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IMIT WP: 1996_86
Datum: 1996
Antal sidor: 23



IMIT

INSTITUTE FOR
MANAGEMENT OF
INNOVATION AND
TECHNOLOGY

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IMIT Working Paper 96:86

Paper presented at the Academy of Management meeting 1996

Winner of the William Jerome Arnold Meritorious Paper Award

Published in "Journal of Organizational Change Management" 10:4

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Abstract

Highly structured methods and tools for bringing about organizational change are popular in both the management literature and in the practice of management consultants. In order to understand the nature and popularity of these methods and tools, a study of the availability and use of methods in Business Process Reengineering (BPR) projects is carried out in 5 large consulting companies. Based on this study, six functions of methods are identified. Methods are found to play important roles both within the consulting organization and in the interaction with the client in the specific change project. Common to the identified functions is the methods' ability to store and transfer knowledge, which contributes to a common interface to the change process between clients and consultants.

The study also shows, that consulting companies with very different professional backgrounds have very similar approaches to methods in BPR projects. The similarities between these companies' method are identified in the article.

INTRODUCTION

Detailed methods and tools for bringing about change are widespread in both management literature (Werr, 1995), and consultants' practice. The legitimacy of methods and tools is generally based on a belief in the effectiveness of their direct application in the change process. But there also exists a belief, not least among consultants, that it is the consultant's personal skills and experiences, rather than the methods per se, that provide value in the consulting process. Based on an interview study in five large management consulting companies, this article tries to understand the popularity of methods and tools by identifying the content and function of methods and tools for Business Process Reengineering. It is shown, that methods and tools have a number of functions both within the consulting organization and the change process. These functions are mainly based on the ability of methods and tools of providing a common interface to the change process.

The paper also examines the question, whether differences in consulting companies' traditions concerning focused problems are reflected in the contents and usage of methods.

APPROACHES, METHODS AND TOOLS, A DEFINITION

The terms "approaches", "methods" and "tools" are, in the context of organizational change, often used as synonyms. In this paper we will not follow this practice, but give them more specific meanings. The differences between the terms, as we use them, will be briefly discussed in this section.

The most general of the terms is "*approach*", which describes an overall perspective on the phenomenon of change and how to bring it about. An approach thus includes implicit and

explicit beliefs concerning both the content and the process of "good" change. The sociotechnical approach to change is one such example. Beliefs about "good" content of change include the simultaneous optimization of both the technical and the social systems. Beliefs about "good" processes include broad participation as a central element.

“*Methods*“ of change are in our view subordinate to an approach. While the approach describes the underlying values of the change, the method attacks the problem of how to do it - how to manage the successful change process. Methods thus give operational guidance to actors in the change process. This guidance often has the form of step-by-step models of the change process defining what should be done when, how, why and by whom.

While a method of change gives the change process its overall structure, it seldom is very helpful, when focused problems are met during the process. Here we find the role for “*tools*“. *Tools* are thus focused on solving specific problems (e.g. format for a group dynamic session). The support they give in problem solving can take the form of checklists, computer analysis applications, questionnaires etc. Tools may have loose ties to specific methods. Thus, the same tools can be used in change processes guided by many different methods. This paper mainly focuses on methods as defined above.

AVAILABILITY AND USAGE OF METHODS IN FIVE CONSULTING COMPANIES

In order to gain a deeper understanding of consultants' use of methods for change and the roles these methods play in the practice of consultants, we conducted an interview study covering five consulting businesses. Four of them are large, US-based, management consulting firms with offices in Sweden (Andersen Consulting, the Boston Consulting Group, Ernst & Young Management Consulting and McKinsey & Co.), and the fifth is a Swedish business, affiliated to ABB, a major international industrial corporation (ABB Management and Process Consultants - ABB-MAC). The consultancies are all among the 15 largest management consultants in Sweden (see table 1). The selection criteria for these companies were, that they all offered methods for change, based on a *business process view* of the organization.

The interviews with the consultants were conducted in a semi-structure way focusing on mainly four areas - 1. The content of the method for process improvement (the philosophy behind the method, the main steps, etc.), 2. The form of the method (level of detail, structure, incorporated tools, etc.) 3. The application of the method as reflected in the consultants' description of a recent project, and 4. The mechanisms for creating and updating the method. In each company we tried to get answers to the above questions from consultants with different levels of seniority. In 3 of the 5 organizations (ABB, McKinsey and Ernst & Young) we interviewed three consultants ranging from quite newly recruited, to very experienced. In Andersen Consulting we interviewed two consultants on different levels and in BCG one on an intermediate level.

In this paper, we will put quite a heavy emphasis on reporting the results of the interviews, in order to give the reader some insights into the studied companies and their ways of working with methods in process improvement projects. But in this context it is also important to underline, that the use of interviews for data collection confines our data do what the consultants say they do rather than what they actually do. We have tried to reduce this problem somewhat, by asking the consultants for concrete examples of their ways of working.

TABLE 1.

Some numbers on the studied consultancies in Sweden. Source: Konsultguiden

	Rank*	Billing 1994 MSkr.	Employees 1994	Consul tants 1994	Billing/Cons. in thousand Skr.
Andersen Consulting	1	423	287	280	1511
McKinsey & Co.	2	320	151	95	3366
Boston Consulting Group	3	140	58	42	3333
Ernst & Young Consulting	12	43	28	25	1712
ABB Management Cons	13	38	44	36	1056

*The Rank represents the companies rank in the Swedish management consulting business, with regard to its billings 1994.

