Course of
Management Consulting

Clients and other stakeholders

Professor Corrado Cerruti

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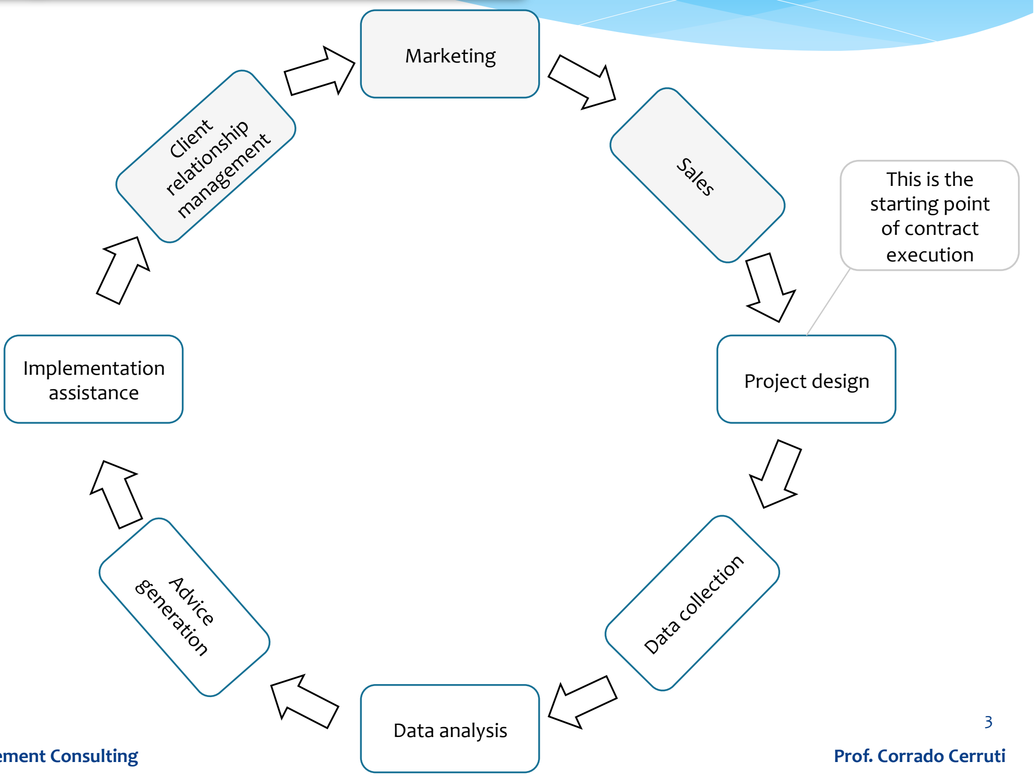
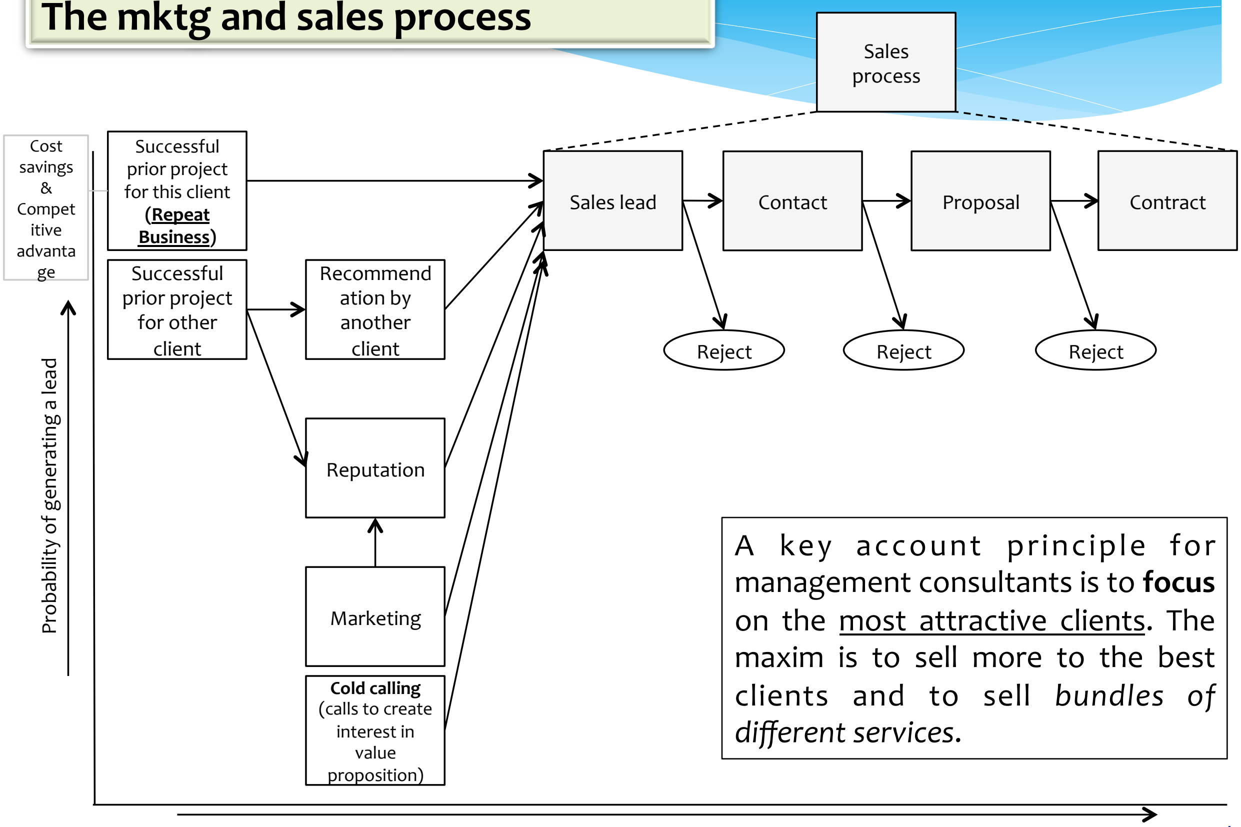
Agenda

