

PROFESSION – Voyage among the management specialists in eight different Countries

A world of consultants

The challenge: international opening and networking

They consider themselves as “contradiction managers” and, when talking about their job, they bring philosophy up. The management consultants interviewed in these pages, freelancers who count at international level, have no doubts: the challenges facing today’s *management consultancy* derive from contrasts. First, the contrast between enterprise revenue interests and workers’ aspirations and projects.

It’s certainly not the only one, but human resources management is one of the main issues on managers’ agenda. “The best enterprises contact us to reduce conflicts and maintain high levelled results – explains Peter Sorensen, Danish consultant and Chair of ICMCI (*International Council of Management Consultant Institutes*) –. Other firms consider consultants as life-savers and only contact us when they are in serious trouble”.

Creating solutions within the global market is worth €7.5 billion, a very important share of the total budget circulating within ICMCI 44 member Countries. The Council unites about 21 thousand consultants also associated to national organisations, from Nigeria to the States, including Brazil, China and Europe.

In Italy, the ICMCI partner institution is APCO (*Italian Association of Management Consultants*), one of Italy’s associations within the sector. APCO gathers 727 management consultants out of the 10 thousand professionals crowding the Country, with an estimated turnover of about €2 billion. It’s a significant market share, but no longer enough.

In the current global era, management consultants aim at “creating solutions”, “managing contradictions” regardless of national boundaries. Within this framework, ICMCI represents a fundamental reference, based on three key words: certification, ethics and training.

“Consultants sell competency – claims Austrian consultant Gerd Prechtl, ICMCI Vice Chairman, in

charge of the European area – and certification is the tool to guarantee precise quality standards to all our clients”. At least three years of experience gained, a suitable CV and independence: these are the minimum requirements for management consultants to apply for the CMC (*Certified Management Consultant*) accreditation process and testing.

The benefit? It’s the mutual recognition within the ICMCI area, already including 6,390 certified consultants enabled to provide their services and competency within all 44 member Countries. And certification also implies ethics. ICMCI also approved a professional behavioural code, applied within every Country, from Norway to South Africa. “It’s a set of international criteria – ensures Sorensen – binding consultants to honesty and respect for people’s dignity. They are basic rules shared by all cultures and associates are obliged to put them into practice. The problem rests in the sanctionative system, which is still not-existent in some Countries since there are no referential professional authorities”.

It’s not just about certification. Within this management consultancy world network best practices are also shared, and training is a non-stop goal. For training is necessary when performing a job approached by professionals with the most different CVs. “One of the options – suggests Sorensen – is learning how the management world works by working within enterprises first, opting for consultancy only as a second career stage”. The experience road, until recently the most beaten track, is starting to be overcome by the education path. “To start off – says Prechtl – it is necessary to have a degree and an MBA master qualification. But the education area doesn’t count much: the working group includes economists, psychologists, philosophers and an ex-friar with a degree in theology”. Consultancy beats convent.

Dossier by
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Password: overcoming national boundaries

The password is: overcoming national boundaries. To facilitate the internationalisation process for Italian consultancy firms, APCO (Italian Association of Management Consultants) thought of organising a number of bilateral meetings between national and international consultants and clients. The objective was to offer consultants the possibility to create a contact network to make their entry on foreign markets “softer”. This was the formula of “Consultants meet consultants and clients”, an idea that Apco Chairman Francesco D’Aprile had up in his sleeve and first put into practice less than two years ago. “The first edition was held in November 2004 – explains D’Aprile –; we gathered 47 consultants coming from 15 Countries, plus 43 Italian professionals, in Udine. Last year we organised a second edition in Shanghai, with 76 registrations from 15 Countries”.

These figures claim success for an event taken under ICMCI’s wing and benefiting from both contact network and image of such international organisation, although the event is still organised and directed by APCO, the ICMCI partner institution in Italy. The formula applied aims at the best utilisation of time. For the organisers prepare a detailed schedule of meetings in advance, to allow participants to know who they will be facing and prepare targeted questions to develop real opportunities for future strategic synergies.

The project was developed to marry aspirations and limits together. “Italian consultants have been interested in international markets for a long time already – ensures D’Aprile –. The problem is they don’t have the strength to compete against the major consultancy firms. The Country is starred with small-sized businesses, often individual companies”.

