

Course of Digital Management Consulting

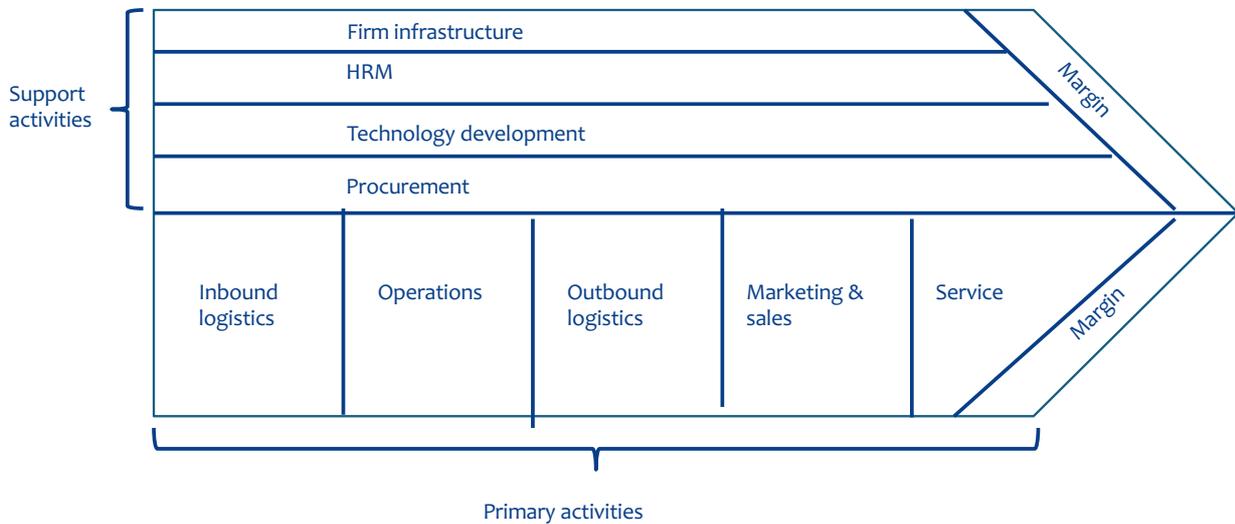
The value chain of the Management Consultancy firm

Prof. Corrado Cerruti

Agenda

- Porter's value chain;
- Management consulting firm value chain;
- Linkages between activities;
- Competitive advantage and value activities
- Role of Knowledge Mgmt in Management Consulting

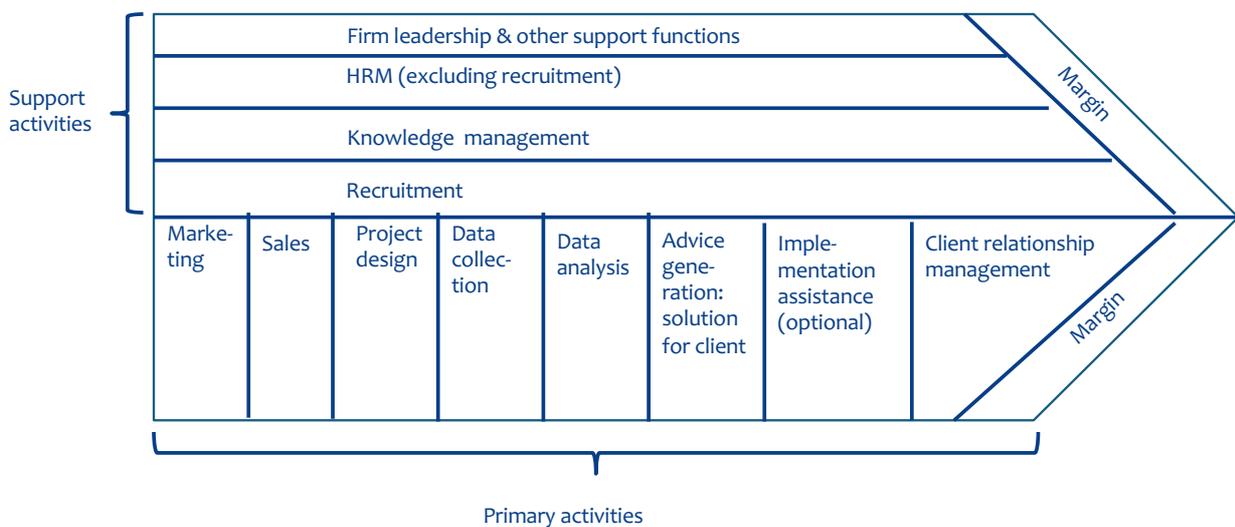
Porter's value chain



Source: Porter (1985)

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Management consulting firm value chain



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Main differences

	Porter's value chain	MC value chain
Operation-Sales sequence	First produces and then sells	First sells and then delivers
Operations	Delivers products	Delivers a service
Distribution	Presence of inbound and outbound logistics	Lack of inbound and outbound logistics
R&D	Is about physical products	Is about knowledge
Procurement	It has a big role	It has a small role

