



CONSULTING DOSSIER

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The Consulting Club
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CONSULTING

The process of providing expert advice and services to organizations or individuals on a wide range of topics is known as consulting. Consultants are often experts with specialized knowledge and experience in a specific industry, such as business, technology, or healthcare. They apply their knowledge to assist clients in solving problems, improving performance, or making strategic decisions.

What is Consulting?

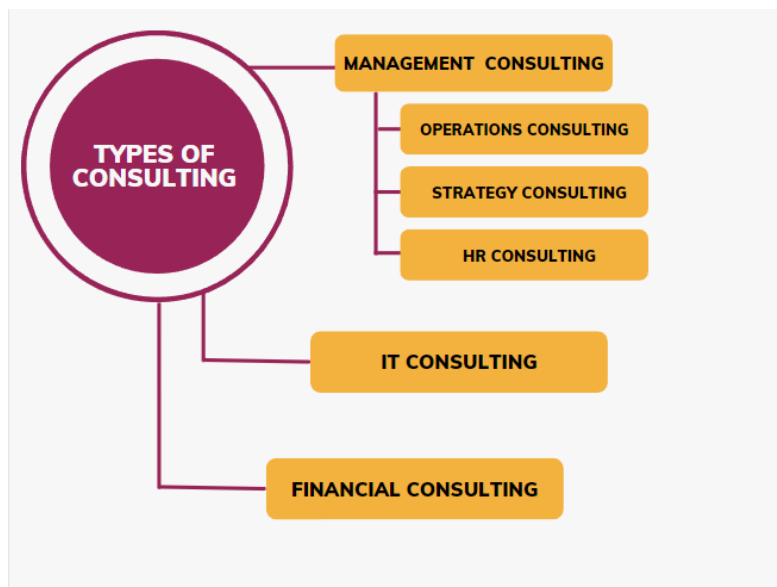


Image reference: <https://www.myconsultingoffer.org/>

The first contemporary consulting businesses, often referred to as corporate advice firms, were established in the world in the late nineteenth century, marking the beginning of the consulting sector. The original consultancies concentrated their advising services primarily on addressing technical and financial issues in the early days of the consulting industry (which began in the US and then spread to Europe and the rest of the world). Today, there are over 300,000 consulting firms in the UK alone, the bulk of which are sole proprietorships. These organizations provide a wide range of services across numerous fields, specialties, and industries.

TYPES OF CONSULTING

The consulting industry mainly consists of six domains: Strategy Consulting, Management Consulting, Operations Consulting, Financial Advisory, HR Consulting and IT Consulting.



MANAGEMENT CONSULTING

Management consulting is the broadest type of consulting — representing over half the consulting industry — and encompasses three main service areas: Strategy Consulting, Operations Consulting, and HR Consulting. It is a professional service delivered by consulting firms to aid organizations in enhancing performance, resolving issues, and attaining business objectives. Management Consultants collaborate closely with clients to evaluate their existing business processes, recognize opportunities for enhancement, and devise tactics to achieve desired results.

STRATEGY CONSULTING

Strategy consulting is a subset of management consulting that focuses on more precise and intricate goals. This could include assisting the company in developing long-term strategic planning, developing a functional strategy, and scrutinizing mergers and acquisitions. As firms become more complicated and competitive, the demand for strategy consulting is increasing. Strategy consultants can assist firms in identifying new opportunities, developing competitive advantages, and meeting their objectives.

OPERATIONS CONSULTING

Operations consulting is a facet of management consulting that centres on operational goals. The objective is to make processes more efficient, cut costs, and uphold or enhance the quality of offerings. Operations consultants collaborate closely with businesses to spot obstacles, inefficiencies, and prospects for enhancement in sectors like supply chain management, production processes, and project management. Their proficiency aids in achieving smoother workflows, minimizing wastage, and ultimately boosting overall business efficacy.

HR CONSULTING

Human Resource (HR) consulting, often known as human capital advising or HRM consulting, is a service offered by HR professionals and corporations to organisations to assist them with various areas of their human resource function. An HR consultant assists organisations in optimising their HR practises, policies, and procedures in order to better manage their workforce, recruit and retain talent, and achieve their strategic goals. Recruitment and selection, performance management, training and development, and organisational development are the primary foci of this domain.

