

Muddling Through the ManCons

Oh boy! There are some strange things afoot in the hermetically sealed world of management consultancy. Consultancy, as you may already know, is a profession that operates in a rarefied atmosphere all of its own (ruder people than I claim it is actually a vacuum) and you need a special headset and breathing apparatus to survive in this alien world. Well, you did until now.

Management consultancy (otherwise known by its shorter moniker ManCon: late 20th century business speak for “man with money, being conned by man with no money but lots of time to sell”), is undergoing a major makeover. Upper echelon ManCon people will tell you it is a “natural evolution of the profession,” the more prosaic will tell you that it is being driven by one simple word – desperation.

Here’s the scoop. Pre business recession the major players in the ManCon world and its related satellites were having a ball. Every industry wanted to boast that they were using “Big Mac” as THAT firm is referred to in some less reverential quarters. Then disaster struck.

Some of the big boys dropped a few Whoppers and had their McNuggets chopped off. Reputations were destroyed and the industry went into a tail spin. As it stalled it took the rest of the consulting profession with it, headhunters, personal coaches, market researchers; there were pink slip parachutes everywhere. The only people making money were those in the severely tongue-in-cheek industry of “career transition”, known to you and me as outplacement agencies. Those vultures of the corporate aviary have had a two year-long run of other people’s bad luck that has left them fat, sassy and eager to do new stuff.

And that is the key. Because, as the first shoots of growth begin to peek out from under recession’s dark blanket, we have a totally changed landscape. Many major ManCon firms have reputation issues to overcome. Others who made hay while the sun shone are going to have to work hard to get back to where they were in reaping huge profits from gullible mainstream industry.

Reason? Big business needs new ideas, not the same models dusted off yet again. And this is creating turmoil in the once highly complacent ManCon marketplace. Suddenly, every little Tom, Dirk and Helmut think that they have a shot at the big boys in the business. And they are right.

Mainstream business is doing several things:

- It is bargain hunting and therefore, deep discounting is the order of the day
- It wants new ideas that meet its unique needs, not some pre-scripted solution
- It doesn’t mind where it gets those ideas from as long as they are good

What this means is that a lot of top companies have become target rich opportunities for the small, boutique operator. And they can afford to have a go, because the top management of these multi-

nationals is open to anything right now. For the first time in five years, the great and good of corporate life are giving papal audiences to the peasantry once more.

Why? well consider this:

- Boutiques are specialised and don’t claim to do everything. That makes them trustworthy
- Boutiques have low overheads. That means they compete very favourably on price
- Boutiques know how to work at this senior level because they are made up – in many cases – of people who have baled out of the big ManCon firms

Are the big firms in the ManCon industry worried? You bet. How worried are they? Well last week one of them in New York hired a boutique firm to help THEM develop a strategy to snag new business. Now that must be a satisfying assignment!

The only thing that palls is what happens when Mr Big firm finds the key to new business. Do the teachers get rewarded too? I think not.

Some years ago I was hired by a major ManCon firm to develop a series of training modules for a client of theirs. The only problem for me was that I wasn’t allowed, under any circumstance to meet the client. That was a taboo. Some months later I – accidentally – found out why. I was attending a conference and one lunch-time found myself sitting next to the head of HR for a major food manufacturer. She was telling me about this excellent development programme they had created for senior staff. It sounded eerily familiar.

Being the curious kind, I quickly learned who had helped them develop it: the ManCon firm’s praises were duly sung from the rafters. Evincing interest in the project, I asked if she could possibly give me a ball-park figure for creating these modules, as I had a client I thought would be interested. The number she gave me made the baked Alaska in front of me melt in a nanosecond. Was it double what I had charged; was in treble or quadruple? No it was FIVE TIMES my invoice fee! It makes expensive restaurants marking up wine look positively charitable doesn’t it?

Before I leave, one more true story on the true value of consultants. I was in the back of a black London cab, squeezed in with four ManCons – Big Daddy and his three proteges. We are headed for a client. I am being taken – reluctantly – along because I am the hired help, the writer. Big Daddy asks the question, “So chaps what is the objective of today’s meeting? There a mumbles of words and phrases like “strategy”, “implementation”, “new market dynamics” and stuff like that.

“Don’t be bloody stupid,!” says Big Daddy, THE objective, the ONLY objective, is to get another bloody meeting scheduled. That’s what we do. That’s how we maintain our fee income.”

If you are a corporate citizen thinking about outside help, reflect on that. Not only is it true, it happens a lot more than you think, even in your wildest ManCon nightmares.