- The management consultancy cycle;
- The mktg and sales process;
- The client's perspective for a project;
- Inteactions with the prospect;
- The role of client's stakeholders;
- Assessing stakeholder's relations with the project;
- Proposal and fees setting;
- Contract items;
- Procurement models.

The management consultancy cycle

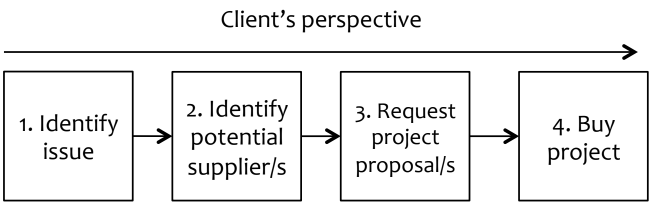


The mktg and sales process



A key account principle for management consultants is to **focus** on the <u>most attractive clients</u>. The maxim is to sell more to the best clients and to sell *bundles of different services.*

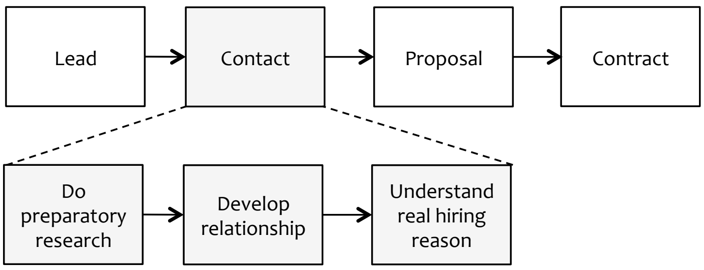
The client’s perspective for a project



To get the client’s business, the consultant needs to **understand the client**. It is important to **imagine client’s worries** (lack of capabilities, reaction of stakeholders about hiring consultants, scepticism).

