

Faster, faster and still faster!

Consultants in the 21st Century

By **Loraine Kasprzak**

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The need to help clients compete in the breakneck, dotcom economy is a recurring theme among management consultants with practices of all sizes and disciplines. "Client CEOs are asking themselves, 'how can I position my company to utilize the Internet and e-commerce to increase profits?'" said John McCrea, CMC, managing director of Renaissance Resource Group, a New Brunswick-based management consulting firm. "They want to know which are the best technologies for their business, and don't want technology for technology's sake."

Hugh Devine, president of Hugh J. Devine & Associates, Plainsboro, agreed, acknowledging that electronic connectivity is having a major impact on the products, services and processes of most of his clients and "they are scurrying to come up with things that take advantage of it."

Renaissance has chosen to add Internet consulting and website evaluation, something it didn't offer five years ago. Devine continues to focus on traditional qualitative market research tools, but has adapted them to the new marketplace. "Qualitative research such as focus groups and in-depth interviews can help clients clarify objectives and focus on a practical scope of work for their advanced technology and e-commerce projects," Mr. Devine explained.

The Internet economy is increasing the speed at which consultants must deliver creative, custom solutions. And with the proliferation of websites and search engines, "clients are coming to us not for research and information, but for change facilitation and experience in avoiding pitfalls," said John Sturges, CMC, chief administrative officer at SWA Holdings, a family of professional service companies located in Marlboro.

The consultant's role also is shifting as Fortune 500 companies — typical clients for consulting services — are becoming more sophisticated about new technologies. According to Michael Hierl, president of The Pacesetter Group, a Skillman-based consulting firm, "Our Fortune 500 clients are now more experienced in installing new technology and don't try to slam the solution in place. These companies are motivated to change and our role as the consultant becomes one of a partner, not one of an external irritant."

As consultants become change enablers, many consulting firms are shifting emphasis, offering clients change management and process improvement capabilities. "Twenty of our top customers are spending a substantial amount on upgrading information systems technology, both infrastructure and applications. We're connecting these new technologies to the way their people want to work. This improves business performance," Mr. Hierl explained.

Technology also is affecting the way consultants run their own practices. "We often use technology to share and revise client documents," said Mr. McCrea. In addition to email, consultants can take advantage of groupware information systems, like Lotus Notes, to communicate with their clients' employees and involve them more easily in project work.

The Internet is making it easier to do background research on potential clients. "Before I visit with a prospect, I can go online and check their web page and research their industry," said Tom Lombardi, principal of Presentations Plus, a 10-year-old training consulting firm based in Kendall Park.

While the Internet economy is probably the most obvious catalyst for change in the consulting industry, the following trends also continue to affect the profession.

■ **Mergers among clients.** Whether it's a pharmaceutical company merger or AOL merging with Time Warner,



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"When there's a merger," said Angela Deitch, president of Angela Deitch Consulting, a West Trenton-based training company, "funds for training are immediately frozen until the new organizational structure is determined. Mergers also can affect spending priorities."

Mergers reduce the pool of prospective clients and increase business complexity. For Deitch Consulting, this complexity has created opportunity, as companies struggle to work smarter. "I've gotten a lot of interest in critical thinking skills training, particularly in the pharmaceutical and manufacturing areas," Ms. Deitch said. "When team leaders and managers don't have strong problem solving and decision-making skills, they lose time, money and customers. Identifying the cause of a problem and making a decision about the best plan of action are critical."

■ **Globalization.** "Many of our Fortune 500 clients have had separate U.S., Asia-Pacific and European business models," Mr. Hierl explained. "Now they are trying to ensure that processes across countries are compatible." Paul Gondek, president of Clinton-based Gondek & Associates agreed, saying "Clients' worlds are becoming smaller. They are less concerned with opportunities that apply to only one market or continent, and more concerned with those that will automatically be global."

The use of global teams is a major trend, and it is still important for teams to develop face-to-face relationships.

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There's more demand, therefore, for consultants who can help businesses build teams across borders and less demand for U.S.-only consulting experience.

■ **Deregulation.** Utility deregulation is causing industrial clients to rethink how they buy and manage their basic utility needs.

Large refineries and paper mills, for example, buy an enormous amount of electricity and treat tons of water. These industries have begun outsourcing utility management and water treatment assets to save money.

"Outsourcing provides opportunities for consultants who understand the underlying technologies and can help clients manage complex outsourcing arrangements," said Loraine Huchler, a professional engineer and president of MarTech Systems, a Lawrenceville-based technical services firm. "Consultants analyze outsourcing deals and guide clients through the decision-making process."

■ **Equity stakes.** A recent *New York Times* article reported that major consulting firms like Andersen Consulting take small equity stakes in clients. So they're not left out of the Internet economy, these firms forfeit their usual fees in exchange for minority ownership positions in companies ranging from small start-ups to newly created businesses at existing clients.

But such arrangements, which have been around since at least the early 1980s, can create conflicts of interest for both large and small consulting practices. "You run the risk of becoming part of the problem," said Joseph Kowalski, CMC, president of Capitol Management Consulting Inc., a Hopewell-based business improvement specialist. "For individual consultants, there are additional risks. If you become an employee of that company, then your own business suffers."

In conclusion, today's business trends — from the Internet to deregulation — are all about rapid change. Consultants are finding they must be nimble, offering fast, creative solutions while continuing to shift their practice strategies.

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