1995. The reason for focusing on process improvement methods was the popularity these have gained during recent years. All larger management consulting companies have in some way included the concept of "Business Process Re-engineering" (BPR) in their service portfolios. The process view of the organization per se is not new. It has been an important trait in sociotechnical systems theory, which has roots back in the 1950's. What is new is the scope of the processes of interest. Earlier, this has often been limited to a group or department of the company, while today it comprises the whole company or even several companies. This broad, cross-functional process view has been spreading rapidly, replacing a functional approach to business improvements.

In spite of a focus on a common problem - the improvement of business processes - the five consulting companies studied here are quite diverse in terms of their type and background. Large differences have traditionally existed between these companies concerning typical clients, typical assignments and the availability and usage of methods. The question, whether such differences persist, or whether there is a convergence taking place, will be treated below, where the availability and usage of methods for process improvement in the studied companies is described, based on the data gathered during the interviews with the consultants.

McKinsey & Co.

Methods for process improvement. McKinsey's process improvement projects are normally quite large, extending at least 6 months in time. Even their scope is large, typically covering the fundamental redesign of the core processes of the organization.

The method used for these process improvements is "Core Process Redesign" (CPR). The CPR approach has recently been formalized on a detailed level. The methodology now defines actions, deliverables etc. on a week to week (team meeting to team meeting) basis in the initial program phases. The formalisation also includes recurring solutions for problems in specific core processes and industries. CPR projects normally follow the following sequence of high level phases: 1) Prepare the program (brief strategic review, assessment of company performance and improvement potential) 2) Launch first wave of microcosms (or companies within company) where the redesign work is done 3) Launch additional waves 4) Move into continuous improvement modus operandi.

Besides the comprehensive CPR methodology, which gives an overall structure to the change process, McKinsey has a large toolbox for solving specific problems met in the process, such as the mapping and analyzing of specific processes, the design of a logistics system etc. These tools are an important complement to CPR in the change process.

An important ingredient in McKinsey's way of approaching problems is hypothesis driven problem solving. Here, the consultant early establishes a hypothesis of a problem solution. Then data is collected in order to prove this solution right or wrong.

View on, and usage of methods. The main conviction steering the view on methods is that of the uniqueness of the specific change process. The standard procedures provided by methods consequently always have to be adapted to fit the specific situation characterized by a certain history, problem, culture, etc. In order to ensure the fit between the method and the client's situation, change projects start with a strategic review, supported by a formalized approach and checklists. This assessment forms the basis for choosing an appropriate method.

Although the method does not solve all problems, it is by the consultants seen as an important support in several ways. First of all it provides an overall structure to the change process, which improves the chances of success. Taking shortcuts in the method is in some cases claimed to have led to less than optimal results.

The usage of methods is also said to support McKinsey's ambition to involve the client in the process as much as possible in order to create ownership and competence on the way to a learning organization. A clear method provides a "road map" to the client, which makes his/her active involvement possible.

Methods and tools also play an important role in supporting work in the cross-functional project teams at the client. A clear methodology is said to eliminate barriers such as prestige and power between persons, functions and hierarchical levels. The methodology provides a "neutral" way of proceeding, which bridges conflict, and challenges peoples traditional ways of thinking.

The Boston Consulting Group (BCG)

Methods for process improvement. BCG's process improvement assignments are usually quite extensive, often involving 5 to 6 consultants during 6 to 12 months. BCG early introduced a concept for process improvement, namely TBM (Time Based Management) (see Stalk and Hout 1990). This was introduced in 1986-87. The basis of TBM are lessons learned from the Japanese regarding ways to achieve quality and speed in both production and product development. With TBM, BCG made an effort to adapt these Japanese principles to western preconditions.

A detailed method for managing TBM projects was introduced for internal use in 1990. It consists of five main phases, each supported by detailed checklists for what has to be done in the stages. The first phase aims at creating the preconditions for a successful change process by creating awareness in the client company, understanding beliefs in it and setting preliminary targets. An important tool in this phase can be a SWOT analysis. In the second phase, the aim is to gain understanding of the client system, by mapping and measuring it. Here problems and their root causes are identified and the kinds of changes needed are identified.

In the third phase, alternative solutions are developed for the identified problems. The current system is modeled, and the proposed changes are incorporated and tested in the model. Prototypes of solutions are also developed for evaluation. An important result of this phase is a master plan for action. These actions are realized in phase four, where solutions are implemented on a large scale. In the last, fifth phase, the benefits of the change process are realized.

In addition to the overall TBM approach, BCG has a large toolbox to support the analysis/solution and implementation of specific problems. Examples of tools are benchmarking, segmenting, market analysis, pricing policy, etc. In the early phases of TBM, focus is on analytic tools, whereas focus in the later stages shifts to implementation tools.

View on and usage of methods. Even if there exists a detailed method for TBM, this is said not to be followed in any rigid way. Instead, the need for adaptation to the specific client situation and for creativity is emphasized. Especially the latter - the individual consultant's creativity is seen as a very important factor, which it is essential not to hinder through a detailed method. Consequently, the TBM method is described as a source of inspiration, a basic framework for the change process, where one can get ideas for handling or avoiding problems.

In this role of providing a basic structure for the change process, methods are also said to create the necessary "slack" for creative thinking. As the elementary problems can be handled with advice from the method, intellectual capacity is freed for creativity in solving the more advanced problems in the process.

One of BCG's goals when working in a change process is the transfer of methods and tools to the client. Here it is said to be important that these methods are adapted to the specific needs and culture of the client company. The TBM method plays a role as a basis for developing formalized, client specific methods, that can be used by the members of the client company.