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Primary activities

MKTG	SALES	PROJECT DESIGN	DATA COLLECTION	DATA ANALYSIS	ADVICE GENERATION	IMPLEMENTATION	CRM
TARGET AUDIENCE	SELLING TO EXISTING CLIENTS	PLANNING ACTIVITY AND APPROACH	DESK AND FIELD RESEARCH	ORGANIZING THE DATA	ANALYSIS AND CREATIVITY	ASSISTING CLIENTS MGMT	PROJECT EVALUATION
MKTG TECHNIQUES (networking; communicating; ads & promotion)	APPROACHING PROSPECTIVE CLIENTS	RESOURCES		ANALYSING RELATIONSHIPS	TAKING CARE OF THE UNCERTAINTY		CHECKING RESULTS
	MEETING THE PROSPECTIVE CLIENT			PREDICTING THE FUTURE			FOLLOW-UP VISITS
				CHECKING ANALYSIS QUALITY			

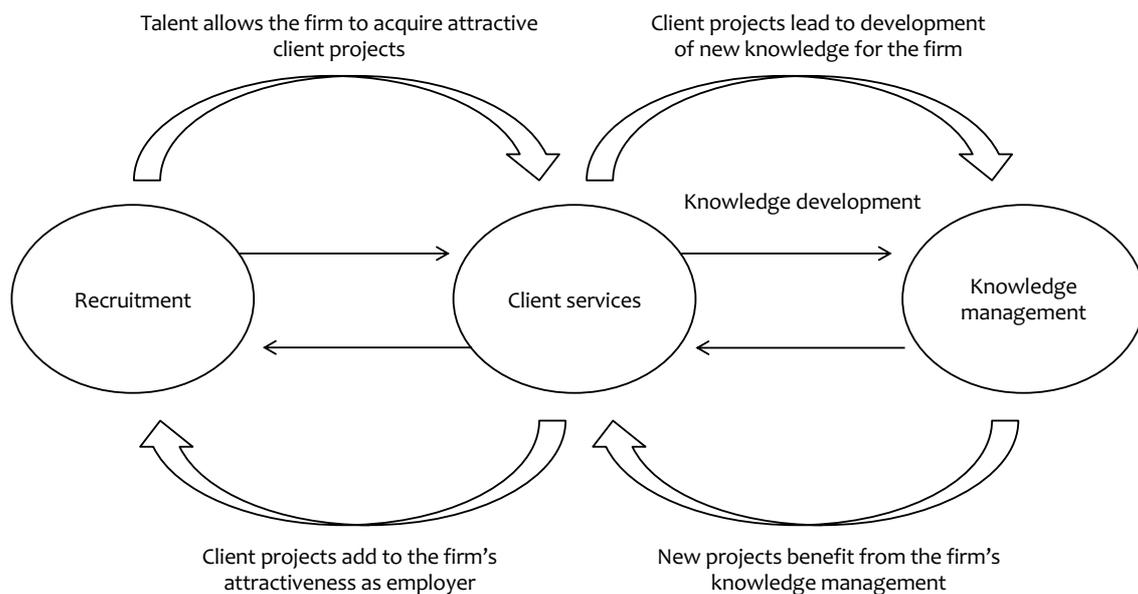
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Support activities

RECRUITING	KNOWLEDGE MGMT	HR MGMT	OTHER SUPPORT ACTIVITIES
MKTG & SCREENING	CODIFICATION STRATEGY	DEVELOPING TALENT	MANAGING ICT, LEGAL, GRAPHICS, LEADERSHIP FUNCTIONS
INTERVIEWING	PERSONALIZATION STRATEGY	EVALUATING PERFORMANCES	
	EXPLORING KNOWLEDGE (from client projects or internal studies)	MANAGING THE ALUMNI NETWORK	
	STORING AND DISTRIBUTING KNOWLEDGE		

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Linkages between activities



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Competitive advantage and value activities

COMPETITIVE ADVANTAGE	COST LEADERSHIP	DIFFERENTIATION	
Customer value proposition	Operational excellence	Customer intimacy	Product leadership (Thought leadership)
Most relevant primary value activities	Efficiency of: <ul style="list-style-type: none"> • project design • data collection • data analysis • advice generation • implementation 	<ul style="list-style-type: none"> • marketing • sales • customer relationship management 	Creativity of: <ul style="list-style-type: none"> • project design • data collection • data analysis • advice generation • implementation
Most relevant support activities	Knowledge management: re-using codified knowledge	Knowledge management: re-using tacit knowledge	Recruitment of creative talent

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MC Industry new scenario

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- * The industry scenario is changing so fast that Associations/Companies need short-term updates

