number of other industries, where it is performed by industry bodies not external bodies.

The requirement for consultants to be accredited needs to be driven by clients, as they will receive the benefits whilst consultants will incur the cost.



## ■ 7. Interim conclusions and next steps

We concluded that there are two subjects that would benefit from further research and analysis by CMCE:

- Management Consultant Value, to build on the findings and recommendations of CMCE's Consultant Value Add report by understanding more about the value associated with different types of consulting engagement
- Management Consultant Accreditation, to understand the arrangements for accreditation in other professions and countries, and the benefits that they provide for clients and consultants

CMCE is proposing to launch studies in conjunction with business schools into both of these subjects later this year.

## ■ Appendix: Responses to survey questions

In preparation for the roundtable, we asked members of the CMCE community for their views on a number of topics which impact Excellence in Consulting. This has been done by posting questions on the CMCE LinkedIn page.

We received responses to 18 questions, covering the following topics:

- Performance Evaluation
- Consulting Value
- Methods and Standards
- Performance and Value
- Ethics and Professional Standards
- Golden Questions (for clients to ask management consultants)
- Objectivity and External Perspective

### Performance Evaluation

1. How often should performance reviews be undertaken?

Monthly	50%
Quarterly	20%
Other	20%
End of engagement	10%

2. Should consultancy fees be linked to the results of performance reviews?

Yes	80%
No	20%

## Consulting Value

3. Should the fees charged by a consultant be based on the value that they deliver?

Completely	45%
Partially	45%
Not at all	10%

4. On projects on which you have worked, how often have the fees charged by a consultant been based, to some extent, on the value delivered?

Sometimes	54%
Never	46%
Always	0%
Mostly	0%

5. What is the best way for consultants to deliver value on an engagement?

Consultants lead a joint consultant/ client team	55%
Consultants coach a client team to do all of the work	27%
Consultants do all of the work	9%
Consultants review work and outputs produced by a client team	9%

## Methods and Standards

6. Does the adoption of methods and standards in performing a consulting engagement stifle innovation and responsiveness?

Sometimes	64%
Always	18%
Never	18%

7. Should the methods and standards adopted by consultants be subject to independent certification?

Yes	100%
No	0%

8. Does the adoption of methods and standards in performing a consulting engagement improve quality?

Always	50%
Sometimes	50%
Never	0%

## Performance and Value

9. What is the principal reason that the fees for so few consulting projects are based on consultant performance or added value?

Not offered by consultants	36%
Too difficult to assess performance	36%
Too difficult to measure value	18%
Not requested by clients	10%

## Ethics and Professional Standards

10. Should management consulting firms be required to have an independent accreditation?

Yes	92%
No	8%

11. Should management consulting firms provide staff to perform operational roles?

Yes, with a limit on duration	60%
Yes, with no limit on duration	20%
No	20%

12. Should management consultants be required to have an independent certification?

Yes	64%
No	36%

## Golden Questions

13. Consulting team

Which of the people involved in selling the engagement will be working on it?	47%
Have the members of your team worked together before?	26%
What role will our staff have in the consulting team?	16%
Which members of the consulting team will allocate all of their time to this engagement?	11%

14. Working methods

How will you transfer knowledge and skills to our staff?	67%
What deliverables will you produce?	33%
Will you be working in line with an accredited method or standard?	0%

15. Performance and added value

How will we realise the benefits of your work?	73%
What element of your fees are dependent on performance?	18%
How often will we review performance?	9%

## Objectivity and external perspective

16. Should there be a limit on the length of time for which a management consultancy works for a client?

Yes	62%
No	38%

17. Which of the following factors are the most important in selecting a management consultant?

Experience of the client organisation's industry	67%
Expertise in the business processes operated by the client	22%
Knowledge of the client organisation	11%

18. Should there be a limit on the length of time for which a management consultant works for a client?

Yes	56%
No	44%



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