Ernst and Young MC

Methods for process improvement. Ernst & Young Management Consultants (E&Y) in the US early became interested in, and started development work in the BPR area. A BPR approach was adopted already 1991, as it was the first management philosophy giving central importance to IT as a business enabler. E&Y had an important role in the development of BPR, as one of the seminal books on the subject was published by an E&Y consultant (Davenport 1993). E&Y is still one of the international leaders in the BPR field.

Ernst & Young Sweden has only recently begun working with large process improvement projects. A Nordic adaptation of the international Ernst & Young BPR method "Navigator" is used to support the work in these assignments. The method has been adapted in collaboration with the Nordic BPR "guru" Björn-Erik Willoch.

This detailed method for conducting BPR projects is meant for both company use in consultant led change processes, and to be licensed to clients, who want to conduct BPR projects on their own. The license includes the method, and continuous training and support during the implementation of it.

The method, which has a modular structure to facilitate adaptation to each project's specific needs, specifies a highly detailed approach to BPR. It contains 5 distinct phases: 1.

Improvement portfolio analysis, 2. Future state definition, 3. Pilot, 4. Implementation, and 5. Infrastructure definition. Each phase consists of a number of sub-phases, which in its turn consist of activities and tasks. Purpose, procedures, deliverables etc. are described in detail for each activity.

Tools to support the work in each phase are also listed and described. The complete method is supposed to consist of: 1. The method on disc/CD-ROM with search and adaptation possibilities, 2. Examples of work-results, 3. "Tool sheets" describing concrete tools 4. Descriptions of "best practice" of processes and enablers and 5. An implementation methodology. E&Y's methods are regularly (half yearly) updated, in order to incorporate the latest experiences and state of the art knowledge in them.

View on and usage of methods. The Methodology plays a central role in E&Y's business, as it is its main product. E&Y sells a method, a certain approach - with or without consulting support. The adherence to the method in consulting projects is thus seen as a question of quality. In spite of this, methods must be handled with some care as to their adaptation to specific situations.

Knowledge-transfer is an important ingredient in E&Y's concept of change. This is especially true if the client is licensing the methodology. In these cases, the method plays a central role in competence transfer from consultant to client, as it codifies the experience and knowledge of E&Y (even if it is complemented by training and some consultant support).

Even in mainly consultant driven projects, the method is said to play a major role, in order to guarantee a consistently high minimum level of quality. The purpose of using a method is not primarily said to be to reach excellence, but to avoid pitfalls. In order to reach excellence, any method is viewed as insufficient. Here long term experience and deep industry knowledge are more important factors.

For the consultant, especially the less experienced one, the method is said to be an important support. It provides a backbone for the whole change process, which gives both the consultant and the client a sense of inner security. By providing shared reference points, the method also supports communication between members in the project team. Methods are also said to play an important role in the generation and storage of knowledge within the consulting company.

Andersen Consulting

Methods for process improvement. Andersen's consulting projects vary significantly in scale and scope - from a few months for one consultant to 5 year projects involving 200 consultants. Each project in practice often consists of two parallel, integrated processes - one focusing on the organizational and human side of the change, the other on the technical, i.e. information systems development. In the following we will focus mainly on methods for the first type of process.

Methods for the technical aspects of the change process have long existed, and guided and coordinated action within Andersen Consulting. On the human side on the other hand, the availability of methods has been more limited. Based on a conviction, that change processes can be realized in a structured way, i.e. that peoples reaction to change can be predicted and

planned for, Andersen is striving towards more structured approaches towards handling the human aspects of change.

In order to do this, a large number of tools has been developed for specific tasks in the change process, such as designing education programs, assessing organizational resistance to change, etc. These building blocks are stored in a global tools database.

The tools are integrated by methods for different kinds of projects. Andersen's Method for process improvement - Value Driven Reengineering - consists of 5 phases and related sub-phases and activities. Each of these phases is described in detail, providing checklists for which data should be collected in order to analyze a certain process, how to present it, etc. In the first phase (Shared Vision) a shared vision of the company's position and strategy is developed. In the second phase (Assess/Align) processes are mapped and benchmarked, gaps identified, and improvement programs defined. The next phase (Master Plan) foresees a more detailed planning of the improvement initiatives. Thereafter, the identified and chosen change initiatives are designed in detail, tested in pilots and implemented on a larger scale. The last phase (Operate) consists of operating the new system, protecting it from deterioration by continuous improvement.

View on and usage of methods. With its roots in IT consulting, Andersen Consulting has a tradition of working "method driven". Its "Method One" was said to have been a thorough, integrated guideline for developing IT systems. Today, the approach to methods is more flexible. It is emphasized, that methods have to be chosen and used with judgment, based on the specific client situation. Methods alone don't produce success. Their use must be guided by the consultants experience.

Methods, never the less, are seen as an import support to the consultant running a change process. They provide an overall structure to the change process, that can be used as a guide by the consultant. By providing this structure, which of course doesn't have to be followed exactly, a method also supports the consultant's reflection on the change process, as it provides a checklist of actions that *could* be included. Hereby, methods lessen the risk of missing any vital steps. The method is also said to facilitate the communication between consultant and client, as it provides a structured way of communicating the background and structure of the change process.

The methodology also supports the exchange and sharing of knowledge between consultants. Experiences leading to new methods or adaptations of existing ones are by those means easily and rapidly spread. In this context, methods also provide common concepts and structures, which facilitate the communication within the consulting company.

ABB MAC

ABB-MAC has its roots in the internal corporate staff of Asea Brown Boveri's Swedish branch. It now operates as a management consulting firm taking on assignments also from other than ABB companies, even if these still are the main client.