This was confirmed by a survey on management consultancy in Italy carried out by APCO during the first half of 2006. The research portrays a country where professionals mainly work supported by small businesses, in 63% of cases only involving four people. Small businesses for small clients, since 54% of consultancy contracts come from SMEs with a turnover of less than €50 million.

It’s a very local fresco, not that suited to today’s global market challenge. “Consultants meet consultants and clients” was developed for small Italian operators especially in order to enable them to overcome the obstacle. The next event will be held in Moscow on 13th September. For information, visit www.bilatermeetings.com.

PETER CSAKVARI / Hungary

From new accounting to global strategies

From 1190 to date, the Hungarian market has “changed very rapidly”, confronting its economic actors with “continuous challenges”. Management consultants “have had to adjust to the company requirements changing”.

These are words by Péter Csákvári who, in the last 16 years, has played a capital role in the Hungarian consultancy market.

Previously working for multinational Arthur Andersen, Csákvári has been leading three consultancy firms since 2001: he deals with IT control and safety, as well as with enterprise risk and management. His clients include large companies, public administration offices and multinationals. “It may seem absurd – admits Csákvári –, but some times my direct *competitors* are consultancy major firms.

From the highest specialisation (in finance) of his debut to today’s “generalism”: over the years Csákvári has chosen to cover various sectors and “try to excel in all of them, rather than becoming the best name in one only, in order to have more chances to fulfil enterprise requirements and solve their problems, which in Hungary are in continuous evolution”.

For, after overcoming communism, the Country has rapidly approached Western models. “Unlike Russia, Hungary “only” experienced 40 years of communist regime – explains Csákvári –, not long enough for the concepts of “enterprise” and “business” to be heavily buried. In 1990 Hungarian economy did not have to invent anything new: re-starting was just enough”.

Nor consultancy was unknown. “Sure, consultancy professionals had to start at a very low level, 16 years ago – admits Csákvári –. It was a case of setting up company accounting, and consultants were contacted by financial departments. Nowadays, instead, it’s the company Chief Executive to call us to work on strategies and enterprise management”.

BARRY CURNOW / UK

Managers don’t have old people’s far-sightedness

The free market? “Generally it performs better than regulated markets, but there are areas with worst results”. Some examples? “There is less and less interest in investments where economical profit is not immediate, to the disadvantage of enterprise development, employee training and production planning”.

It’s Londoner Barry Curnow, Director of Maresfield Curnow School of Management Consulting and former ICMCI (International Council of Management Consultant Institutes) Chairman, pointing his finger at “UK managers’ poor far-sightedness in today’s deregulation era”.

Today Curnow is also a free-lance consultant, defining himself with a play on words as “the consultants’ consultant”. For his clients are not enterprises but consultants themselves, consultancy firms and all professionals looking for external support to provide better solutions to enterprises.

His specialisation is quite peculiar but possible within a large and solid economy as the UK’s. “Today’s consultancy market – states Curnow – goes well beyond financial or IT-related issues, focusing on the very heart of enterprise organisation: network and human resources management.”.

Before becoming the consultants’ consultant, Curnow was Managing Director and Partner at major Hay Group. “I experience the shift from a very much regulated market – he says – to the liberalisation led by Margaret Thatcher. Certainly British economy has grown in the last twenty years, but new Managers still need to gain the far-sighted perspective and competency owned by their predecessors”.

Sorin CAIAN / Romania

In Eastern countries, it is still an emerging profession

“Romania is still recovering from the market economy impact shock: privatisations are still in progress and the system is not stable yet”. Management consultant Sorin Caian attempts an evaluation of the process started 16 years ago. “The fall of communism – he explains – started a very stimulating era: Romania overcome soviet planning to enter a system nobody could prove how much it was worth”.

Basically the ideal climate to launch oneself into an emerging profession, armed with plenty of entrepreneurship: management and organisation consultants “simply did not exist until 1990”, admits Caian. So government and enterprises first contacted word major consultancy firms, until the first national companies were started up. Caian’s was one of them: “We had to rebuild Romania’s economy – he says –. We dealt with market analysis, followed companies through acquisitions, merging and restructuring”.

