



CONSULTING RESEARCH: THE DIFFERENTIATOR AND THE SAVIOR

A study of the importance of research in consulting



GROWTHSQAPES

Capability Building for Business Impact

Executive Summary

The Consulting Business has seen record growth in the past and continues to remain significantly attractive. Its glamour quotient in the corporate world, has a very strong attraction in the management campuses. Credits to McKinsey & Co who started this trend by being the first consultancy firm to make it a practice to hire fresh MBAs from top schools to staff its projects, as compared to hiring experienced personnel from industry. Yet, there is a difference in the way the other two prominent communities of the organized world - the functional world of practitioners and the scientific world of researchers, look at consulting. This white paper discusses the perceptions about consulting firms, what genuine consulting is, consulting research and how it can help battle disruptions in consulting industry in 2020.

Introduction

The practitioners look at consulting as specialist solution-provider. The researchers have their own “reservations & prejudices against consulting practice” (Nissen Citation). In a way, beyond the glamour, there exists some inexplicability of an opaque black box solutioning, that inaudibly questions granting of total credibility to consulting. Therefore, a right balance of the solutioning approach backed by sound research is desirable.

How Consulting is Viewed?

Consulting is defined as offering customized professional services to individuals as well as organizations, in collaboration with them as clients, by people with high level of expertise and experience. This definition of consulting amplifies to be all-inclusive of any kind of services provider and here lies the problem. A lot of consulting is self-legitimized. Established only by self-claims of proficiency, based on repetition of experience. Repetition of experience does not necessarily lead to knowledge that builds sellable wisdom. Thus, if consulting has to protect its credibility-turf from intellectual impostors who offer quick-fix hacks in the name of solutions, it has to add to the body of knowledge, of its own domain expertise consistently and scientifically. Genuine consultants are those, who supports their clients’ capability building by providing them with innovative solutions, when presented with multifarious problems in unfavourably challenging circumstances. They do this by wisdom. Accordingly, consulting is the business of selling wisdom which someone buys to solve a problem.

Since consultants are an integral part of the consulting industry, it is desirable to understand the characteristics of a good consultant beyond just technical expertise. A good starting point is with the characteristics suggested by practitioners and clients. Among the most important characteristics are good interpersonal skills, the ability to and interest in listening carefully

and fully to the client, and an appreciation for the client's concerns. While these may be considered very mundane, they are necessary and important characteristics for successful consulting.

GrowthSqapes' surveyed some leaders in the consulting industry in India and the UK and found out that the skills they thought were most prized in the consulting industry are:

- Industry experience and expertise
- Analytical skills
- Communication skills
- Commitment to clients
- Ability to manage stakeholders at clients

While the first two of the above five are table stakes for any consultant, the last three act as determinants of success in the journey from good to better to best. An important element of good communication between the client and consultant is defining the boundaries of the work. At the same time, it's as important that you indicate what you won't do as it is to describe what you are committing to do. Since communications are multi directional, managing communications between various members of the client's organization also becomes crucial

Consulting Research

The principal path that consulting can adopt to add to the body of knowledge of its own domain, is to engage in what Shugan calls as Consulting Research. (Shugan, 2004) Consulting Research can be defined as methodically deeper examination of client-level issues and consulting interventions, aimed to achieve the description of origin, relationships and interconnectedness of the issues, to develop high-quality frameworks and models that can be shared and reused for knowledge building. Consulting Research would feed solutioning (the client-side benefit) as well as distillation of wisdom by continuous knowledge building, (the consultant-side benefit) benefiting the whole consulting ecosystem. Eventually, real life business problems will see scientifically grounded higher-level diverse and innovative advisory services.

It might seem surprising but taking out adequate time to do research to review a client's problem, is an easy step to overlook. Therefore, creating a list of research areas and items and identifying the source of information helps the consultant consistently move from the "problem drawing board" to the "problem resolution table".

5 Must Do's Pre and Post Research



Consulting Research & Consulting Practice – An Effective Leveler

In methodical exploration, the domain of Practice is vital. It is the hotbed of originations and advances for scientific research. This is where, often - unsaid, undescribed, unrecognized, unrecorded, unnoticed incidences, events and ideas reside. When consulting research is mutually inclusive of consulting practice, they give birth to new theories that add to the body of knowledge of the domain. Consequently, this could be the way to level the skewed view that practitioners and researchers have about consulting. When these three entities of the organized world have a levelled viewed of each other, new opportunities emerge. Clearly, a way to go for researchers, practitioners and consultants.

In practice, if a consultant's job is to implement changes that is a result of research then it would be important to ensure a "buys in". However, the consultant needs to be aware of the fact that professional development via practice comes only with the broadening of the practitioner's tool kit. A myopic approach will prove the following saying right. "If the only tool you have is a hammer, don't be surprised if everything looks like a nail."

Consulting Research – The Differentiator

Consulting firms that deliver effective solutions transparently, are firms that have consulting research as their core strength. They grow by continuous research in the practice areas and keep adding value to their client-system consistently. The depth of their internal intellectual pool is sustained by their deep engagements in consulting research, inclusive of the practice areas. That separates them from the other self-legitimized aspirants. Some of these self-legitimized entities take the client-system for a cloudy semantic ride by using the term Research Consulting. Research consulting involves conducting specialized, targeted, commissioned research on behalf of a client and present a final analytical report of the key findings and is strictly not consulting research.

Conclusion

Business analysts have predicted that the long immunity enjoyed by the consulting industry will see a disruption in the year 2020 and the 6% India consulting growth story will see a deflection point. In India, the consulting industry is currently worth around \$12 billion. Of this, roughly \$1.5 billion of the industry's revenues is bagged by big four consulting firms.

The long list of the possible disruptive factors has already been rolled out. However, what could emerge as a saviour for the consulting industry is Consulting Research. Consulting firms embarking upon consulting research in a larger way than earlier, would see themselves reinforcing their intellectual arsenal, sailing through the disruptions of high seas to the gold coast of new-age gigs, revenues and deals.

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