Methods for process improvement. Since 1993, the company uses the Rummler & Brache Group (RBG) methodology for its process improvement projects (Rummler & Brache, 1990). ABB is a licensee of the method, and its Process Management consultants are certified by

RBG. In order to become certified, a course has to be attended, and the work in a project done by the potential consultant after the course is scrutinized by RBG.

The RBG methodology is a detailed, step by step instruction of how to run a process improvement project. It consists of 67 consecutive steps, each defined in terms of time needed, purpose of the step, potential pitfalls, description of actions, roles and responsibilities and detailed checklists and templates for information gathering.

On a more general level, the method prescribes the following sequence of phases: 1. Project definition (definition of the process, goals for the change process, roles and responsibilities, critical success factors, etc.), 2. Process mapping and identification of problems in the process, 3. Definition of a new process (establishment of construction criteria, establishment of measuring systems etc.), and 4. Implementation. A specific implementation methodology has recently been introduced.

The different steps of the method, and their deliverables are highly integrated, as the whole method is based on a systems model of the organization. Three system levels are identified and worked with - these are organization, process and individual. The method's tools are designed in a way, that facilitates the crossing of system levels i.e. integrating the individual within the process and the process within the organization in order to make them consistent.

View on and usage of methods. An important value basis in the work of ABB-MAC is the involvement and activity of the client. This is the result of a long term experience of analysis and implementation work gathered in the ABB T50 program. The method is said to support involvement by providing the members in the project team with a "map" of the change process. Before the project group starts work, they always get an introduction to the principles behind the method and to some of the central techniques used, such as process mapping.

The provision of a transparent map of the process to the members in the project team is said not only to enhance the team's possibilities of actively participating in the process, but also to raise their confidence, as the process follows a well-tested approach. The knowledge of the "map" also provides the project group members with a feeling, that the process continuously advances, which has positive effects on commitment and enthusiasm.

None the less, the method gives the most support to the consultants. These view the method as an important support in the planning and execution of projects. The method provides a stable backbone for the project and works as a checklist in both large and small, for not forgetting any important activities. Several consultants said that they consulted the method before each major new step in a project. The method's support is said to be more important for more junior consultants than for more experienced ones, who often have a more flexible attitude towards the method.

The overall structure of the method is said to be followed in most projects. All the activities are at least considered, even if their elaboration varies between projects, depending on the specific problem situation and time frame. Short cuts in relation to the method have been tried, but in several cases led to sub-optimal performance. The need for the omitted step was realized later.

In spite of this it is emphasized, that consultants have to have a flexible attitude towards the method, as it has to be adapted to each specific project. The method, though helpful, is not

enough in order to achieve success. Some basic consulting skills - especially interpersonal skills - are needed as a basis. The method can thus make a competent consultant better, but will not compensate a consultant lacking basic skills. The RBG method is also complemented by other tools, especially for handling soft issues, such as group dynamic training. ABB-MAC consultants underline, that an exaggerated belief in methods could be a risk, as it might generate a false feeling of security among the consultants. It is important not to forget that there are several success factors not covered by the method (e.g. social relations)

The method is also said to have a more internal function in providing a language for the exchange of experiences won during change processes. Internal discussions concerning projects thus usually use the terminology of the method.

Observed similarities and differences

As the above description indicates, the use of methods in the consulting companies studied showed marked similarities in the area of process improvement, both regarding their content and structure, regardless of the separate traditional approaches of each company. This tendency of convergence of the services and approaches in the management consulting business in general was pointed out by Nees and Greiner already in 1985. Their explanation of the convergence was the marketing orientation in the consulting sector:

"The marketing orientation has resulted in the appearance of look-alike consultants who claim to offer a broad range of services. The *analysts* have announced their willingness to become more involved in implementation, the *implementers* have worked hard to publicize their "new concepts," and the *functional specialists* are claiming to be generalists. (Nees & Greiner, 1985:71)

According to Nees and Greiner this trend of convergence, which is still very much valid today, is only superficial. They claim that "Differences in the values held by professional staff in different [consultancy] firms strongly affect how the client's problem is interpreted and what kinds of recommendations are made" (Nees and Greiner 1985:69). Thus, differences in the basic conception of the change process (the change culture), are expected to be reflected in differences in action.

What Nees & Greiner (1985) seem to imply, is that the convergence has only affected the companies' rhetoric towards the market, whereas its practices have remained more or less unchanged. The descriptions of the companies' use and attitudes to methods above indicate, that the convergence trend may well be broader, possibly embracing even underlying values and practice. Departing from the above given descriptions, the following characteristics in the emerging common ground were identified.

A holistic view of organizations. An important ingredient in the emerging common value basis of traditionally very different consulting companies is a holistic view of organizations, closely linked to the concept of business processes. Business processes cut cross-functionally through the whole business and involve all organizational levels - from top management to the individual worker. Working with business processes involves both strategy, in order to assure the processes' alignment to customer needs, IT and people, in order to realize maximum efficiency and customer value. This is reflected in the systems models of the organization

(Fig 1)¹, which were presented as the bases of Andersen Consulting's and E&Y MC's respective approaches. The models integrate both the traditional focus of the general management consultants (mostly strategy and organization) and of the IT consultants around the concept of business processes.

FIGURE 1.

Systems models as presented in the marketing material of Andersen Consulting and E&Y MC.