Only in recent years the market started growing “with the aid of funds from the European Union – admits Caian –. Yet the economy has not developed as much as to start freelancing: it is still necessary to lean on other companies”. To Caian, who is also part of the Romanian management consultants association board, “the problem is that small national companies are often unable to win bid contracts called by the EU, for the benefit of large consultancy groups. There’s more. Since national boundaries have been open – he continues – almost 2 million Romanian people have crossed them to work abroad. The truth? Our Country has projects and money to invest in all areas, but it’s lacking people ready to lead new initiatives”.

GOPALKRISHNAN SHANKER/ India

Here is the business giant

With a US\$800 billion-worth GDP and a sound 7.7% growth rate, India is today’s global business emerging giant. Experts are ready to swear these are its booming years. The Indian market certainly did not boost such perspectives in 1985, when Gopalkrishnan Shanker started working as a consultant, a business administration diploma in his pocket.

The first years were not easy. “The market was poorly developed – he explains – and companies were turned in upon themselves. They did not invest on research and hardly entrusted external resources to solve their own problems”.

The turning year was 1991 when former Minister of Finances Manmohan Singh, today India’s Premier, decided to face the crisis by opening Indian economy. “Once boundaries had fallen, multinationals entered the Country – says Shanker –, so consultancy services suddenly became interesting: for local enterprises confronted with foreign competition, as well as for international enterprises which needed guidance to penetrate an unknown market”. The most frequently required consultancy services still are strategies and market analysis.

Yet the liberalisation process also brought in, together with foreign enterprises, world major consultancy firms: Deloitte Touche Tohmatsu, Ernst & Young, Price Waterhouse Coopers, etc. These giants could easily defeat the local consultancy offer. “Indeed, multinationals are not direct competitors to us – ensures Shanker – since they mainly work for the Government and large financial holdings and groups. We stop at a lower level”.

In the last ten years the consultancy market has seriously boomed, reaching a turnover worth, according to Shanker, ICMCI Vice Chairman and Indian sector association IMC Chairman, “US\$1.5 billion a year”. Not to mention that Indian economy, despite its last 15 years of success, is still galloping. “It’s a vast economy – he explains – even within its contradictions, with 20% of the population still living under poverty threshold”.

ARKADY PRIGOZHIN / Russia

SMEs are today's driving force

“In terms of politics, there is a gulf between Russia and Italy. But as to their market economical actors, these two countries have more in common than what one could imagine”. Arkady Prigozhin shortens the distance between Moscow and Rome speaking about an industrial system which is rapidly developing. He is a management consultant and the Chairman of Russian management consultant association.

There's more. Prigozhin is also the Director of Moscow School of Consultancy which every year welcomes 40 professionals wishing to improve their skills, as well as one of the editorialists for Russia's “Financial Times” equivalent. “It's a totally independent newspaper – he claims – although it's quite difficult to find something truly independent in Russia today”.

Prigozhin started working just over 30 years ago, when his Country was still lead by the Soviet block. “Although communism was ideologically foolish – he says –, it still lucidly observed enterprise development. The party and government interest in improving industrial performance increased over the years”. Still, at the beginning of the 70's, the organisation theory was little known and not at all applied. This already showed in Prigozhin's first approach to the enterprise world. Just after gaining his degree in philosophy at Moscow University with specialisation in the same organisation theory, he was contacted by a company. “They wanted to rearrange their structure – explains Prigozhin – so I started talking to their administration about formal and informal organisations. Their reaction? They were astonished. They asked me who set up such theories, contravening the rigid hierarchies of the Soviet system. They didn't know the two “structures” could coexist”.

Since then, Russia's consultancy market has made a number of steps forward in terms of dynamism and solutions required by local companies. Also client enterprise profile has changed: no longer Soviet Government large companies but a wide range of SMEs. “From this viewpoint, with the fall of communism – Prigozhin reveals – Russia has become much similar to Italy”. There are still differences, and quite heavy ones too. Prigozhin speaks of “political risks run by entrepreneurs” and recalls Michail Khodorkovsky's controversial sentence which, according to his supporters, was motivated by his opposition to the central Government. “Not to mention – Prigozhin concludes – that in many districts there a number of small Khodorkovskys under observation by local governors.