FINANCIAL CONSULTING

Financial consulting, also known as financial advisory or financial consulting services, is a segment that provides expert advice and guidance to individuals, businesses, or organisations on a variety of financial matters such as investment planning, retirement planning, estate planning, tax planning, risk management, insurance, business financing, and mergers and acquisitions. The fundamental purpose of financial consulting is to assist customers in making educated and strategic decisions that will help them accomplish their financial goals and enhance their financial well-being.

IT CONSULTING

IT consulting, also known as information technology consulting, entails professional services provided by IT professionals and organisations to assist businesses in fulfilling their information technology needs and overcoming problems. IT consultants give professional counsel, recommendations, and solutions to optimise an organization's IT infrastructure, systems, and processes, allowing it to achieve its business goals and remain competitive in the digital era.

BIG 3 CONSULTING FIRMS

McKinsey & Co.



James O. McKinsey, a professor at Chicago University, founded the management consulting firm McKinsey in 1926. McKinsey first concentrated on overseeing regional clients. After World War II, they began to grow to include government military agencies and Fortune 500 firms. In 1960, McKinsey had six international offices in addition to 60 US locations. Marvin Bower, the company's managing director from 1977 to 1997, oversaw a considerable expansion of the business. Bower emphasized the use of facts and analysis in decision-making and offered a more organized and systematic approach to consulting. This strategy assisted McKinsey in becoming one of the most well-known names in the consulting sector. Presently, McKinsey has around 30,000 employees with an estimated annual revenue of \$12.5B and is one of the highest ranked companies in Forbes America's best management consulting firms (2023).

McKinsey & Company has provided advice to customers throughout its history in a variety of sectors, including technology, healthcare, banking, consumer goods, and more. For its clients, the firm has been instrumental in defining business strategies, organizational structures, and operational effectiveness.

McKinsey has also increased the scope of its offerings in recent years to include proficiency in digital transformation, sustainability, and innovation. In order to assist its customers in navigating challenging situations and seizing opportunities, McKinsey continues to adapt to the changing business environment and offers insightful analysis and recommendations.

McKinsey & Company has developed a reputation for its high-calibre consultants, who bring a blend of industry knowledge, analytical skills, and inventive problem-solving abilities to their work. The company places a heavy emphasis on attracting top people from varied backgrounds.

Boston Consulting Group

Boston Consulting Group (BCG) is an American global management consulting firm. It was founded in 1963 and headquartered in Boston, Massachusetts. Along with McKinsey & Company and Bain & Company, it is one of the Big Three (also known as MBB), the three largest management consulting companies in the world by revenue.



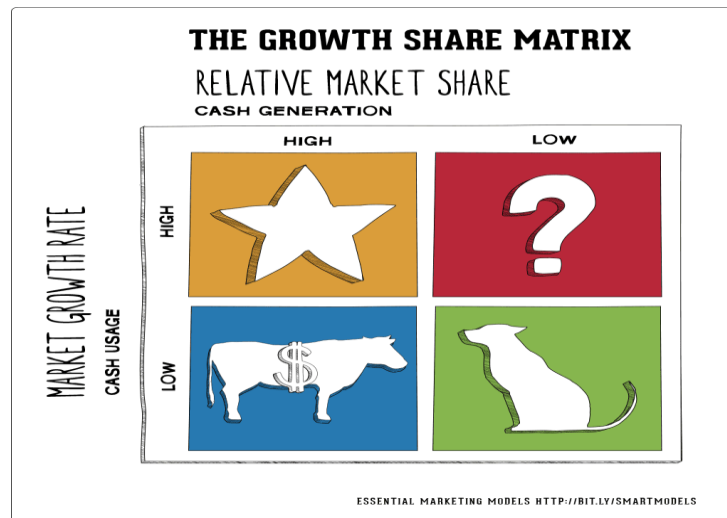
The firm was founded as a part of the Boston Safe Deposit and Trust Company. Bruce Henderson was recruited to establish the consulting arm operating as a subsidiary under the name Management and Consulting Division of the Boston Safe Deposit and Trust Company. Arthur P Contas was hired as the second consultant in December 1963. In 1967, Bill Bain was offered a role in the firm. He initially accepted the offer. However, in 1973 Bain resigned from BCG to start his own strategy consulting firm, Bain & Company, hiring away six of BCG's employees.