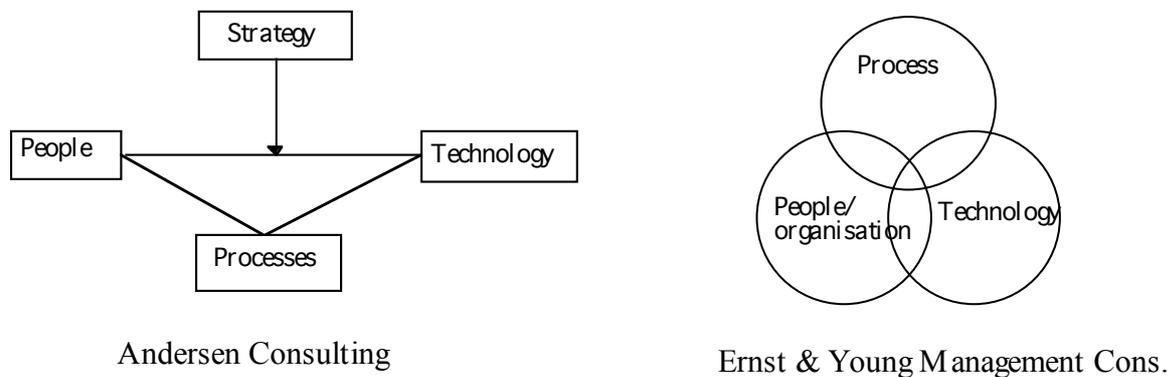


ABB-MAC's view on wholeness differs somewhat from the above, as it does not focus on different systems elements, but on systems levels. Here the company is seen as consisting of three levels - organization, process and individual - which all have to be considered in a change situation. (Rummler & Brache, 1990)

In McKinsey, another aspect of wholeness is stressed. A systems model like the one above is not mentioned explicitly. Instead, focus is set on seeing the company as a "temporal wholeness", understanding its history, current situation and possible future.

Time as improvement target. The process focus is accompanied by a focus on time as the primary target for improvement measures. This is reflected in the diagnosis of the organization forgoing the actual change. In all the studied companies, time was said to be an important measure when mapping and diagnosing processes. Reduced cycle times are the goal of most process improvement projects. The consultants pointed out that the advantages of time as a goal for change are that it is easy to measure, unambiguous and that it has great effect on a company's bottom line through reduced costs, higher quality, customer value, and reduced capital tied up in the production.² Most consultants interviewed no longer used cost reduction per se as a primary argument. Instead the increase of customer value was put forward as the main purpose of change.

A focus on learning. The study of the consulting companies also revealed a strong convergence towards emphasizing the learning of the client in connection with the change

¹ System models of this kind are not new (see e.g. Leavitt, 1964; Mumford, 1983), even if the labels of the elements vary. People and technology are included in most models. The process element is new for this generation of models. A closer look at the "older" models reveals, that the task element contained in these often is very similar to today's process element.

² The existence of simple relations between cycle time, quality, costs etc. has been highly questioned by several researchers (see e.g. Gummeson, 1994).

process. Traditionally consultants have had the role of experts in their areas - strategy consultants in analyzing the organization and its environment, IT consultants in designing and building information systems, etc. The interviews with the consultants indicate that this has changed.

This change is manifested in the consultants' emphasis on competence transfer in connection with the change process and the importance of the participation of the client in all the phases of the change process which is clearly indicated by the descriptions of consultancies above. The clients' active role in the change process is the vehicle for the transfer of competence (both knowledge and skills) from consultant to client. The involvement of the client is mostly assured through mixed client-consultant project teams, where these two parties work intimately together with all the tasks in the change process - from data gathering through analysis to implementation.

In a McKinsey project for example, the consultants, before each new step in the change process actively trained the client members of the project group providing them with necessary knowledge and skills to manage the phase. This training in some cases was very thorough, consisting of e.g. basic knowledge about change processes and what they do to people, or training in specific skills such as communication skills. Training in interviewing skills was also given, by consultants actively taking part and supporting the diagnosis phase.

Another example of knowledge transfer and skills training is provided in a project led by ABB-MAC, where the project group, with the consultant's support, both developed a presentation material for presenting the change project to colleagues and subordinates, and trained the presentation of it.

In some cases education was also given in functional expertise areas. In another ABB-MAC project concerned with the implementation of a new integrated computer system, the project group members were educated in the latest theories for materials handling and the possibilities provided by the computer system.

This points towards an extensive use of "on-the-job training" in which the consultants actively participate in the change process side-by-side with the client's personnel, always ready to support and give feedback. Most consultants saw their role more as coaches to the client's own personnel than as the experts running the change process.

In addition to a focus on competence transfer from consultant to client, the interviewed consultants also saw it as an important task, to facilitate competence transfer within the client organization. The approach used by all studied consulting companies, is to work in cross functional teams. The aim is to achieve a shared holistic view of the organization as a basis for the improvement process and is often said to give the participants a markedly increased understanding of the business they are working in.

What has been said in the above section, indicates an interesting convergence in the formulation of the goals to be attained in consultants' problem solving, namely reduced cycle times, increased customer value and increased learning in the client company. As indicated in the cases, the convergence among management consulting companies not only includes the content of the change methods, but also their form, which we shall go deeper into in the next section.

Highly structured methods. The above described cases show, that consultants' methods for process improvement are highly structured, and detailed. They identify a number of steps in the change process - up to 67 (ABB-MAC). Each step is described in terms of, at least, its purpose, content (what the consultant and the client should do), and results (documents etc.). Often templates for analysis and checklists are provided to support the different steps.

The cases also show similarities among the consulting companies studied concerning the partly overlapping phases in the method and their sequence (Table 2).

