

**Claremont Graduate University**  
**Peter F. Drucker and Masatoshi Ito Graduate School of Management**  
**MBA Program**

*Mgt. 396A*  
**2 unit course (Fall 2008)**

**MANAGEMENT CONSULTING – Profession and Practice**

*Mr. Joseph Lee (Adjunct Professor)*

***Tuesdays 7-10 PM***

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**Course Syllabus**

**PURPOSE OF THE COURSE**

The purpose of this course is to help the student understand some of the fundamental concepts, processes, and practices involved in the delivery of consulting services.

Gain an understanding of the Consulting Business and Industry

Learn and apply key tools to become a successful consultant

Learn to manage client expectations

Develop a practical approach to solving business problems

**GOALS**

The course will be targeted toward those who are interested in pursuing the field of consulting, and for those who wish to develop their consulting skills that are increasingly becoming important in today's project-focused and cross-functional approach taken by businesses. By the end of the course, the participant should be able to:

- Intelligently discuss the consulting business with any business person
- Develop team working skills within a highly fluid and evolving environment—ability to bring order to a chaotic situation
- Conduct basic tasks such as:
  - Preparing meaningful, concise, and focused meeting notes
  - Scoping out work
  - Drafting proposals, incorporating scope of work, fees, timing, client commitment and terms & conditions
  - Preparing a high-level project management chart, high-lighting key milestones, resource commitments, and process ownership
  - Drafting a section of a major report (deliverable), summarizing findings, with analyses, keeping in mind quality assurance and professional practice standards

Acquire the confidence and skill to use process management techniques to tackle any problem, small or large, in a systematic manner

The student's goal should be to be able to walk out of this class and function as a real world consultant, whether in a private/public sector environment or in the professional services industry.

## **COURSE MATERIALS**

The required course pack containing cases and readings must be purchased at Huntley Bookstore.

There is no required textbook for this course. Mr. Lee will present the relevant concepts and analytical techniques in class throughout the course.

### **We will use selected chapters from the following books:**

(1) *Handbook of Management Consulting Services*, Sam W. Barcus III and Joseph W. Wilkinson, Editors-in-Chief, MCGraw-Hill, Second Edition 1995. (this book is a collection of chapters written by professionals and business professors with detailed practical guides to various segments of the consulting life cycle)

(2) *Management Consulting-A Guide to the Profession*, Edited by Milan Kubr, International Labour Organization, Second Edition 1986

(3) *MBA Field Studies, A Guide for Students and Faculty*, Edited by E. Raymond Corey , Harvard Business School Publishing Division, 1990 (Only for Field Study Participants)

Other sample hand-outs will be distributed in class or through SAKAI. HBS cases will be used as needed.

Sample Engagement Letters and Professional Practice forms will be included in the course packet.

### **Grading**

Team Score 40%	Teamwork	20%
	Technical Competence	10%
	Deliverables & Presentation	10%
Individual Score 60%	Class contribution	35%
	Final Presentation	15%
	Final Paper	10%

## COURSE STRUCTURE AND OUTLINE

### Class 1

Focus: Introduction to Consulting Business (Defining our market)

Case: Andersen's EMEA reorganization (#396007)

### Class 2

Focus: The Consulting Business Model

Case: See Below

### Class 3

Focus: The Sales Cycle

Class Exercises: See Below

### Class 4

Focus: Project Delivery

Class Exercises: See Below

### Class 5

Focus: Consulting Operations

Class Exercises: See Below

### Class 6

Focus: Selling Your Firm

Class Exercises: 5 minute elevator speech

### Class 7

Focus: The Final Deliverable and Presentation

Class Exercises: Team Presentations (20 minutes per team)

## COURSE POLICIES AND PERFORMANCE EXPECTATIONS

### ***IMPORTANT:***

*Anyone who does not adhere to the following course policies and performance expectations will receive an unsatisfactory grade.*

## **Teaching methodology**

Consulting is a unique field of work. Consultants are hired by clients to help solve problems. The entire class will be run like a consulting workshop. My role is less of an instructor, but more of a facilitator to help you deploy the skills that you have acquired from other Drucker classes and to focus your energy into real life problem solving. Class participation is the key to our collective learning process. As in the real world, those who remain silent will not be recognized by their superiors and will miss out on bonuses, raises, and promotions; in our case, that will be a good grade. There are only 7 classes. If you are not active in your first few classes, it will be very difficult to catch up to those who had been very active.

