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What was the result of this work by management consultancies and their clients?

We believe that it was one of the factors that helped the UK avoid the depression and consequential levels of unemployment that many had feared, and which would have done so much harm to our economic prospects and social fabric. Thousands of management consultants helped their clients to weather the worst of the storm and to save tens of thousands of jobs.

But, second, many consultancies also made sure that their other services were tuned to the needs of the moment. For instance, many MCA member companies are called on by clients because of their expertise in the management of supply chains and procurement. In an economic downturn these become even more important, and the issues subtly change. Good companies work twice as hard to make sure that their relationships with suppliers are secure and sustainable – as well as cost effective. Expert advice and input from management consultancies have helped them to do so.

The recession has also provoked the consulting industry to move fast to make itself more efficient. Our member companies developed their own business models as total demand dropped. The overall number of fee-earning employees fell, but the number of senior staff rose by 10%, an illustration of firms' willingness to invest in expertise, even during a downturn. In this respect, they were responding to the wishes of their clients who put a lot of emphasis on sector experience and expertise. Recession means that there is even more focus on quality and standards, illustrated by the rising profile of the MCA's own industry Code of Practice.

By the end of 2009, indeed, the average consultant was 7% more productive than twelve months earlier.

The use of management consultants has, of course, been accepted business practice for many years. As organisations become more complex and management teams focus on their core skills and tasks, this trend is likely to continue and grow.

The UK industry was recently described by a government-sponsored report as a 'world leader'. But the focus of much of the public discussion about consultancy has remained negative. It is easy to think of consulting as just a 'discretionary spend' and to focus on the price and not the value.

Earlier this year, the MCA published a pioneering piece of research which, for the first time, quantified the value that the consulting industry generates for its clients. It suggested that consultants add value in three ways:

- they provide specialist knowledge that helps clients to take better decisions;
- their experience in project delivery help clients execute their plans more effectively and efficiently; and
- the skills of individual consultants improve the capability and team work of managers in client organisations.

In whichever combination is most relevant, these three help to make clients more profitable, more successful or more efficient.

By asking clients themselves, we were then able to judge whether the value provided by consultancies was less than, equivalent to, or a multiple of the fees that they charge. I don't claim that this is the final word on this subject, but it gives us the strongest picture yet of the significant value that the UK consulting industry is generating for its clients.

For the majority of consulting projects, answers from clients ranged between two and twenty times the fees paid, with an average around ten times. In total, and on average across the full range of projects undertaken by MCA member companies, we estimated that UK consultancies generated benefits equivalent in value to around £6 for every £1 invested. For the economy as a whole, this is equivalent to over £50 billion.

“Recessions create and accelerate change. They also increase scrutiny, as countless decisions and spending programmes are questioned or delayed.”

I believe that we need to re-shape the conversation that we have in this country about consulting. By looking at the benefits as well as the costs, and thinking of the value as well as the price, we will have a far more realistic and fruitful discussion. Many clients do this already when they plan, commission and review their work with consultancies. They have worked out that this is the best way to get maximum value from consulting.

Consultancies, too, are increasingly focussed on this dimension of their work, and also looking to work with clients in ways that enable them to deliver the best possible results. As the economy pulls out of recession, there will be no going back on the need for quality and high value-added.