Survey of the
**EUROPEAN
 MANAGEMENT
 CONSULTANCY
 2021 | 2022**

January 2023

February 2020

**Quarterly BAROMETER
 of the European
 Management
 Consulting Industry**



The MGMT knowledge – The role of consultants



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Prof. Corrado Cerruti

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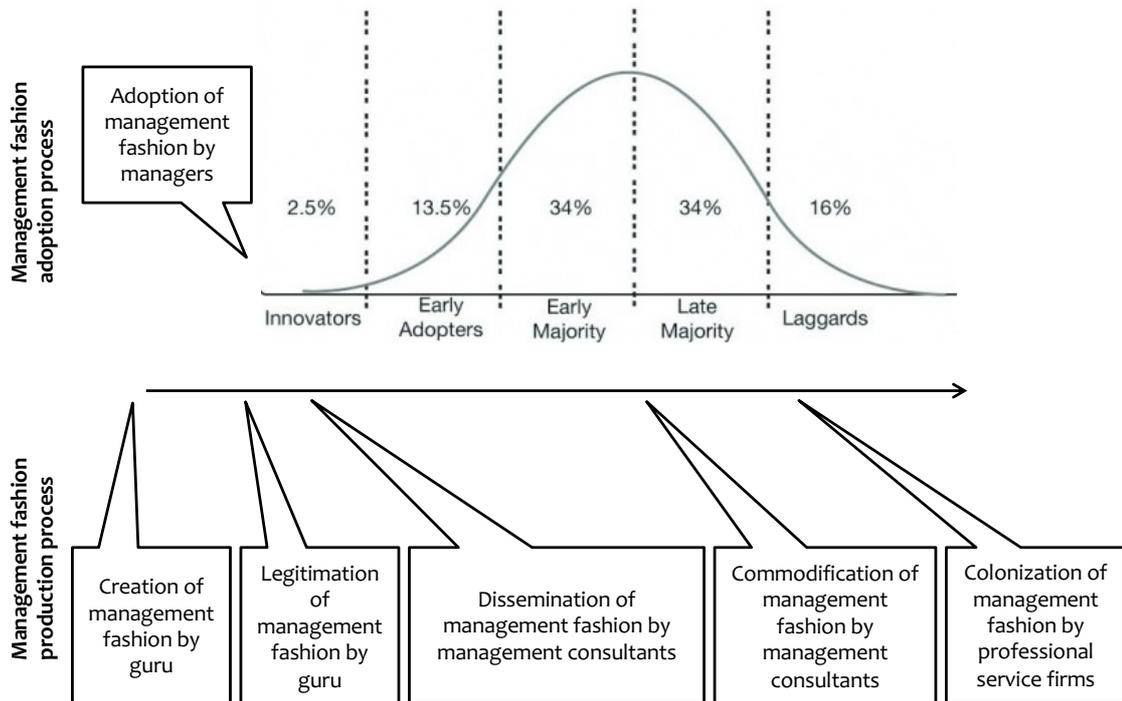


BCG main contributions to the foundations of management knowledge



BCG main contributions to management knowledge

The MGMT knowledge – Production and adoption



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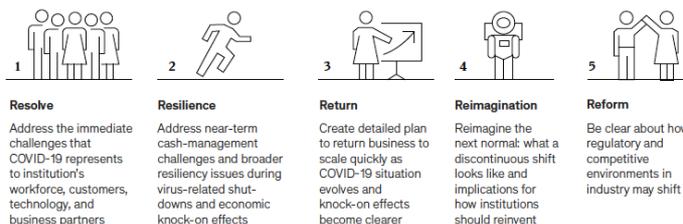
Prof. Corrado Cerruti

COVID-19 as a strategic challenge Management Consulting companies advice

COVID-19 focus

- * COVID-19 is, first and foremost, a global humanitarian challenge! [McKinsey, 2020]
- * ... However its business implications are huge and will last long calling for a strategic response from the companies

The five horizons



COVID-19 RESPONSE

**BIG DECISIONS FOR CEOs
RIGHT NOW—AND URGENT
QUESTIONS ABOUT THE
TIME AFTER**

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AI as a strategic challenge

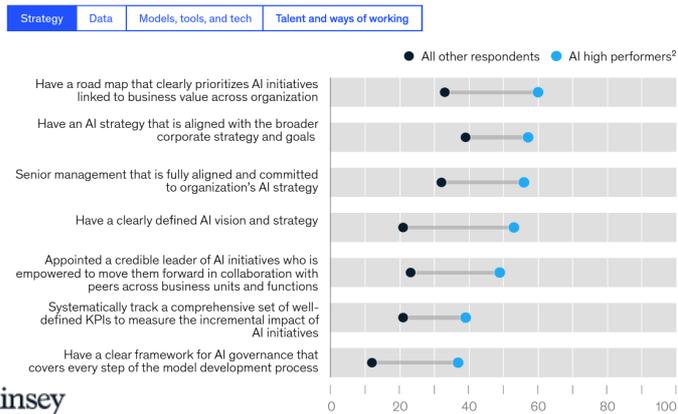
Management Consulting companies advice

AI focus

- * Those taking a longer view have made steady progress by transforming themselves into learning organizations that build their AI muscles over time [McKinsey, 2022]

Organizations seeing the highest returns from AI are more likely to follow strategy, data, models, tools, technology, and talent best practices.

Share of respondents reporting their organizations engage in each practice,¹ % of respondents



AI Empowers Employees, Not Just Companies

McKinsey & Company

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