TABLE 2.

The main phases in process improvement projects in the studied consultancies.

<i>McKinsey</i> (CPR)	<i>E&Y</i> (Navigator)	<i>ABB-MAC</i> (RBG Methodology)	<i>Andersen Cons.</i> (Value Driven Re/engineering)	<i>BCG</i> (TBM)
1. Prepare the program	1. Improvement portfolio analysis	1. Project definition	1. Shared Vision	1. Preparation and pre-structuring
2. Launch first wave of microcosms	2. Future state definition	2. "is" analysis	2. Asses/align	2. Gain understanding
3. Launch additional waves	3. Pilot	3. "should be" analysis	3. Master Plan	3. Develop alternatives
4. Move into continuous improvement modus operandi.	4. Implementation	4. Implementation planning	4. Design	4. Take action
	5. Infrastructure definition		5. Pilot	5. Realise benefits
			6. implement	

On a general level, most methods are based on the following sequence of steps: strategy (identification of the important market imperatives for the company), definition and mapping of processes, identification of improvement possibilities/design of new processes and implementation of new processes. A strong convergence is thus taking place towards highly structured and detailed methods for managing change processes. How can this be understood?

Stjernberg (1993) argues, that different professions (or different kinds of consultants) have different "change cultures", i.e. different views of the change process, of the important concepts in it and of the tools available and necessary to support it. The characteristics of change cultures are determined by the problems to be solved (e.g. design and implementation of IT systems vs. design of a strategy) and the technologies applied in the professional field (e.g. IT vs. group dynamic training). However, the change culture will also determine what problems are "seen".

In accordance with this it is not surprising, that a convergence in the focus of problem solving and change (business processes) results in similar methods for change. Differences in constraining technologies are also reduced due to technological development and an increasing importance of IT in all kinds of consulting assignments, which leads to a further convergence of preconditions for the different consultants.

This explains the rationale of convergence of the form of the methods, but it doesn't answer the question why convergence is going towards detailed, structured methods for the change process. Some possible explanations for this observation will hopefully be generated by a closer look at the functions methods are seen to fulfill according to their users - the consultants.

THE FUNCTIONS OF METHODS IN MANAGEMENT CONSULTING

As the above study of the changes in the management consulting business today indicates, learning is a central element in consultant supported change processes today. This learning is twofold - the learning of the client during the change process facilitated by the consultant, and the learning within the consulting company supporting the change process.

The data gathered during the interviews with the consultants give us reason to believe, that structured and detailed methods for change play an important role in facilitating this learning. The following section will look deeper into this departing from a cognitive frame of reference.

Learning from a cognitive perspective

According to cognitive theory, knowledge is represented and stored in cognitive schemas, in which general properties that are typical of instances of general categories are encoded. Schemas are thus generalizations of the properties of a specific class of objects (see e.g. Anderson, 1990). Learning can be seen as an elaboration or change of cognitive schemas. This change in schemas is often seen as the result of feedback from action (experiential learning, as discussed by e.g. Kolb, 1984).

A distinction is often made between the elaboration of a schema within a given structure and the complete change of its structure. This distinction between different kinds of learning is made by several different terms in the literature. Argyris and Schön (1978) make a distinction between single and double loop learning, Piaget between assimilation and accommodation (Piaget, 1967).

The learning mode usually referred to in an organizational context is experiential learning - learning through action and subsequent evaluation of the outcomes of action (see e.g. Hedberg, 1981; Levitt & March, 1988; March, 1991). Even our point of departure is that deep elaboration of cognitive structures requires some kind of own experience.

The functions of methods in the client organization

Facilitation of communication and competence transfer. In terms of the above presented theoretical framework, consultant and client must be expected to have quite different schemas of the change process at the beginning of the project. The schemas will differ both in content and elaboration. As the consultant normally has large experience of change processes in different kinds of settings his schema of the change process should be quite detailed and elaborate. The client on the other hand normally has less experience of change processes and therefore a less detailed and elaborate schema.

As learning in our framework has been described as a change and/or elaboration of cognitive schemas the challenge for the consultant, is thus to transfer as much as possible of his cognitive schema (experience) and to support the elaboration of the clients new schema by giving him the opportunity to make his own experiences.

The transfer of the consultant's schema of the change process is supported by his method, as this can be seen as a (greatly simplified) representation of his cognitive map³ about change. The method defines what constitutes a good company, which variables are possible to manipulate in order to become a good company, which tools are available to support the change etc. (Hatchuel, 1993). The transfer of a detailed method is thus a first step in the transfer of knowledge to the client.

A second important step according to the theoretical framework the elaboration of the client's schema by filling it with experience. This requires the client's active participation in the change process. As mentioned above, this participation is sought by all the studied companies by making consultant and client work closely together in the change process. Even here - in supporting the client's action, and the consultant client interaction - consultants identify a potentially important role for methods.

Collaborative action requires that the collaborating people have some common view on what to achieve and how to achieve it. Weick (1979) argues that agreement on means is enough. There is a need for at least partly shared schemas, and a common language for communication. Formalized methods for change provide both an easily communicated schema of the change process and a set of defined notions, which support the communication in connection with the process.

Facilitation of collaboration and co-ordinated action within the client company. The above role for methods of providing a common schema for the change process, not only affects consultant - client interaction. Consultants also acknowledge a role of methods in supporting the interaction within the client company. As mentioned, many change projects today are cross functional. Consequently the change process requires the collaboration of people from a number of different divisions, functions, subsidiaries etc. All these people have different schemas of the organization and the change process. Methods can thus be seen as providing a starting point for articulating differences between these schemas and ultimately for the creation of a shared schema among the people working with the change process.

