

IMPORTANCE LEVEL OF SUCCESS CRITERIA IN MANAGEMENT CONSULTING OPERATIONS: THE TURKISH CASE

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Abstract: The purpose of this study is to determine the importance level of success criteria in management consulting operations in Turkey. A survey instrument was developed and posted on the Internet in order to reach as more respondents as possible for the study. A Likert scale of 10 was chosen to explain precisely the differences between the criteria. Eighty responses were returned. All of the respondents of the survey are all Turkish consultants. Descriptive statistical analyses were conducted for the four main categories and their criteria. On the basis of a literature search, it was found reasonable to classify the success criteria for management consulting operations into four basic categories such as Human Resources, Competitiveness, Customer Relations, and Processes and Methods. The study presents the ratings of four basic categories and their criteria, which essentially affect the success of consulting firms. The results of the research will serve consulting companies as guidelines to pinpoint improvement areas in their consultancy operations. In addition, the important point that this study has revealed is the interest and willingness of the consultants for further studies.

Keywords: Consultancy operations, Turkish consultants, success criteria.

1 Introduction

As a result of intensifying global competition and technological developments, it is inevitable for companies to demand assistance of consulting companies. As demand for consulting services increases, competition among the consulting firms tend to increase. These developments have been observed very frequently in consulting industry in recent years. As an outcome of increasing demand for consulting services, the number of consultants offering assistance boomed. However, consulting firms require more refinement in their consultancy work.

Management consulting industry has different divisions ranging from human resources to information technologies and from quality practices to re-engineering. The tasks that different kinds of consulting firms perform are almost irrelevant and it is quite difficult to find a common practice. However, the task they all perform is project-based so that there are some common factors influencing the success of consulting firms. The following criteria are not all of the criteria that influence the success of consulting firms, but they are specific for consultants differing from the criteria of other organizations.

2 Theoretical Background of Consulting Operations

On the basis of a literature search, it has been found reasonable to classify the success criteria for management consulting operations into four basic categories such as Human Resources, Competitiveness, Customer Relations, and Processes and Methods. The basic categories and their criteria are discussed in the following paragraphs.

“Human Resources” is pointed out as the basic input for consulting firms. Independent from all other factors, staff working in a consulting firm is the main factor for determining its success. A consulting company knows as much as its staff knows; a company has the capabilities that its staff possesses (Matassani, 2000). Although it is important how efficient and effective the processes or other resources for the project are, the basic category to determine success is “Human Resources.” Criteria that constitute “Human Resources” in this study are knowledge, skills, people, and effective usage of the professional staff (Chase *et al.*, 2004).

The second category is "Competitiveness." As it is mentioned above, increasing competition among client companies requires consultancy more than ever. This also results in enhancement of competition in the consulting industry so that the competition among consulting firms is getting increasingly more intense. Basic criteria that constitute "Competitiveness" of a consulting firm are being among best in at least one service, strong image and reputation, and diversification of services (David, 2001).

"Customer Relations" is the third category. It will not be an exaggeration to say that it is the category that lies at the base of each project. Unless strong customer relations with a client are not achieved, the business will finally fail. Besides, customer relations constitute the basic point where consulting firms can create differences from their competitors (Congram & Dumesic, 1986). The criteria suggested for this category are trust relationship with clients, customer-driven growth strategy, cooperation with client in finding solutions (Hoban, 2002), informing client regularly and frequently, clear expression of capabilities, full support of top management, and consideration of client's willingness and ability (Fisher & Rabaut, 1992).

The last category that affects consulting success is "Processes and Methods." Provided that all previously mentioned success categories are accomplished at optimum levels of success, a consulting firm cannot work efficiently and effectively without achieving successful processes and methods. Without effective processes and methods, even the previous categories cannot be accomplished. The "Processes and Methods" category mainly is consisted of the following basic criteria such as continuous learning, tangible results and changes, future thinking, serving in shortest time possible, teaching fishing rather than giving fish, innovation, definition and clear understanding of goals and reasons of the project, incremental successes instead of one big solution, considering the implementation process as well as suggestions, and obtaining answers to main questions (Schaffer, 1997).

To ensure success of a project, top management involvement must begin at the very start of the consulting engagement. Together, the consulting team and senior executive team must define clear and realistic expectations for the project. According to Alison Nankivell, confined family companies can create serious problems for consultants (Nankivell, 1991). If they believe that there is no need for outside advice it can be a nightmare for both the company and the consultant.

Despite the fact that most of the consulting firms are not able to provide beneficial results in the short run, or even in the long run, clients still tend to ask for tangible results and changes. Success of a project is evaluated with respect to tangible changes. Thus, companies do not feel likely to engage in projects that they cannot be able to evaluate its effects with tangible findings (Sam, 2000).

Management sciences are highly dynamic and future thinking is an attribute that results from the changing nature of the management sciences. Nowadays, one of the most important weapons that companies hold for competition is fast service. All of the processes of the companies are revised and adapted with respect to speed from manufacturing to finance, from distribution to suppliers. From this viewpoint, it is expected that they would ask for speed also in services they obtain from consulting companies.

