

CONSULTING INNOVATION: WHAT WORKS

SUMMARY

Management consultancies help companies discover and implement new practices yet there is increasing evidence that consulting innovation is under pressure from a variety of sources. This project seeks to explore how management innovations can be generated and implemented by consultancies and their clients. The research is funded by the UK Government's ESRC and is supported by the Management Consultancy Association (MCA), the Institute of Business Consulting (IBC) and the Chartered Institute of Procurement Services (CIPS).

CONSULTANCY INNOVATION UNDER PRESSURE?

New management practices such as BPR, TQM and Lean have provided businesses with novel ways to achieve efficiency savings and quality improvements, and management consultants are central to the generation and dissemination of these innovations. As a result, all of the prolific management innovations of the last fifty years have been strongly influenced, if not created, through partnerships with consultancies

Over the last few years, however, there has been increasing evidence that innovative practices in management consultancies are under pressure and that this may be having an impact on both consulting profit margins and productivity. Three recent studies illuminate this trend:

- In the 2007 the MCA Annual Survey it was noted that only 59% of clients were satisfied with their consultancy's innovation and creativity.
- In the same year, a 30 month empirical study of consultants in action found "that the conventional view of consultants as disseminators of new management ideas to clients is, at best, exaggerated" (Sturdy 2006).
- A study by the author (O'Mahoney et al. 2008) found that both consultants and clients were concerned about *declining* levels of innovation in the industry.

These studies are cause of concern for consultancies, their clients and the wider UK economy. However, in both the public and private sector, there are many example of highly successful consulting innovations which have transformed client performance. This research project seeks to identify best practice and explore what lessons can be learned from those consultancies and clients that have managed to innovate successfully.

HOW THIS PROJECT CAN HELP

Funded by the Advanced Institute of Management (part of the ESRC), this two year study aims to:

1. understand how consultancies, clients and procurers can work together to create and implement new ways of working.
2. promote best-practice cases of the development of innovative projects.
3. benchmark the processes that underpin creative consultancy interventions.

To this end, the research is seeking procurement departments, clients and consultancies that wish to explore how these ends can be achieved. All research will be anonymised, unless the participant agrees otherwise, and the results of the research will be shared with all participants.

The results of the work will be disseminated to the consulting, client and procurement communities through a series of national and international workshops. The work will also be published in a number of journals, industry publications and white papers. The research has director-level buy-in from the Advanced Institute of Management (AIM), the Institute of Business Consultancy (IBC), the Management Consultancy Association (MCA), the Chartered Institute for Purchasing and Supply (CIPS) and the Office of Government (OGC).

If you are interested in receiving the outcomes of this work or being involved in the research project itself, please contact joeomahoney@gmail.com.

THE SPEAKER

Joe O'Mahoney is a Lecturer at Cardiff Business School and has lectured at Warwick, Lancaster and Aston Business Schools, and has recently published a book with Oxford University Press entitled *Management Consultancy*. His writings have featured in several industry publications as well as the top ranked US and UK journals.

Previous to academia, Joe worked as a private and a corporate consultant, focusing on strategy and change management work in the telecoms and banking sectors. Joe has appeared as an industry expert on BBC Radio 2, Radio 4 and BBC Wales and, in 2007, appeared on The Dragon's Den.