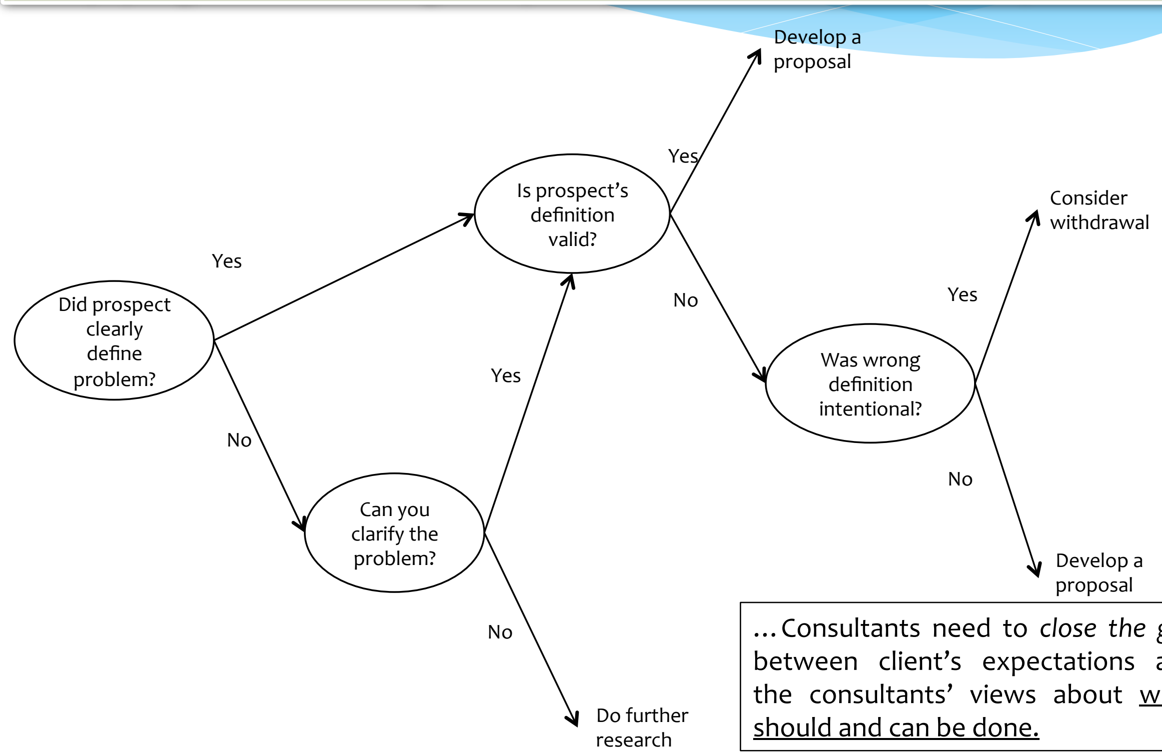
2 possible perspectives: a) *Functional* (consultants are experts); b) *Critical* (consultants use <u>rethoric</u> to increase perception of uncertainty and changing; consultants want clients to catch up <u>management fashion</u>; consultants want to <u>sell more</u> than the current contract; consultants are supposed to have <u>solutions to all</u> client’s problem; consultants <u>sell old ideas</u> (or <u>standarized solutions</u>) as new ones; MC firms send <u>juniors to execute</u> the project -they *learn the job at client’s cost*