According to Gary Neilson, best consultants are those who help clients do things. The important think is not to find a planned action, but a plan for implementation. The product is not the presentation of the consultant, but the presentation of the client (Glenn, 1985).

In the recent years, a lot has changes took place in consulting profession. Even though few consulting firms have developed a clear strategy, process, and consistent effort to add new services and products to their practices, new products can provide a steady income stream, new clients, and balance cash flow (Edwin, 1997). A consulting firm has plenty opportunities to innovate as its clients represent an almost limitless laboratory. Patterns a client forms help it to understand cause and effect relationships. As the causes and effects are clear, it becomes easy to identify a strategy and transplant it in different industries and solutions (Lippitt, 1981).

Conventional consulting was based on the assumption that the key to progress was greater knowledge. In other words, once the client knows what to do, the client will achieve greater success. Many studies have shown that not knowing what to do is rarely the greatest obstacle to organizational success.

3 Management Consulting Industry in Turkey

In Turkey, management consulting industry is one of the industries that have a long way to go. Despite the huge number of consulting firms, the industry is not very well developed. As the Turkish management-consulting firms are analyzed, it is seen that the sector consists of mainly “IT consulting” and “human resources consulting” firms. One of the main problems for the Turkish consulting firms is that most clients do not know how to work with consultants. They do not know much about the consultancy process; namely what they should expect and how they should contribute to the process. They consider consultants as wizards with magic sticks, which hinders consulting firms from development and specialization in a more specific subject.

Another problem in Turkey is the personal relations in choosing a consulting firm to work with. Managers usually make their decision according to their relationships instead of scientific and rational investigations. These kinds of decisions also affect the project since the consultant usually feels the pressure of these mutual relationships.

Most consulting projects fail because especially the global consulting firms practice the same projects in Turkey, which they practice in their home country, without taking into consideration the social and cultural features of Turkey. If these practices are acquired from abroad and directly applied, it usually ends with frustration. The same failure occurs if the Turkish firms receive consultancy without considering past experiences, the characteristics of the company, and the sector. In Turkey, consultants usually attempt to find a general solution that will fit everyone and everywhere.

Another problem for management consulting industry is the financial dynamics of Turkey. Because crises are quite frequent, companies cannot predict the long-term economic and financial developments in the country. Hence, they consider consulting services sometimes inappropriate.

For the local consulting firms, their global competitors constitute a great problem. As companies decide on engaging in a consulting project, they often prefer global ones just because of their reputation. They do not mind to investigate the local ones and not take into account the professional staff or the abilities of the consulting firm.

Last thing to mention about the Turkish industry is that the process for becoming a consultant is so easy that anybody who decides can become one. This is one of the reasons why the number of consultants, especially human resources consultants, boomed. The undesirable effects of such consultants on the companies seeking consultancy also affect the consultancy industry in a negative way. The trust and reputation of consulting firms is strongly damaged because of such firms.

In order to eliminate this type of consultancy, the Turkish Management Consultants Institution has initiated a project called Certified Management Consultants (CMC). This program is an international benchmark from International Council of Management Consulting Institutes (ICMCI) (http://www.ydd.org.tr/yeni/cmc_application_main.html, 2004). Certified Management Consultant designation acts as a measure of an individual management consultant's competence, objectivity, independence and professionalism (http://www.ydd.org.tr/yeni/cmc_application_main.html, 2004). Certain minimum requirements and a rigorous assessment procedure have to be met in order to qualify for the certificate of the CMC designation. The CMC mark of excellence is used worldwide to accredit management consultants whose competency is recognized and certified by national institutes that are members of ICMCI (<http://www.icmci.org/AboutUs/cmc.htm>, 2004).

4 Method and Analysis

4.1 Application Process of the Survey

In order to reach as more respondents as possible for the survey, it was conducted on the Internet. In the questionnaire, a Likert scale of ten was used. The reason for this was that all the criteria to be analyzed already have high importance. If scale of five were used, it would not be sufficient to stress the slight differences among criteria. In order to reach the people involved in consultancy, the survey was sent to the corporate mails of all the consulting firms in Turkey. It was also sent to all mail groups that are concerned with consulting business.

Eighty responses were returned. The answers given by the respondents to the question asking their comments about the study revealed that most of the respondents were quite happy that a study was being conducted about consultancy. They all mentioned

the need of further studies in the field. Some even demanded more detailed and in-depth studies of consultancy business.

It should be stated that the respondents answering the survey were all Turkish consultants. Thus, the results obtained from the study reveals the case in Turkey and views of the Turkish consultants about the profession. However, these results may be used for comparison with other countries.

4.2 Statistical Analysis of the Findings

The following analysis of the data is conducted with a SPSS 11.0 software package. Table 1 illustrates the descriptive statistics for the four basic categories.