Teamwork is vital in today's environment. Cross-functional teams are formed across all types of entities to help resolve complex problems. The first step we will take will be to form teams within the class. Each team shall consist of 4-6 individuals. I expect that the class will have 3-4 such teams. I want the teams to have as much diversity as possible. As such, teams will be selected randomly during the first class.

The teams will stay together throughout the remainder of the term (7 weeks). Preparations for the following week's lesson shall be done as a team. This does not mean that you have to be together throughout the preparation. It simply means that your efforts should be well coordinated and that each member contributes a fair share.

There will be projects for almost every class in the form of a memo, engagement letter, project outline, client presentations, etc. Your ability to write and present effectively will be important in being able to get a good grade. Consultants are expected to be effective communicators as part of their job responsibilities.

Knowledge sharing is key to the consulting profession. We will be using SAKAI as a means to distribute much of the class room contents, especially templates to assist students in the creation of engagement letters, project plans, etc. SAKAI will also be the tool that students will use to share information within their teams.

There has not been a plethora of academic research done on the consulting business. Reading materials are intended to help provide the students with sufficient background information on specific consulting practice areas and terminology. Case studies will be used, primarily to help you understand the issues that are both unique and relevant to the industry. I will do my best to have 2 or 3 guest speakers from the consulting industry during the 7-week course. For the Spring Term, we had a partner from KPMG (Big 4 Risk Advisory) and a managing director from McDermott & Bull (Executive Search) visit us.

The primary mode will be to "do". You will be asked to perform work just like you were a consultant at a professional services firm. This will include presentations, preparations of memos, status meetings, scoping

exercises, and team discussions. My goal is to combine the academic knowledge that you have acquired at Drucker and to provide tools to you so that you can deliver them in the marketplace.

As of the writing of this syllabus, we do not have any commitment from prospective clients for Field Study projects. If we get projects, we plan to extend this to a 4-unit course, and the Field Study will be a critical portion of your final grade. For the Spring Term, we picked up a project in the final week of class, and 4 volunteers from the Spring MGT 396A class were involved for the additional 2-units. However, going into the Fall MGT396A course, you should assume that such a Field Study will not happen.

If students find candidate companies that wish to use Drucker students for consulting projects, please feel free to discuss them with me. There is a Faculty Advisory Committee headed by Professor Sathe that would review all potential projects.

### **Course Grade**

There are no tests and no papers in this class. 40% of your grade will be given to you as a member of the team. Everyone in the team will get the same grade. 35% of your grade will be based on class participation (including the individual presentation), and 15% will be based on your final presentation and another 10% on a final consulting memo.

The final memo will be a communication from you as a member of a consulting firm to a client. You will be given the topic prior Class #5. I expect that the memorandum will be concise, to the point, and reflect your understanding of the topic.

Please be reminded that oral and written communication is an integral part of being a successful consultant. A memo, even though carefully researched and rich in content will not be valued if full of grammatical and spelling errors, or if the writing style confuses the reader. Likewise, presentations and class participation shall reflect not only your understanding of the subject, but your ability to set forth your arguments persuasively.

### **Absence from class**

(a) Class absence hurts not only the quality of your learning, but that of your classmates as well. Please make every effort not to miss class.

(b) Since this is only a 7 week course, **a maximum of ONE class absence is permitted.** If you miss a second class for whatever reason (INCLUDING ILLNESS), **you will be dropped from the course.** If you miss part of a class, it will count as a missed class.

(c) The instructor must be informed **in advance** if a class must be missed, and the student bears the responsibility for getting up to speed on the missed material and class discussion. Assistance from classmates should be sought for this purpose as necessary.