Establishing contact with the prospect



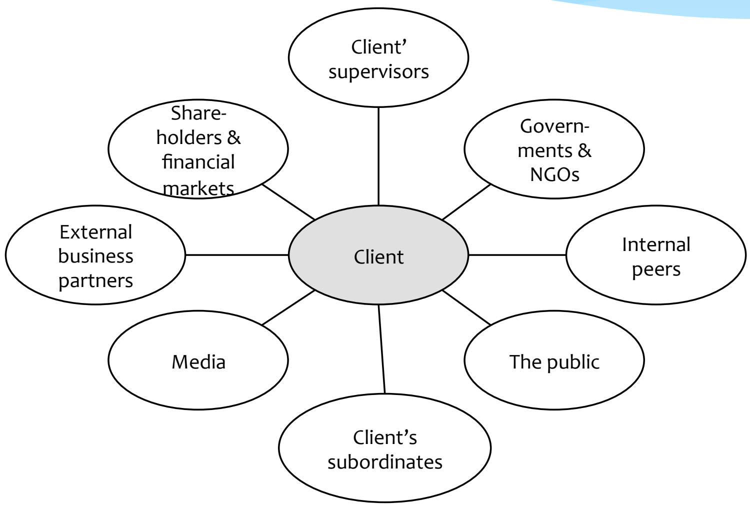
There is a pre-contact moment in which consultants should thoroughly *prepare* for the initial meeting; they needs some <u>understanding of the prospect and its industry</u>.
Before discussing hiring reason, consultants have to **build the relationship and credibility**. The consultant should discover **what purpose** the prospect has in mind with the consultancy project and the **real hiring reasons**. Moreover, consultants have to *identify the problem* (tasks or people?), the consultants *role required* and the MC firm selection process.

Claryfying and checking the prospect's definition of the problem



…Consultants need to *close the gap* between client's expectations and the consultants' views about <u>what should and can be done.</u>

The role of client's stakeholders



Consultants has to consider the **position of the different stakeholders** with regard to the <u>client's problem</u> and <u>consultancy project</u>.

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PwC Global Corporate Responsibility

2016

Stakeholder engagement How we engage

PwC Global Corporate Responsibility

2016

Stakeholder group	Types of engagement (examples of activities undertaken by PwC firms)	Why we engage	Examples of issues relevant to stakeholder group
Partners, our people, potential recruits, alumni	▪ Annual Global People Survey ▪ Employee focus group discussions ▪ Leadership meetings with our people ▪ Global Diversity Week ▪ PwC Professional leadership framework ▪ Supporting personal development through training (e.g. leadership training, CR specific training, annual independence, risk, quality and ethics training) ▪ CR communications (e.g. CR newsletters, hot-topic webinar sessions) ▪ Annual individual performance reviews ▪ Collecting feedback from the volunteering opportunities available to staff ▪ Graduate recruitment fairs ▪ CR specific speaking opportunities ▪ Alumni events and newsletters ▪ Annual reporting (e.g. Global Annual Review, CR website) ▪ Internal and external social media platforms such as Spark, Twitter, Facebook, LinkedIn	**Partners and employees** Inform our talent strategy; Greater wellbeing of our people; Create a diverse and inclusive workplace; Understand attitudes and change behaviours relating to corporate sustainability; Set direction for business; Confirm major Decisions **Potential recruits** Understand career motivations and job search behaviours of students, & perceptions of PwC Informing candidates about career choices to widen talent pool & access to our professions. **Alumni** Help alumni build professional and personal networks, and keep up to date with business insights; Part of broader relationship building.	▪ Trust ▪ Governance and transparency ▪ Independence, ethics and quality ▪ Enabling professional development of staff ▪ Staff engagement and retention ▪ Attracting the best talent ▪ Developing responsible leaders ▪ Integration of CR issues into core services ▪ Diversity and inclusion ▪ Community engagement ▪ Environmental stewardship
Clients	▪ Management of ongoing client relationships ▪ Client satisfaction surveys ▪ Delivery of client engagements and proposals ▪ Audit committee meetings ▪ Participation in industry and client forums and events ▪ CR specific events and presentations ▪ Annual reporting (e.g. Global Annual Review, CR website) ▪ Thought leadership reports, publications and surveys ▪ Joint community and volunteering activities	Understand client, industry and business challenges; Identify opportunities to improve our service and products; Understand the role that corporate sustainability plays for clients.	▪ Trust ▪ Governance and transparency ▪ Independence, ethics and quality ▪ Client satisfaction ▪ Data security ▪ Embedding and delivering CR services ▪ Reputation

