

Course of Management Consulting

People and careers in management consultancy

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Agenda

- The stage gate process;
- Required skills;
- Value-adding activities of the different functions;
- Mechanisms to develop competences;
- Performance appraisals;
- Promotion to partnership;
- The up-or-out policy.

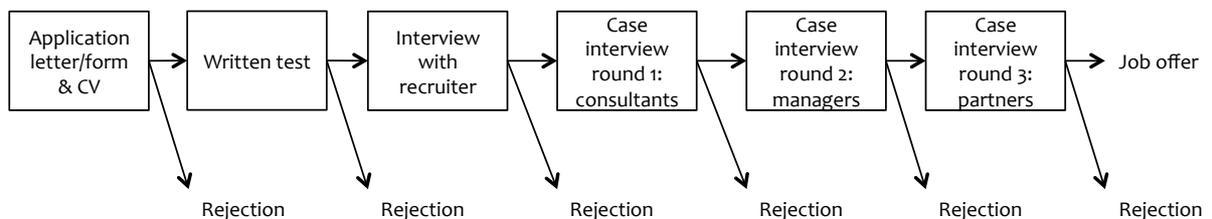
Reasons for applying



3

The stage gate process

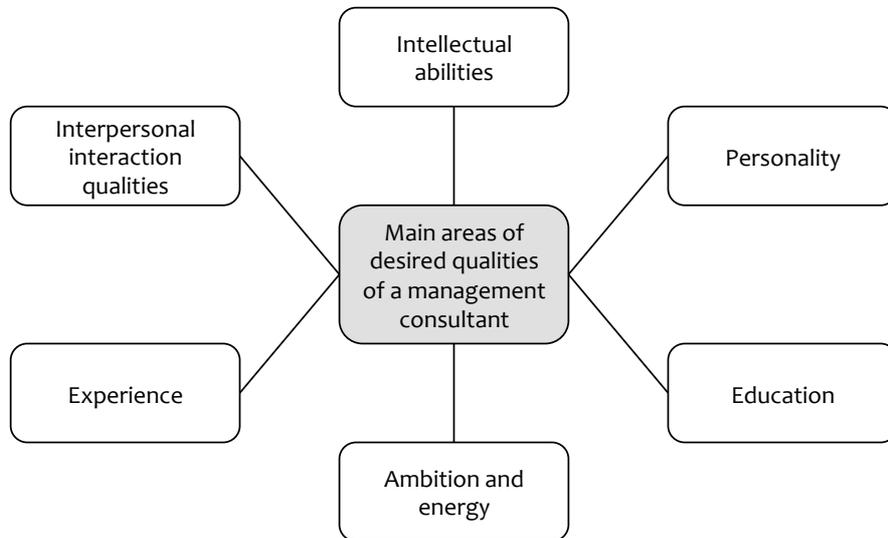
Recruitment function is important for **3 reasons**: a) MC is a *People business*; b) *high turnover*; c) firms prefer to *promote internal people* than hire external candidates for the high levels.



The quality of people is a *sign of quality* which helps to assess the output of consulting projects.

4

Required skills



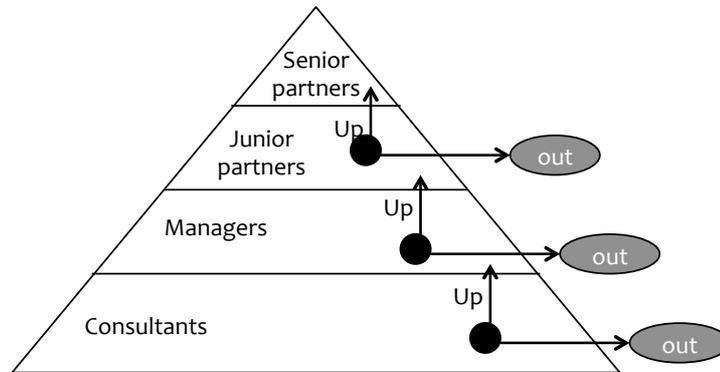
5

Six tactics to enhance hiring chances

Sought after qualities	Key indicator	Success tactics
Intellectual abilities	Problem solving in the case interview	Prepare for case interview. Learn the structured problem solving method
Interpersonal interaction qualities	(case) Interview: interaction with the interviewer	Build a conversation and gain trust; be assertive and friendly
Personality	(case) Interview	Remain calm and confident under stress
Ambition and energy	Appearance and behaviour	Be energetic
Education	Analytical training	Emphasize analytical components of your education
Experience	Relevant industry and functional experience	Emphasize your extracurricular activities

6

Career structure



Partners spend considerable time forecasting the future amount of project work and expected promotion in order to **maintain the right leverage**.

7

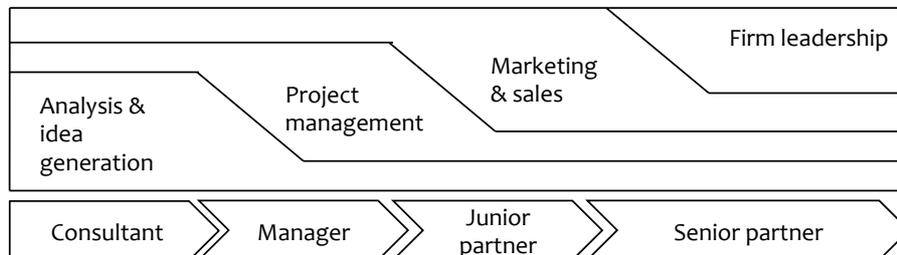
The stage gate process

Function	Main value-adding activity	Main responsibilities	Maximal time in function	Average percentage promotion
Senior partner	Leadership of the firm, marketing & sales	Leading the firm, developing the firm's strategy and organization, promoting the firm	No pre-determined time	Not applicable
Junior partner	Marketing & sales	Developing client relations, selling projects, carrying final responsibility for projects	4 years	50 %
Manager	Operations management	Project management, supervising consultants, providing training	4 years	50 %
Consultant	Operations execution	Data gathering, data analysis, assisting with implementation of advice	4 years	50 %

The **need for growth**: to provide career development chances to the consulting staff, firms need to grow. Growth allows firms to promote talented people while keeping the leverage intact. The firm cannot afford to lose its talents.

