

THE BUSINESS OF CONSULTING

By Aradhna Sethi

Is business consulting an age-old profession or a hyped-up passing trend? What is consulting all about? Swiss News finds out more.

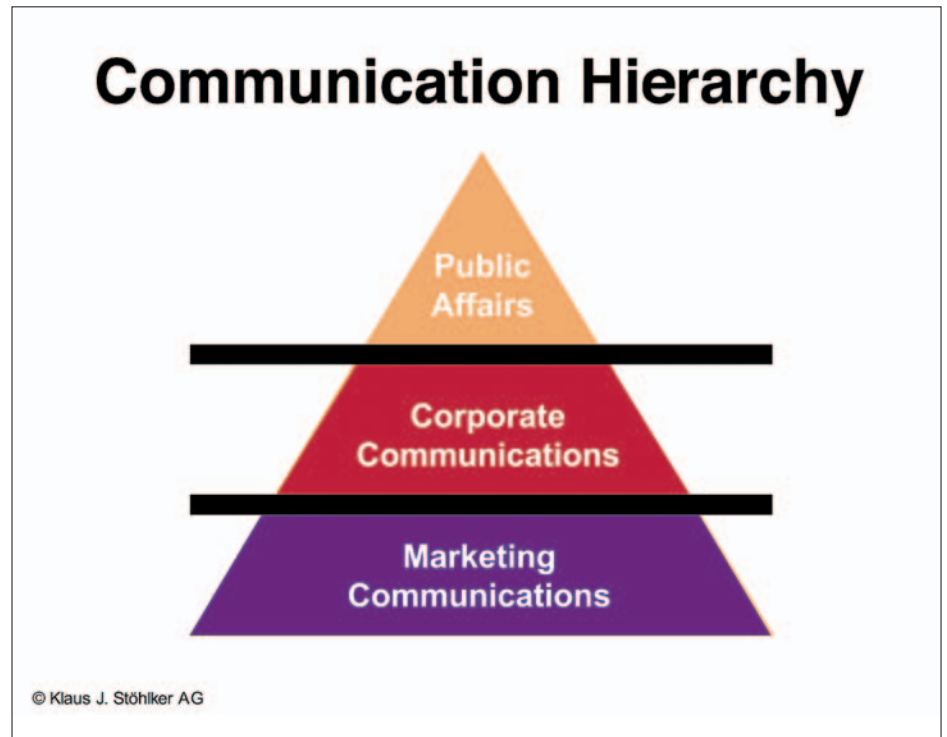
Money makes the world go round – an obvious adage for all industries today. Be it a fashion house, an IT-based firm, a manufacturing company or a financial institution – every organisation today has its lot of business consultants, in-house and external, bustling about to make the bucks. And consultancy is normally defined by the cost. The higher the consultants' charge per hour, higher is the perceived value or vice versa. The motivational mantra for business consultants: 'a big buck for the company and a huge cut for me'. Their qualifications: mostly MBA. Their intention: to cut the best deals for their companies.

Simply stated, business consultancy is all about using the inherent strengths of any business to reach its goals in the most visible manner. And that means defining a strategy that underscores the core strengths of the business while addressing the competition and needs of the customer.

Types of consulting

Once looked upon as a soft skill, consulting is now measured in terms of how a recommended strategy or vision affects the company. And it can broadly be divided into four types:

- Strategic consulting: these consultants help other companies



define a vision and strategies to achieve that vision. Companies with expertise in this area are McKinsey, Boston Consulting Group and Bain.

- Strategy and change consulting or change management: these serve companies where the vision has been defined and certain components of the strategy have to be partly defined and implemented.

- Integrators and solution management: here the vision and strategy exist and, in order to realise the strategy, certain processes – such as IT-integration, for instance – have to be fulfilled. Players in this area include Accenture, IBM and Cap Gemini.

- Outsourcing: this is the fourth category where the management of basic administrative or IT systems are outsourced. Off-shore companies include Tata Consulting Services, Wipro, Infosys and Satyam.

New forays

More recently, communications

and image consulting is on the upswing. Philippe Welti, senior consultant at Klaus J. Stöhlker AG, a corporate consulting company for public relations, says, "Image is really important today, both of the company and of the CEO. And communication plays a major role in this."

He elaborates that, to understand the working of communication or image consulting, we can picture a triangle the base of which is marketing – selling products and boosting credibility of the products. "In a financial context that would include mutual funds and fund ratings. This can be depicted by way of brochures and information leaflets. Above that comes 'corporate communications'. This creates credibility – not of the product but of the company. This we do by way of bringing the company heads to speak to the media, for instance.

At the peak of the triangle comes 'public affairs' where attempts are made to place the

company in society by, for example, "organising a symposium, on behalf of a client (company), on the future of pension schemes in Switzerland." The company then hosts speakers and politicians and emphasises the role of its CEO in organising of the symposium without ever promoting its own projects and products. "This is a very indirect but effective part of the communication consultancy triangle," he says.

CEO role

But why would the apparent involvement of the CEO be so important? In response, says Welti, "The CEO makes for 70 per cent of the image of the company. It helps the company, for, in times of trouble, the company gets the benefit of doubt due to the image or reputation of the CEO. Of course, the company has to keep showing results to retain a positive image and can't rely solely on the CEO. Performance is key."



Philippe Welti