PwC Global Corporate Responsibility

2016

Stakeholder group	Types of engagement (examples of activities undertaken by PwC firms)	Why we engage	Examples of issues relevant to stakeholder group
NGOs/NPOs	▪ Ongoing relationships and strategic partnerships ▪ Transparency Awards and transparency checks for reporting ▪ PwC staff on NGO/NPO boards committees and councils ▪ Paid, pro-bono and discounted engagements ▪ Thought leadership reports, publications and surveys ▪ Annual reporting (e.g. Global Annual Review, CR website) ▪ Conferences and speaking opportunities ▪ Town hall and community meetings ▪ Skills-based and general volunteering ▪ Local PwC foundations ▪ Sponsorship	Contribute to thought leadership on sustainability; Work in partnership to develop solutions to global challenges.	▪ Trust ▪ Governance and transparency ▪ Independence, ethics and quality ▪ Anti-corruption and anti-bribery ▪ NGO/NPO education and training ▪ Community engagement ▪ Environmental stewardship
Local communities	▪ Ongoing relationships with community partners ▪ Pro-bono and discounted engagement with community organisations ▪ Participation on committees and councils ▪ Town hall and community meetings ▪ Conferences and speaking opportunities ▪ Skills-based and general volunteering ▪ Local PwC foundations ▪ Corporate reporting, including CR Annual reporting (e.g. Global Annual Review, CR website) ▪ Sponsorship	Inform community investment decisions; Shape joint community programmes that maximise shared value; Develop opportunities to broaden our people's experiences.	▪ Provision of employment opportunities ▪ Education and training ▪ Supporting enterprise, e.g. social entrepreneurs ▪ Empowerment of local communities ▪ Community engagement ▪ Environmental stewardship

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Our 6 enduring core values—Client Value Creation, One Global Network, Respect for the Individual, Best People, Integrity and Stewardship—shape the culture and define the character of Accenture. They serve as a foundation in how we act and make decisions.

- **Client Value Creation** - Enabling clients to become high-performance businesses and creating long-term relationships by being responsive and relevant and by consistently delivering value.
- **One Global Network** - Leveraging the power of global insight, relationships, collaboration and learning to deliver exceptional service to clients wherever they do business.
- **Respect for the Individual** - Valuing diversity and unique contributions, fostering a trusting, open and inclusive environment and treating each person in a manner that reflects Accenture's values.
- **Best People** - Attracting, developing and retaining the best talent for our business, challenging our people, demonstrating a "can-do" attitude and fostering a collaborative and mutually supportive environment.
- **Integrity** - Being ethically unyielding and honest and inspiring trust by saying what we mean, matching our behaviors to our words and taking responsibility for our actions.
- **Stewardship** - Fulfilling our obligation of building a better, stronger and more durable company for future generations, protecting the Accenture brand, meeting our commitments to stakeholders, acting with an owner mentality, developing our people and helping improve communities and the global environment.

SIX FUNDAMENTAL BEHAVIORS

Our Code of Business Ethics is organized under 6 fundamental behaviors that apply to every one of us, every day:

Make Your Conduct Count

Comply with Laws

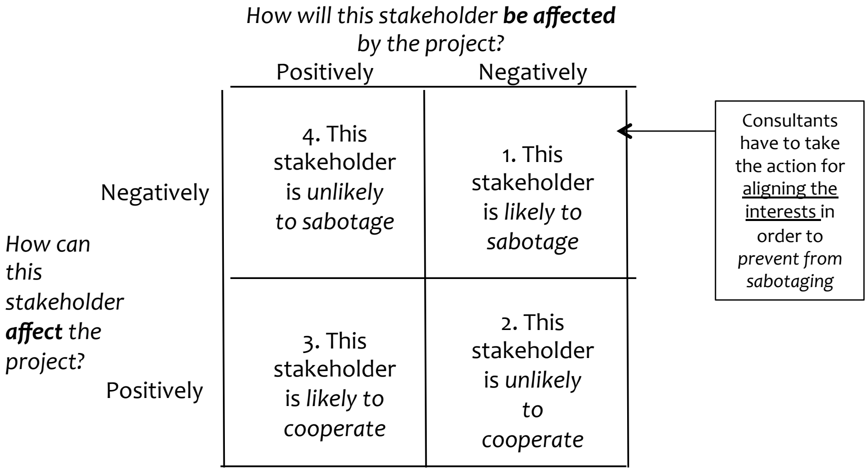
Deliver for Our Clients

Protect People, Information and Our Business

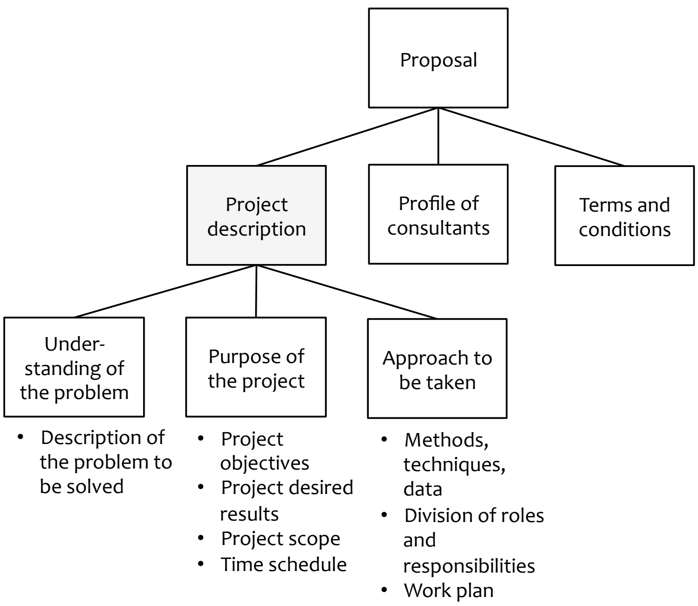
Run Our Business Responsibly

Be a Good Corporate Citizen

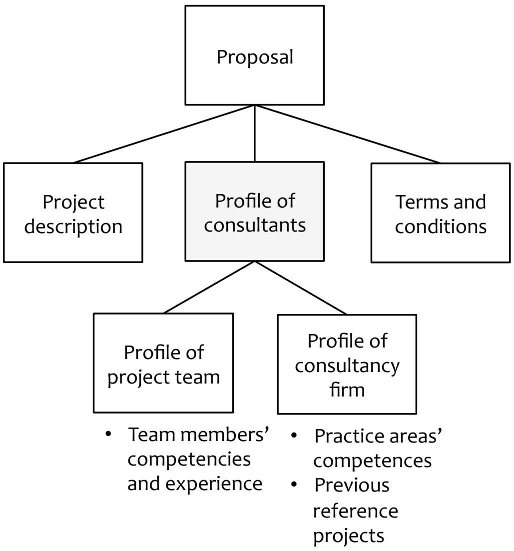
Assessing stakeholder's relations with the project



