Consulting Practice Communiqué
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INSIDE

→ Increase Your Consulting Skills  Jeff Kerr  p.2.
→ Get Practical  bring a practitioner to the meetings  p.3
→ Election Results - New Board Members - Leslie E. Overmyer-Day, Thomas Kolenko, Peter Sorensen - New Division Chair-elect - Tony Buono, Bentley College.
→ Letter to the Editor - Charles Nelson, pg 2.

View from the Chair

Terry Armstrong, University of West Florida
An Exciting Year

This is the year of evaluation and renewal for the Consulting Division. The Academy asked us to undertake a self-evaluation, and our officers wanted to undertake a strategic planning exercise to make sure we are on the right track. With all these experts around, we should get a sound process and some good advice.

We’ll deal with the latter issue first. During the last Academy meetings, the board raised a number of issues related to MCD’s direction. Some of those issues are:
1) What is our potential for growth in the academy and outside the academy?
2) Are we the best choice for membership or an add-on for Academy members?
3) Can we better meet the practical needs of our membership and the academic obligations of the academy?
4) Are we fully meeting our service potential among international Academy of Management members and among world-wide consulting firms?

The board decided to examine these questions in some depth. Kurt Motamedi, Max Elden, and Dave Jamieson are leading the charge for the Division. There is some pre-meeting activity, but their efforts are focused on a session during the Pre-Convention period in August. They will lead Division Members in a strategic planning exercise. Out of this exercise we will get a set of strategies that should give us a direction. Hold Sunday morning in the Pre-Convention for this activity.

See “View from the Chair” Page 2

WRITE TO US - Have a comment about the news articles or consulting you’d like to see published? Send a note to Editor, Bill Vroman (bvroman@loyola.latanze.edu) or fax 410/628-0380.

CONSULTING URLS --

Division Page  - http://cob.uwf.edu/~bpeach
ACME Code of Ethics  - http://www.acneworld.org/-
codethics.html
Journal of Management Consulting  -
http://www.icmci/jmc
Management Consultant’s Network International  -
http://www.mcninet.com
Institute of Mgmt Consultants  -
http://www.imcusa.org/demc.html
Fast Company Magazine  - http://www.-
fastcompany.com
Ernst & Young’s Ernie  - http://www.ernie.ey.com

Send us your company URL  bvroman@latanze.loyola.edu

MCD Initiatives

→ Be sure to participate in our strategic planning exercise this summer. Contact Motamedi, Elden, or Jamieson (see addresses on page 3)
→ Sunday, August 8 is the 3rd Annual “Members and Friends” division dinner. Harry Levinson will be with us to informally talk about some issues (thanks to Tony Buono). This is a wonderful evening where we meet many of our practitioner and international friends, as well. If you haven’t been very active with the division before, this is a great way to start. Put it on your calendar and fax Terry Armstrong your RSVP (fax-- 904/ 474-2314 or tarmstro@polaris.cob.uwf.edu) soon. See pg 5 for more on Harry Levinson.
→ Marilyn Harris and Terry Armstrong met with Ernest Gilmore at ACME in New York twice this year. We are trying to broaden our relationship to both provide opportunities for our members and to find new members.

Come to MCD’s pre-conference sessions-- “Members & Friends” Dinner
View from the Chair
Continued from page 1

There was a lot of response from our membership for the Academy's required self-evaluation exercise. We finished the report and sent it in February. Although I haven't heard back from the Academy on the report, I was pleased with our data and how the report came out. I'll give you a flavor of some of the strengths and concerns.

Our practical focus, pre-convention activities and openness to new ideas led the strengths of the division, according to our members. In addition, you were pleased with our openness to new ideas. Other comments lauded the fact that we worked hard at bridging between practitioners and academics.

You also were concerned because we have limited program space under the Academy's formula for allocating meeting rooms. Although we have about 1000 members, it is one of the academy's smaller divisions. This makes it difficult to be as visible as you'd like us to be.

We're gratified that our responsiveness to your needs meets your standards. But we too are concerned about some of the same issues that you articulated. These issues will be considered in our strategic planning exercise this year.

Improve Your Consulting Skills
MCDs
Pre-convention Series -- Jeff Kerr, U of Miami

Each year the division puts on a powerful pre-convention set of workshops. This year they outshine all the rest. It's called "how to learn how to consult in 3 days." Come on Friday and learn the basics and some essential tools of consulting. On Saturday and Sunday you can learn consulting techniques and philosophy from some of the nation's top academic and full-time consultants. Whether you are inexperienced or experienced, this is the series to follow. You'll be challenged and hear stories that will make your practice much richer (literally and figuratively). We'll give more detail in the July newsletter.

Friday, August 8
△ Starting a Consulting Practice-- Armstrong & Wheatley
△ The Consulting Process: Diagnostic Tools and Intervention Strategies-- Harris, Trepo, Buono.