Table 1: Descriptive Statistics for Basic Categories

Category	N	Minimum	Maximum	Mean	Standard Deviation
Human Resources	80	5.25	10.00	9.0750	0.98276
Customer Relations	80	6.14	10.00	8.9089	0.87953
Processes and Methods	80	4.10	10.00	8.2962	1.07473
Competitiveness	80	2.67	10.00	7.8292	1.43983

According to the results of the survey, the Turkish Consultants responded to the survey place the highest importance to the "Human Resources" category with an average of 9.0750. The next most important category was "Customer Relations" with an average of 8.9089. This is followed by the "Processes and Methods" category with an average of 8.2962. The respondents consider the "Competitiveness" category least important with an average of 7.8292. The responses suggested that personal relations were still the most important point for the Turkish Industry in projects decisions.

In Table 2, descriptive statistics for each criterion are illustrated. The respondents put more emphasis on the "Trust Relationship with Clients" than the others. It is observed that engagements and selection of the consulting firm to work with are strongly dependent on personal relations in the Turkish consulting industry. This fact resulted in rating the criterion "Trust Relationship with Clients" for the first place with a significant difference.

Table 2: Descriptive Statistics for Each Criterion

Criterion	N	Minimum	Maximum	Mean	Standard Deviation
Trust relationship with clients	80	7	10	9.55	0.778
Knowledge	80	5	10	9.25	1.185
Full support of top management	80	3	10	9.15	1.379
Definition and clear understanding of goals and reasons of the project	80	6	10	9.10	1.703
Skills	80	3	10	9.09	1.285
Continuous learning	80	4	10	9.07	1.376
People	80	5	10	9.05	1.211
What has changed for better	80	5	10	8.95	1.211
Did the consultant understand the company and its problems and come up with creative solutions	80	6	10	8.95	1.550
Efficiency	80	3	10	8.91	1.460
Obtaining answer to three main questions	80	4	10	8.91	1.193
Cooperation with client in finding solutions	80	6	10	8.90	1.165
Is the organization moving forward	80	5	10	8.73	1.331
Future thinking	80	2	10	8.72	1.630
Strong image and reputation	80	1	10	8.70	1.664
Informing client regularly and frequently	80	5	10	8.70	1.344
Clear expression of capabilities	80	1	10	8.70	1.702
Customer-driven growth strategy	80	1	10	8.69	1.658
Consideration of client's willingness and ability	80	5	10	8.68	1.474
Tangible results and changes	80	5	10	8.62	1.335
Considering the implementation process as well as suggestions	80	5	10	8.50	1.765

Being among best in at least one service	80	1	10	8.48	1.961
Teaching fishing rather than giving fish	80	1	10	7.85	2.129
Innovation	80	3	10	7.78	1.882
Serving in shortest time possible	80	3	10	7.35	2.171
Incremental successes instead of one big solution	80	2	10	7.05	2.116
Diversification of services	80	1	10	6.31	2.416

Respondents placed the “Knowledge” criterion at the second place with an average of 9.25. After this comes the “Full Support of Top Management” criterion with an average of 9.15. The reason for the “Full Support of Top Management” criterion being so high, - in the third place among the 31 criteria - may be pointed out as a result of most Turkish companies being family firms. It is a common practice in the family firms that everything is decided by the owner(s). Unless the owner or the boss believes in the project, he has the right to abandon it whenever he decides. Because of the Turkish managers do not know how to work with or do not believe much in management consulting, leaving a project unfinished is a common practice for the Turkish consultants. This is probably the reason why the “Full Support of Top Management” criterion is placed at the third place.

The “Definition and Clear Understanding of Goals and Reasons of the Project” criterion is placed at the fourth place with an average of 9.1 and the “Skills” criterion at the fifth with an average of 9.09. Because the “Knowledge” criterion is placed at a significantly higher rank than the “Skills” criterion, it may be concluded that the Turkish Consulting Projects are generally based on knowledge rather than skills. Perhaps, it may be remarked that consultancy projects are mostly “procedures projects.”

In regard to the least important five criteria, the criterion considered as the least important one is the “Diversification of Services” with an average of 6.31 that is followed by the “Incremental Successes Instead of One Big Solution” with an average of 7.05. The third place belongs to the “Serving in Shortest Time Possible” criterion with an average of 7.35, the fourth the “Innovation” criterion with an average of 7.78 and the last one “Teaching Fishing Rather Than Giving Fish” with an average of 7.85. The

reason why “Diversification of Services” received such a significantly low average may be the structure of the Turkish Consultancy Industry. Because the consultancy industry is not so refined in Turkey, only a few firms serve diverse services and most of them focus on specific services. The “Innovation” criterion is ranked as one of the least important criteria so that it confirms the interpretation that most of the projects engaged are “procedures projects.”

5 Conclusion

This study is probably one of the first in the field of consultancy in Turkey. The aim of the study was to reveal the basic success criteria for management consulting operations. Because the topic is so untouched and wide, it has not been possible to determine success criteria more in detail. However, we may say that it has been a useful and efficient study. The survey conducted in the Turkish Consulting Industry provided an analysis of the viewpoints the Turkish Industry and the Turkish Consultants.

As a conclusion, it may be remarked that this study aims to be the first step that will lead to further researches. The responses received from the consultants were quite satisfying, but the most important thing that this study revealed was the interest and desire for further studies relating to consultancy.

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