Such a shared schema, or at least an awareness about the differences between the schemas of different groups, is essential for co-ordinated action, as it ensures some coherence in the interpretation of common data and thereby creates some predictability in an otherwise complex situation (as discussed by e.g. Björkegren, 1989). Several of the interviewed consultants mentioned, that the method, as a "neutral" approach, could have such a role of bridging different organizational, functional or professional subcultures in order to produce unified action.

This function of methods of bridging different subcultures by aligning them, or at least making them explicit, is important not only for creating unified action in order to find solutions, but also for transferring solutions from one context to another. According to (Adler & Docherty, 1995) Attempts at learning between different parts of the organization via the direct transfer of practice between units is associated with risk. The practices in a unit are based on the members' frame of reference. The development of new practices in an

³ Normally, methods are not the result of a single consultants experience, but of the combined experience of consultants in a whole company. As those methods are shared by the consultants, the above argument still holds.

organizational unit on the basis of attractive practices in an other unit therefor requires that the frame of reference forming the point of departure for the attractive practice is specified (articulated), so that this can then be compared with the frame of reference in the “receiving“ unit to establish if any modification in the latter’s frame of reference is deemed necessary. A new practice appropriate to this unit may then be developed on this new basis. Naturally, comparisons may show that no modification is necessary and the observed practice may be directly adopted.

Functions internal to the consulting business

The interviews with the consultant presented above indicate, that methods are seen to play a role not only in the consultant - client interaction, but also in the internal affairs of consulting companies. The added value for a consultant of working with a consulting company rather than on his/her own is at least twofold. The first potential advantage for consultants joining a company, rather than working on their own, is the access to the accumulated experience of a large number of consultants. A single consultant in a consulting company can benefit from the continuous learning of hundreds of consultants. A second advantage is the access to highly specialized knowledge in a number of different areas which can easily be integrated into the various projects. The above advantages are not self-realizing, but have to be consciously organized by the company. Individuals knowledge has to be made common knowledge, and forms have to be found in which the assembly of project teams can be made in accordance to expertise needed without regard to nationality, earlier experience of working together with the same people etc. Methods support the realization of advantages in both these areas.

Cognitive support to the consultant. The individual consultant faces unstructured and complex situations where neither the problems nor the solutions are apparent. The development work may require creativity and innovativeness as well as a deep understanding of the technology and the business processes. A methodology offers a framework within which the creative processes may take place. It can provide a methodical, consistent and self-evaluating guide, which ensures, that important steps in the change process are thought of, and which creates some “cognitive slack” to support creativity.

Methods should on the other hand not be used rigidly, which is pointed out by all consultants. Adaptations to the situation and as the result of creativity are essential for success. The rigid usage of a method may well be a risk, as the types of solutions feasible or relevant may well be embedded in the methodology (Docherty & Dilschmann, 1992). The constant use of a specific methodology may, thus, result in negative learning in terms of reduced creativity and routine problem-solving behavior. Cooley (1980) reported that British companies recruitment of design engineers was highly directed towards the evaluation of the methods and tools that they had used in their work and the duration of this use. Their creative ability was regarded as probably stunted if they had used certain methods or tools for too many years.

Thus, each individual method’s function as a conceptual tool for the consultant must be balanced by the ability of the consultant to choose from a rich repertoire of alternative approaches, methods, and tools.

Organizational memory. One way of making individual experiences available to a communality is to let them update a common method. This method can thus be seen as a form

of organizational memory, representing the companies state of the art practice. This function for methods is clearly illustrated by E&Y's approach of periodically updating its methods with the latest experiences from completed projects.

A similar approach was used by McKinsey, where suggestions for improvements of the method were continuously collected from all over the world, and the development in the environment was monitored by "competence centers" responsible for the development and maintenance of the method. The updating of the method can thus be seen as a clear manifestation of organizational learning. The existence *and use* of a formalized method for change is an important vehicle for continuous organizational learning in large consulting companies.

Facilitation of exchange of experience. The method's role of providing a common schema of the change process and a common language for communicating about it is important even within the consulting company. All exchange of experience does not pass by the method, but much of the individual learning is the result of discussions about projects between peers. In these discussions the notions used in the methods - different steps, documents etc. were widely used according to ABB-MAC and E&Y consultants. Especially the different steps of the method provided a basic structure in the discussions about particular change processes.

Flexible staffing. The second advantage of working in a consulting company mentioned above was the access to a large number of experts. In order to effectively make use of these experts, common schemas (methods) of the change process within the entire company are important, as they create the necessary flexibility in the creation of teams. As collaborative work requires common schemas, at least to some degree, the existence of a "company schema" makes it possible to rapidly get new teams functional. As there exists a common language and way of thinking about the change process, communication and unified action is greatly facilitated. This function of a method was emphasized especially by the largest, multinational companies, where project groups often are staffed with people from all over the world.

CONCLUSIONS

The main question in this paper has been: What are the functions of structured methods in the reorganization and rationalization of major business processes? We have also asked: To what extent, and how, do major consulting firms use structured methods in these kinds of projects? Are the methods themselves important, or is it rather the experience of the individual consultant that determines the success of the consulting process?

Our study is based on the consultants' own perception of the projects they have been involved in – we have not so far been able to collect independent data about the projects or about the degree of success in these.

One important conclusion from the interviews in the five offices of major management consulting firms operating in Sweden is that the structured methods are important for the co-ordination of the change processes. This is largely a cognitive co-ordination, facilitating the communication between the consultant and the client system, as well as between the different consultants and between the different actors within the client system. We will elaborate that conclusion below.