Saturday, August 9
△ Teaching How to Perceive Opportunities: a Hands-on Workshop for Educators and Consult-
tants-- Krueger, Nack and Neck
△ A Dialogue Between Consultants and Clients: What We Say-- What They Hear-- Sorenson and Panel
△ International Consulting: Practitioner and Academic Perspectives-- Sorenson and Panel
△ A Case Critique Colloquium (with BP)-- Naumres
△ Consulting to the Family-Owned Firm (with ENT)-- Harva

Sunday, August 10
△ Intervening in Interorganizational Ventures: The Dynamics of Working with Merging and Partnering Organizations-- Buono and Panel
△ Consultation Clinic-- Jamieson and Lundberg
△ Facilitating Participatory Strategic Development in Theory and Practice-- Molamed and Eldon

Letter to the Editor

Charles W. Nelson, Management Research Associates, Nokomis, FLA.

I am offering a reverse, but not opposed, approach to Terry Armstrong's experience. My consulting work began in 1949 with my doctorate which analyzed leadership styles, based on academic research in social psychology and cultural anthropology.

After joining the faculty as the internal consultant to the University of Chicago's Industrial Relations Center, I found it was necessary to define what was required of those serving as volunteer conference leaders and to provide a training program for them. We also had to translate academic programs into lay language and develop cartoons to lighten and focus on major ideas. Later I was asked to do consulting, on my own, with several major Chicago firms.

This section follows the order of Terry's questions:

1. What is the most important part of the consulting process? Borrow on the social sciences to recognize the forces at work in an organization: groups, individuals, structure, and technology.

2. How do you solicit business? By taking an active role in a community business organizations. This helps one obtain visibility and contacts.

3. How did you enter the field? Following the participant observation role in a research project of my mentors.
4. How has your practice changed since you began consulting? It gradually involves more innovative work and more change of the organization's role structure and overall approach to leadership. For example, we developed a small group inquiry approach to teaching biology; another involved teamster-union management relationship; and a third approach redefined the role of police management in promoting better two-way communication. These and other examples are quoted in my book, A GIST Systemic Approach to Organization Development, which represents a comprehensive approach to teaching graduate students concepts and tools for consulting.

A PRACTITIONER PRE-CONVENTION SERIES Co-sponsored by MCD

MCD is co-sponsoring a major initiative to engage practitioners in the annual Academy meeting. The Practitioner Series will feature experimental and interactive sessions that explore and model new ways of bridging academic-executive learning. A cohort of executives, about 50% of the audience, will attend the entire Series which will be facilitated by Chris Argyris. The first session, led by Steven Kerr, examines some of the macro issues facing the Academy and the academic and practitioner communities. Chris Argyris will explore "ways of knowing" in the second session. The participants will examine some of these issues in more depth during the third session, which includes two presentations on "making knowledge more useful." The fourth session is a workshop that ranges from discovery to action on the topic of "21st century executive learning." In the final session, Chris Argyris leads the audience in reflecting on the learnings from the Series.

This is a unique opportunity for MCD members to attend and influence practitioners to the Academy. There is a growing number of sessions that relate to practice and practitioners, especially in MCD. If you know of someone who has expressed some interest in the Academy, you might take this opportunity to invite him/her to attend. The Practitioner Series would be a great introduction for practitioners to the Academy.

Going out on your own in consulting? One pundit says “Plan on subsidizing yourself 100% the first year, 70% the second, and 20% the third.”
Institute for Intellectual Capital Research

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The Institute for Intellectual Capital Research (IICR) conducts knowledge management audits for its clients. Knowledge management encompasses two distinct but related phenomena: organizational learning flows and intellectual capital stocks. Knowledge stocks and flows are interrelated because organizations that have a higher capacity to absorb knowledge will also have a higher propensity to utilize and circulate it.

The question of whether or not organizations are efficient purveyors of knowledge ignores the complex cognitive and behavioral changes that must occur before learning can take place at the inter-organizational level of analysis. Therefore, it is important to study how knowledge travels and changes in organizations. The IICR's mandate will help fill that void. Knowledge management research has primarily evolved from the desires of practitioners. Consequently, recent developments have come largely in the form of popular press articles in business magazines and national newspapers.

The challenge for academics recent developments have come largely in the form of popular press articles in business magazines and national newspapers. The challenge for academics is to frame the phenomenon using extant theories in order to develop a more rigorous conceptualization of this "elusive intangible".

More specifically, organizational learning flows can be identified at four levels of analysis (individual, group, organization and transorganization) and in two primary directions (feed-forward and feed-back). Intellectual capital stocks consist of three sub-domains: human capital (the intellect resident in the minds of the employees), structural capital (the knowledge embedded in systems, procedures, databases, etc.) and relational capital (the knowledge embedded in the firm's orientation to its environment in the form of client contacts, reputation, government support, industry association representation, etc.). Furthermore, each of these two phenomena are affected by leadership, cognitive dissonance, trust, culture and other antecedents.

When a client engages the IICR, a knowledge management audit of the firm is conducted. Measures for the aforementioned phenomena are calculated using survey design methodology. A report detailing areas of improvement is also presented.

The American Challenge

By Christopher McKenna, Ph.D. Candidate in History, Johns Hopkins U. This is the conclusion to a paper on consulting submitted by Chris to the Academy.

