

Management Consulting in the US

- GP Sudhakar

Do the names McKinsey & Co, Bain & Co, Booz Allen Hamilton, Boston Consulting Group, Gartner and IDC ring any bells? All are top-notch management consulting companies that originated in the US and where they developed advanced management concepts. Management consulting started in the US and later spread to UK, Europe and Asia Pacific. While some management consulting companies have their own management research departments, others even sponsor their employees to do advanced management research at universities such as Stanford, Harvard and Wharton. Take for instance, management thinker Gary Hamel who started his own strategy consulting company called *Stratego*, famous for strategy consulting.

The Career

Management consulting companies work in different functions. They provide solutions to top management problems in diverse areas including strategy, marketing, business development, product launch in new countries, product development, finance, HR, operations strategy, corporate planning, business policy etc. Management consultants can be specialists in IT, Telecom, Healthcare, Pharmaceuticals, Energy and Utilities etc. or specialists in functional domains such as marketing, finance, operations and HR. The ones working in the aforementioned companies specialise in specific industry or in a specific business function/vertical.

Many governments are hiring consulting companies such as McKinsey to help them in public administration and development. These companies are helping the state in formulating long term financial and economic plans for the state. Management-consulting companies have a good idea of socio-political and economic status of the countries and are of valuable help in formulating developmental plans and growth strategies.

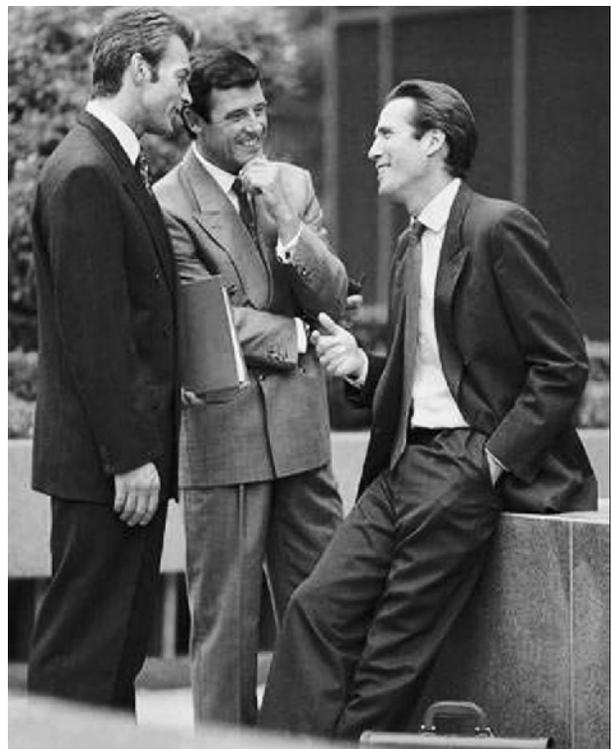
As jacks-of-all-trades and master of some, management consultants advise organisations on issues related to business strategy. A career in consulting can encompass a wide variety of industries. From billion-dollar take-overs to laying off thousands, management consultants very much pull the strings at every major event in the corporate world.

Application Areas

Services of management consulting companies can be utilised in various industries and in many business functions. They can be used in banking, financial services industry, insurance, health care, airlines industry, technology-based industries, government activities and rural development. They provide solutions to almost all socio-economic issues in addition to business problems. Globally, there are many industries that benefit from these management consultants.

The Nature of Work

Research and analysis are the main tools of the trade for management consultants. They analyse a business problem from various angles by conducting research and forming and testing hypotheses. Research may consist of collecting raw data from internal and external sources. Consultants get some of their most valuable data through surveys and market studies. The data is analysed in



relation to the client's organisation, operations, customers and competitors to locate potential areas for improvement and form solutions. These solutions are then recommended to the client. At times, convincing a client to accept recommendations turns out to be the most difficult aspect of the job and there is always a chance that the client will choose not to accept the recommendation.

Want to be a Management Consultant?

Consultants are hired advisors to corporations. They can advise a client to acquire a company worth hundreds of millions of dollars or reduce the size of its workforce by thousands of employees. The fact remains that consultants wield a lot of power!

The process of getting into management consulting companies is rather tedious. In the US, to get into these companies you should be an MBA from top ranked business schools like Wharton, Harvard Business School, Kellogg etc. However, IIM graduates and students from other top B-schools stand a good chance. Management consulting companies also recruit experienced persons from the industry. Some companies recruit PhDs also.

Why is it popular in the US?

The reason for the growth of management consulting industry in the US is the presence of well-developed B-schools, high technology institutions, matured industries and the well-developed infrastructure and their management skills. Management consultants give quick and efficient advice. The Return on Investment (RoI) for management consultants is very high.

Specifically, if you observe the designations and roles coming up for IT workforce in US, they are very innovative and creative. So is the case with the management consulting industry.

However, in India, very few companies are utilising the services of management consultants. Most of the Indian businesses being family-owned hesitate to take the services of management consultants. Moreover, it is an expensive affair.

Nevertheless, consulting firms are traditionally among the largest employers of top MBA and college graduates and are an attractive alternative career option for people who've toiled in industry for a number of years. It's a high-paying, high profile field that offers students the opportunity to learn a great deal about the business world. ■

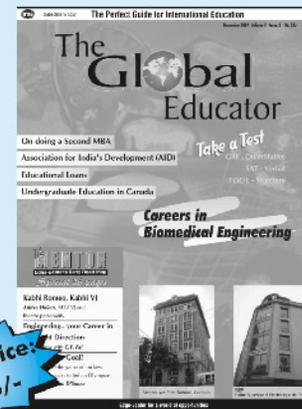
A Consultant at SIEMENS Information Systems Ltd., the author is an MCA and M.Tech in Computer Science with nine years of work experience in the IT industry. A freelance writer for leading publications, he is presently pursuing his Executive MBA. He has worked in the US, Ireland and Finland as Software Consultant.

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