In the 1980s, BCG introduced the concept of time-based competition that reevaluated the role of time management in providing market advantages. This concept was also the subject of research in the Harvard Business Review.

BCG has a global presence with offices in numerous countries, and its consultants collaborate closely with clients to address complex challenges and drive growth and innovation. The firm's emphasis on delivering value, strategic thinking, and actionable recommendations has solidified its reputation as a leading player in the consulting industry. The revenue for the last financial year stood at \$11B.

BCG Matrix

One of BCG's most famous contributions to business strategy is the "growth-share matrix," also known as the "BCG matrix". Created in 1970s, this framework categorizes a company's products or business units into four quadrants based on their market share and growth rate, providing guidance on resource allocation and strategic decision-making. BCG would categorize its business units as "Stars", "Cash Cows", "Question Marks", or "Dogs", and then allocate cash, accordingly, moving money from "Cash Cows" toward "Stars" and "Question Marks", which have higher market growth rates and hence greater upside potential.



Bain & Co.



The corporate headquarters of the American management consulting firm Bain & Company is in Boston, Massachusetts. The company offers guidance to nonprofit, for-profit, and public organisations. One of the Big Three management consulting firms, Bain & Company was established in 1973 by Patrick F. Graham, Bill Bain, and other former Group Vice Presidents of the Boston Consulting Group.

Bain Lab and BainNet, two practice areas for technology consulting, were established in 1999 and 2000, respectively. Initially known as Bain New Venture Group, Bain Lab was established. Startups that would not have been able to pay Bain's costs were assisted, and a portion of the charge was paid in equity. Bain & Company primarily serves Fortune 500 CEOs with management consulting services. The business provides advice on a variety of topics, including private equity investments, mergers and acquisitions, corporate strategy, finance, operations, and market analysis. It also has customer loyalty, word-of-mouth marketing, and digital technology sections. The majority of its consultancy focuses on company strategy.

Bain & Company is well-known for its secrecy. The company was dubbed the "KGB of Consulting in the 1980s." The revenue for FY22 stood at \$6B.

LIFE OF A CONSULTANT

Consultants get to work with different types of clients, in different industries, specializations and help them in solving a variety of problems. They get to work directly with the CEOs, CFOs, divisional heads, and other leaders of large corporates.

Some of the major positive areas in a consultant's life are:

- ❖ **More Interesting Work:** As a consultant, you'll often work on a variety of projects across different industries, each with unique challenges. This diversity can make your work more engaging and interesting than it might be in a more routine job. You'll constantly be learning new things, applying different strategies, and solving diverse problems.
- ❖ **Increased Job Security:** While consulting isn't immune to economic ups and downs, it can offer greater job security than traditional employment. Consultants are often brought in to help companies adapt to change or improve efficiency, which can be even more crucial during economic downturns. Also, having a broad base of clients can make you less dependent on the fortunes of a single employer.
- ❖ **Choice of Type of Consulting:** Consulting covers a broad spectrum of industries and specialties, from management and IT to marketing and human resources. This means you can choose the type of consulting that best suits your interests, skills, and career goals. You could specialize in a specific industry or offer services that are applicable across multiple sectors.
- ❖ **Networking:** Consulting provides excellent opportunities to expand your professional network. You'll get to work with a range of clients and other professionals, which can open doors to new opportunities. Networking is also important for finding new clients and staying on top of industry trends.
- ❖ **Choice of Work:** As a consultant, you typically have more control over the projects you take on. You can choose to work with clients and on projects that interest you and align with your career goals. This can lead to greater job satisfaction. You also have the freedom to set your own hours and decide how you want to structure your work-life balance.

Every aspect has pros and cons, a career in consulting can be exciting and influential, all things come at a cost, some of the cons or points to be considered about consulting are:

- ❖ **Long working hours and heavy travel:** On an average, a consultant works at least 50 hours a week along with travel to different client locations which makes the schedule very hectic.
- ❖ **Time away from family and friends:** Due to long working hours, hectic and inconsistent schedule, there is improper work-life balance.
- ❖ **Not getting to see the long-term results of your work:** Consultants get to work on multiple projects of duration ranging from 2-4 months, thus you don't get to stick around to see the final outcome of your work in long run.
- ❖ **Running the entire team:** Another challenge is making sure that everyone is being brought along on the project. Within a project team, there are the consultants who work with the client, but also have internal resources that they work with. As the internal team is not involved in client meets, consultants have to make sure they're brought along. So, keeping everything in order, as well as balancing between all the different projects, are the bigger challenges.