8

Value-adding activities of the different functions



9

Mechanisms to develop competences

Staffing

- Learning by doing
- Learning by observing
- Formal training
- Repetition of projects
- Variation in projects

Training

- Internal offerings
- Mini MBA (people with no business background)
- Networks

Evaluation

- Project evaluation
- Mentors
- Performance appraisals

The **Buddy system**: to a new hire is assigned a buddy, that is a consultant with the same rank but that has been with the firm for 1 or 2 years.

Performance appraisals

		Grade 1: excellent	Grade 2: above expec- tations	Grade 3: meets expec- tations	Grade 4: below expec- tations	Grade 5: poor
Intellectual abilities	Problem solving: execution	√				
Interpersonal interaction qualities	Client interaction			√		
	Team work		√			
Personality	Credibility & confidence				√	

At periodic intervals, consultancy staff and partners will be subjected to performance appraisals. Appraisals use **criteria** that *reflect the qualities* that consultancy firms look for. The assessor will grade the consultant for each criterion on a scale.

11

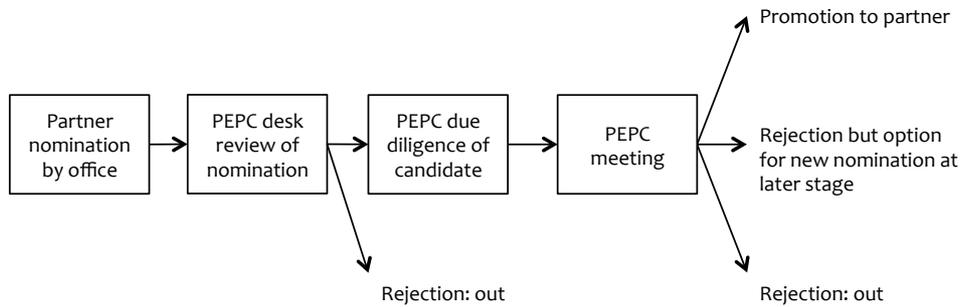
Performance appraisals

	Consultant	Manager	Partner
Intellectual abilities	Problem solving: execution	Problem solving: design & control; insight creation	Thought leadership
Interpersonal interaction qualities	Client interaction	Client relationship management	New business development
	Team work	Team leadership	Firm leadership
		Team development	Firm development
Personality	Credibility & confidence	Role model	Leadership

Different criteria for different levels...

12

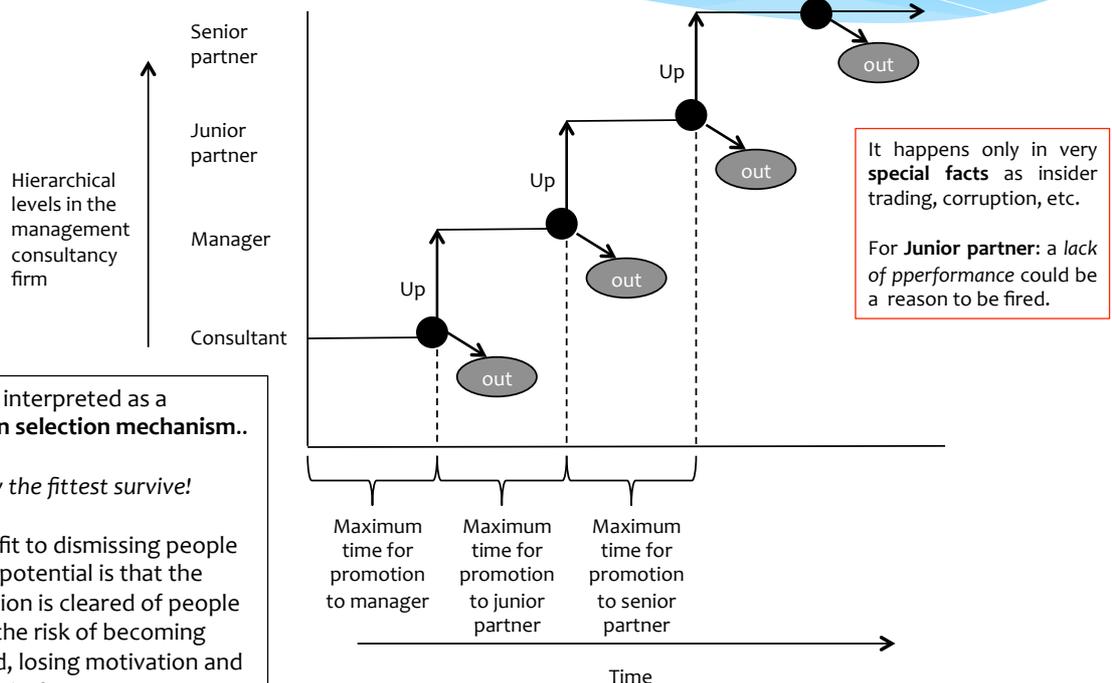
Promotion to partnership



Many MC firms distinguish a **junior and senior partnership**.
Partners own the firm, are the *employers* and *share profit and loss*.

13

The up-or-out policy



It may be interpreted as a **Darwinian selection mechanism..**

Only the fittest survive!

The benefit to dismissing people who lack potential is that the organization is cleared of people who run the risk of becoming frustrated, losing motivation and becoming jealous.

14