Convergence of problems and methods

The study of five consulting companies, with diverse backgrounds in regard to focused problems, used technologies, typical clients, etc., indicates a convergence of both the problem focused on by the consultants and the use of methods. The problems that were approached converge towards focusing on the organization as a whole, creating systems wide changes in the major business processes, and using time as a major operational target for these changes.

There is also a convergence in the approach to the change process, where the involvement of the client is heavily emphasized both as a way of creating ownership, and for creating learning processes in the client company. The structured methods play an important role in this involvement of the client system.

Another way of expressing this observation is that the problem itself, rather than the traditional emphasis of the consulting firm, tends to guide the approach to the consulting process. Since we have focused on one type of projects, i.e., process improvement projects, we have found that the similarities between the firms in the approach to these types of projects are striking, in spite of their differing traditional backgrounds.

Ownership and competence development

The involvement of the client system in the consulting process has been stressed by all consultants. The factors driving this involvement are the stress on ownership of the results in order to get viable results, and the importance attributed to the competence development in the client system in order to get self sustaining development processes and diffusion (Altier, 1988; Poulfelt & Payne, 1994).

The traditional argument in the consulting literature for client participation has been that ownership is a prerequisite for the acceptance of the results of the consultant intervention. Participation in the change process transfers this ownership to the client, with easier implementation as a result (see e.g. Altier, 1988; Metzger, 1988; Overholt & Altier, 1988). A second argument, which often was missing or quite hidden in many earlier articles has been that the outcome of the intervention should not only be measured in terms of the content of the changes, but also in terms of the competence development in the client system as a result of the change process. The client's learning can be valuable both short term - the consultants involvement may be phased out earlier - and long term - the quality and intensity of new, not consultant coached projects, will be higher. Several of the interviewed consultants emphasize the learning argument as the strongest for involving expensive consultants in often time-consuming implementation work. Turner (1988) supports this observation:

"The emphasis of consulting has changed from "solving problems" to building clients' capacity for diagnosing situations on their own and thus managing more effectively... Increasingly, management consultants are worth their fees not only because of their ability to analyze client problems and provide sound recommendations, but also because of their skill in conducting a human process, that facilitates needed learning and change. It is process skill that makes analytical ability valuable." (Turner, 1988:12)

The same view is presented by Chenault (1989), who sees consultant skills in enabling the client's members to learn as the critical skill of the future consultant. He predicts that the costs of consultants increasingly will be measured against the learning taken place in the client organization as a result of the change process. As pointed out in several of our interviews – it

would not be possible to see the consultant involvement in implementation as a profitable investment unless the learning of the client system is attributed a high value.

Structured methods for facilitating cognitive co-ordination

The system wide characteristics of the changes we have focused put heavy demands on the consultants cognitive capacity and the communication in connection with the change process (Consultant-client, client-client, consultant-consultant). Structured methods economize the cognitive resources and support communication between the actors.

The convergence of problems and methods used by the different consulting firms is closely linked to the increasing emphasis given to competence development. However, the positive effects of structured methods on learning are not self-evident. Detailed methods may also support uncritical action, based on an oversimplified view of management and organizations. McGill (in Furusten, 1995) states that:

”Mythical quick fixes, which predominate in the modern society, do not correspond with the reality which surrounds managers and therefor obstruct the understanding of the real complexities of management” (Furusten 1995:14)

Thus, detailed and structured methods may well hinder competence development by fostering action based on an oversimplified view of the world. It could also be argued, that the methods create a feeling among their users of security, which actually counteracts reflection, and thus learning.

One may argue that all methods are simplifications. In the context of learning, the important aspect is thus not the method in itself but the approach to the method. Learning takes place in the meeting between the method’s simplified view and the complex reality. Methods are often formulated in terms of abstract concepts (e.g. “process”). When applying the methods, these abstractions have to be made concrete to fit the specific situation. The gap between the simplified abstraction and the complex reality reveals a lack of knowledge of the client organization. Efforts to resolve this lack of knowledge result in enlightening discussions of the character and idiosyncrasies of the client organization. The gap also leads to continuous reflection and development of the methods within the consulting company. (Hatchuel, 1994).

Methods also support the clients’ learning, by providing a schema through which to interpret and communicate the experiences in the process. This common schema helps the client actively participate in the process rather than to trust and follow the consultant’s “intuition”. The common schema facilitates the interaction and transfer of knowledge between those involved in the change project.

The importance of the method as a common interface to the change process has been shown to be valid not only in the client company, but also within the consulting company. Here the shared interface is important to support the exchange of experience and the flexibility in staffing necessary to realize the value added by the organizational level of the consulting firm compared to the single consultant. The methods are part of a more general institutionalization of competence within major consulting companies. This institutionalization has the double function of facilitating the introduction and socialization of newly recruited consultants and of increasing the organizational (in contrast to the individual consultant’s) component in the “product” sold to the clients, thus binding the consultant to the company. It is simply

impossible for the individual consultant, to develop and store on an individual bases the experience accessible in the institutionalized “organizational memory”.

Our study has provided insights into the functions of methods in the consulting process. Many of the functions identified were linked to the transfer and development of knowledge. On the other hand, we in this final section identified some potential negative effects of detailed methods on knowledge development. In the coming stages of this research, this paradox will be focused by studying the consultants actual use of his or her personal experiences. How does the consultant, in his or her analysis and interventions, mix general knowledge as codified in the methods, with personal experience?

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