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Conclusion

When Rhone-Poulenc, France's largest private corporation, hired McKinsey & Company to reorganize its struggling synthetic fiber division in 1968, the American magazine Business Week noted that Rhone-Poulenc's choice "underlines the irony of the French government's complaints that America is dominating French business. Perhaps McKinsey's work for Rhone-Poulenc was not so much ironic as symbolic - symbolic of the rapid European adoption of American managerial techniques. Whether reorganizing industrial companies like Dequessa in Germany, non-profit organizations like the Royal Automobile Club of the Netherlands, or government departments like the National Health Service in Britain, McKinsey & Company served as the institutional conduit for the transfer of American organizational models in the 1960s and early 1970s. Once European bureaucratic organizations no longer needed to install the multidivisional model, McKinsey & Company was forced to shift its emphasis away from structural change to strategic planning, profitability studies, and merger advice. After the American gas crisis and the extended recession of the early 1970s, the United States began to look less like an economic "challenge" and increasingly "economically challenged." In response, McKinsey & Company began promoting organizational models imported from Japan to its American and European clients who were struggling against the apparently superior management methods of Asian manufacturers. Although McKinsey & Company's influence waned in the early 1970s, the 1982 publication of the international bestseller, In Search of Excellence, by two management consultants from McKinsey, signaled McKinsey & Company's reemergence as the premier transmitter of managerial innovation.

Like new scientific paradigms, management theorists have often treated corporate organizational models as part of an ascending hierarchy. I would
argue that this progressive view has had as much to do with the claims of the purveyors of these models as the results from their practical use. The benefits that management consultants predicted from decentralization often did not materialize and cynical observers noted how owners sometimes used management consulting firms like McKinsey & Company to "dress up" a company before its sale to another large corporation. Whether American management consultants were ultimately effective in helping European organizations will never be resolved. What is clear, however, is that a handful of American management consulting firms, including McKinsey & Company, were largely responsible for the widespread dissemination of American organizational models to Europe during the 1960s in response to widespread fears of the growing "American Challenge."

Following dinner, Dr. Levinson will reflect on his experience as a consultant, the main challenges and needs that he sees today, and, in general, engage in a dialogue with Division members. Please plan to join us for what promises to be a stimulating evening of good food, good collegialship and good conversation. Specific details on the exact time and place for the dinner will be forthcoming.

CSEND -- Centre for
Socio-Eco-Nomic Development
Geneva, Switzerland - Dr. Raymond Saner
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Dr. Saner is Director of CSEND based in Geneva. CSEND is a not-for-profit that has projects in the public sector world wide. With 8 full time employees and 200 affiliated experts, they can undertake complex projects. The Center does projects, trains, negotiates, surveys, and does research.

Dr. Saner is directing an institution-building a technical cooperation project in the Republic of Slovenia. The broad goal of the project is to contribute to the modernisation of the administration of Slovenia's central government and public service agencies, and to support the performance improvement of Slovenia's senior civil servants.

This bilateral project responds to the broadly felt need to reform and to improve the effectiveness of Slovenia's public administration, specifically in the following three areas: central administration, public services and training, and development of civil servants.

Completing this project, it is expected, will help support Slovenia to modernise its administration and management methods on a permanent and continuous basis by achieving the following objectives:

In the near term, through the creation and development of two new central government units which are: the Organisation and Management (O & M) unit and the Training and Management Development (T & D) unit. In the medium term, through support for the continuous functioning of these two central government units of the Republic of Slovenia.

Tell us about consulting in your part of the world. We'd like to hear stories and cases about your work. Send a couple of paragraphs to a couple of pages.
Consulting is a $25 billion Industry

Some Thoughts From the Editor.

It is an understatement to say this is a challenging era for companies. Perhaps the rapid growth in consulting companies in the last decade or so is an indicator of just how challenging companies are finding the rapid changes. Most of you know that Anderson Consulting recruits more MBAs than any other company. The rapid growth of Anderson from an information technology base into a full range of consulting services is also interesting. CSC Index, Cap Gemini, Perot Systems and many others have grown rapidly from their InfoTech base into management and strategy consulting.

My theory is that most traditional consultants and most executive managements have almost simplistically used InfoTech to “pave the cowpath” in the traditional company. This approach creates a jazzy, but time-warped, 1977 corporation. Everything looks good, but they can’t quite achieve the cycle-time, customer quality, and service capabilities of new-design companies. Bureaucratic central ideas will perpetually limit them. The InfoTech consultants have had to move in the executive suite in order to make sure that computers are used strategically and design possibilities are explored.

Another force in this era is the empowered customer. This has caused the unsettling downstream shift in power in the supply chain. Of course TV, InfoTech, travel and other influences are drivers of this change. What is interesting is that the individual who is a customer is also a voter, employee, parent and many other roles. The power shift in the supply chain is likely to happen in the corporation (employee) in the family (spouse) and in the country (voter). The older bureaucratic institutions will all break down over the next decade or so, creating more consulting opportunities.  

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