Despite all these points, the thing that drives the consultants the most is that the work they do helps improve people's lives at work. It just brings so much more meaning to work life.



SKILLS OF A CONSULTANT

To be effective in their roles, consultants must possess a diverse set of talents. The following are some of the most significant abilities for consultants:

- ❖ **Problem-Solving Abilities:** Consultants must be able to recognize and solve problems in an effective and efficient manner. They must be able to think critically and creatively in order to come up with effective and feasible answers.
- ❖ **Analytical Abilities:** Consultants must be able to collect and analyse data in order to make sound decisions. They must be able to comprehend complicated data sets and recognize trends.
- ❖ **Communication Skills:** Consultants must be able to successfully communicate with both clients and coworkers. They must be able to convey complicated concepts in a simple and succinct manner. They must also be able to hear feedback and be open to new ideas.
- ❖ **Teamwork Skills:** Consultants frequently collaborate on projects with teams of other consultants and client workers. They must be able to effectively interact with others and be willing to share success.
- ❖ **Leadership Abilities:** Consultants may be required to lead projects or teams. They must be able to motivate and inspire people in order to attain their objectives.
- ❖ **Business Acumen:** Consultants must be well-versed in business principles and procedures. They must be able to comprehend the client's business and find areas for improvement.
- ❖ **Adaptability:** Consultants frequently work on projects in a wide range of industries and with a wide range of clients. They must be able to quickly adjust to new situations and gain new skills.
- ❖ **Resilience:** Consulting can be a difficult profession. Consultants frequently work long hours and under duress. They must be able to deal with stress and setbacks while maintaining a good attitude.

CERTIFICATIONS

Obtaining certifications as a consultant can propel your career forward and enhance your reputation among clients and employers. Certifications serve as valuable validations to highlight an individual's knowledge, qualifications, and skills.

- ❖ **Project Management Professional (PMP):** The PMP Certificate is offered by the Project Management Institute (PMI) and is widely recognized and respected in project management consulting. It focuses on project planning, execution, monitoring, and closure.
- ❖ **Certified Management Consultant (CMC):** This certification, offered by the International Council of Management Consulting Institutes (ICMCI), is a globally recognized credential for management consultants. It demonstrates your competence, professionalism, and ethical conduct in consulting.
- ❖ **Certified Information Systems Security Professional (CISSP):** For those interested in IT consulting, particularly in cybersecurity, the CISSP certification, offered by (ISC)², is highly regarded. It demonstrates your expertise in information security.
- ❖ **Certified Public Accountant (CPA) or Chartered Accountant (CA):** If you're looking to enter the field of financial consulting or advisory services, obtaining a CPA or CA certification could be beneficial. These certifications demonstrate expertise in accounting and financial management.
- ❖ **Certified Business Analysis Professional (CBAP):** This certification, provided by the International Institute of Business Analysis (IIBA), is valuable for consultants who specialize in business analysis and requirements gathering.
- ❖ **Certified Management Accountant (CMA):** If you're interested in management consulting with a focus on financial management and strategic planning, the CMA certification from the Institute of Management Accountants (IMA) could be beneficial. This program takes an average of 12 to 18 months to complete.
- ❖ **Six Sigma Certifications:** For process improvement and quality management consulting, Six Sigma certifications (e.g., Green Belt, Black Belt) are highly regarded. They showcase your ability to identify and solve process-related issues.
- ❖ **Certified Professional in Healthcare Quality (CPHQ):** In the healthcare consulting sector, the CPHQ certification, offered by the Healthcare Quality Certification Board, demonstrates expertise in healthcare quality management and improvement.
- ❖ **Talent Optimization Consultant certification:** Earning this endorsement can help individuals understand more about talent strategy and organizational change. This can help you provide useful advice to clients and stakeholders regarding decisions about employees

and staff members within their organizations. This program is self-paced and consists of five learning modules.

- ❖ **Certified Manager (CM) certification:** The certification program for CM assists consultants in demonstrating their capability to effectively oversee and guide teams to both clients and organizations. This program includes a comprehensive 90-hour exam preparation course designed to help individuals identify their leadership approaches and management strategies.

COMPANIES VISITING IIM VISAKHAPATNAM