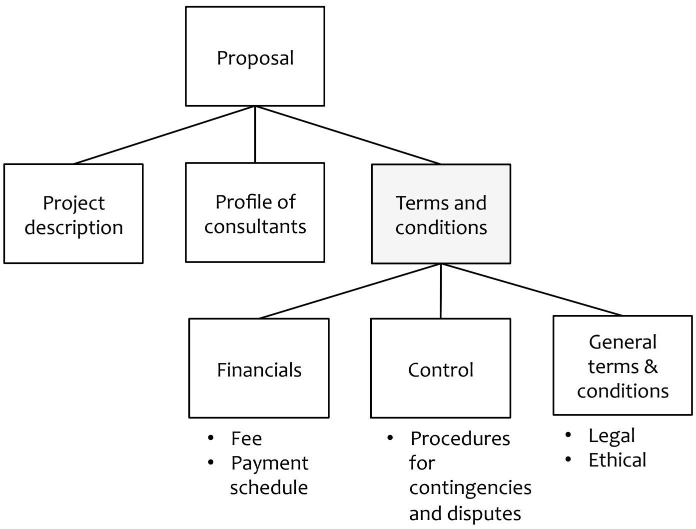
Proposal – *Project description*



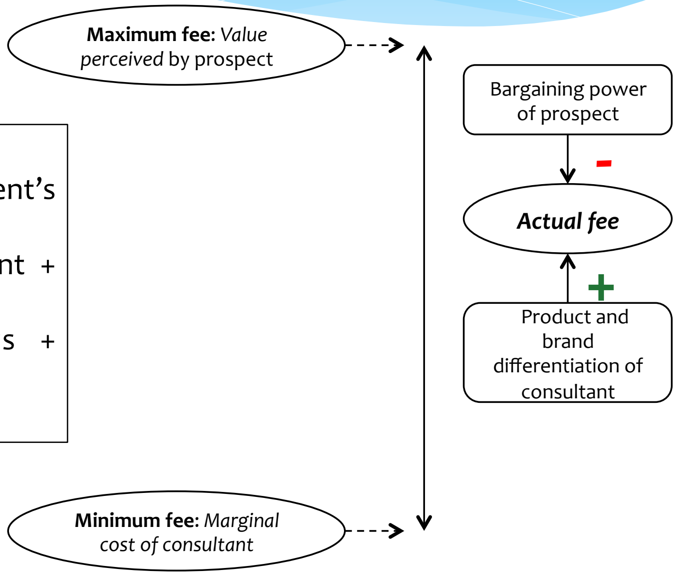
Proposal - *Profile of consultants*



Proposal - *Terms and conditions*



Setting the fee

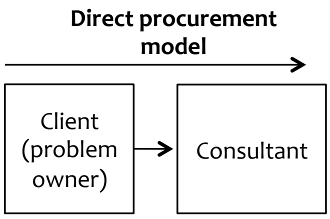


Mechanisms to determine fees are:
a) project *measurable results* on client's performance (Success Fee);
b) Lump-sum *Cost-based* (hours spent + other costs);
c) *Time based* (<u>budgeted</u> hours + contigency provision);
d) *Hours <u>spent</u>* on the project.

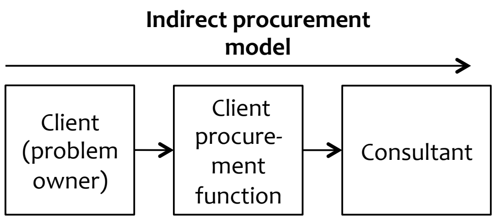
Contract items

Contract item	Brief description of item
Contracting partners	Client and consultant
Scope	Objectives of project, description of work, time schedule
Outputs	Expected results, deliverables to be generated by consultant, e.g. reports and (intervention) activities
Inputs	To be provided by client and consultant: e.g. time, skills, resources, and information
Financials	Fees and expenses, billing and payment procedures
Legal	Handling of confidential information of client
	Liability of consultant for damages caused, limitiation of liability
	Protection of intellectual property of consultant
	Termination and revision
	Dispute resolution

Procurement models



Procurement takes place within a personal relationship.



A technical buyer, who are not inolved in the problem, select consultants through a rational and professional process.

Procurement models - *Differences*

	Direct Procurement	Professional Procurement
ACCOUNTABILITY	Clients don't need to be accountable to others or to justify decisions.	Clients don't need to be accountable by shareholders and decisions need to be justified.
SCALE ECONOMIES	The abscence of a a central procurement function increase the costs to find consultants.	The presence of a central procurement function has more bargaining power and it is cost savings.
BARGAINING TACTICS	Problem owner may be too caught up in their daily work to give time to bargaining tactics.	The procurement function can use the competition tactic between consultancy firms.
COMPLEXITY	The problem owner is more focused to find best solution than Proc function (focused on saving costs).	Centralization of procurement carry costs and is time consuming. There could be a conflict of interest with the problem owner.