## **Contributions in class**

Talking in class does **not** automatically count as contribution. If talking reveals inadequate preparation, repeating points made by others, inattentive listening or lazy thinking, it will **lower** your class contribution grade. Mere attendance in class without any contribution is unacceptable. Please come to class **thoroughly prepared to contribute actively in every class**. These important ground rules will be followed:

- (a) Instructor will usually ask someone to open the discussion, and will then ask others to either agree or disagree with the opening statement, and join the discussion.
- (b) **Please raise your hand and wait for the instructor to call on you**. This will allow the instructor to get everyone involved in the discussion, rather than it being dominated by a few individuals.
- (c) **Please do not repeat a point already made by someone else**. Instead, try to add value by either extending a line of argument being developed, or disagreeing with it or challenging it.
- (d) **Please do not repeat what is clear in the case, book or reading**. Instead, add value by presenting your inferences, implications and criticisms. Cite the evidence for your position. Is it based on facts, beliefs, opinions, or hope?
- (e) **You are free to challenge the instructor**. I am not the final authority on business knowledge. I can share stories from my experience, and hope to make them relevant to your understanding of the business world. You are free to challenge my assertions in class. The consulting process is a dynamic one in which there is much give and take. But please remember, if you do challenge, come prepared to be challenged yourself. Through this process, the class will learn, and so will I.

## **CLASS ASSIGNMENTS**

### **Class 1**

Focus: Introduction to Consulting Business (Defining our market)

Case: Andersen's EMEA reorganization (#396007)

Class Assignments:

- Read the Andersen Case:
  - What are the challenges facing Andersen?
  - What type of industry reorganization is occurring in the consulting business at this time?
  - What is the most appropriate line to manage a consultancy—by geographic market, by product line, or by industry?
- Read HBS Material – *Impact and Influence: The World of Professional Services* (2376 BC), 2007 (27 pages).
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- Research: Pick one consulting firm (over 1,000 professionals globally) and complete the following:
  - o -what type of practice?
  - o -who are its competitors?
  - o -who is the market leader?
  - o -what is its challenge?

What types of consulting firms exist? How is the market defined? What are the barriers to entry?

What are the common characteristics of successful firms?

We will form 3 teams of 5-7 members each (depending on overall class size)

## **Class 2**

Focus: The Consulting Business Model

Case: TBD

Class Assignments:

- Read HBS Material – *Strategy and Positioning for Professional Service Firms* (9-904-060), May 7, 2004 (13 pages)
  - ✧ What choices do PSF's face?
  - ✧ What is so unique about PSF's?
  - ✧ Does the market drive the business model, or does the model drive clients that can be served?
- Read Chapters 14,16 in *Handbook* (proposal / Engagement documentation)
- Scan Chapter 15 in *Handbook*; read Tables 15-1 and 15-3
- Read Chapters 5,6 in *Management Consulting*
- Sample Project Budgets
- Sample Engagement Letter
- Team Projects
  - Draft an engagement letter

## **Class 3**

Focus: The Sales Cycle / Marketing at Consultancies

Class Assignments:

- Read Stanford Graduate School of Business Case – *Marketing at Bain & Co.*(SM290), 9/29/1997 (19 pages)
  - What is the value proposition of a company such as Bain?
  - Why would anyone want to hire a consultancy?
  - Who does Bain compete against?
- Read Chapters 6-9 in *Handbook* (Consultative Skills)
- Read Chapter 7 in *Management Consulting*
- Sample Consulting Firm Sales presentations
- Sample Consulting Firm Sales process
- Research Consulting firm web-site for product description
- Team Project – Prepare for and Conduct a Proposal Presentation:
  - Team A IT Consulting Firm proposing services to
  - Team B Strategy Consulting Firm proposing services to
  - Team C Risk Advisory Firm proposing to
    - Clients: Field Study clients or Current event client
    - Powerpoint, 10 minute presentations
    - Defining Scope
- Focus on known problems, known capabilities,
- What are the crucial elements of a sales cycle?
- How important is client relations?
- Who are you selling to?
- Why does the client want to hire an outside consultant?

#### **Class 4**

Focus: Project Delivery

Class Assignments:

- HBS Article *Consulting is More Than Giving Advice*, Arthur Turner (HBR Sep-Oct, 1982)
  - What is the role of a consultant?
  - What obligation does a consultant have to a client?
- Sample Consulting Firm Project Plans
- Keys to Project Management
  - Conflict Resolution
  - Client Communication
  - Client Responsibilities
  - Professional Practice
  - Training
  - Staffing

Organizing the Client Meeting

- Setting Client Expectations
- Roles & Responsibilities

## Team Project:

- Prepare for and Conduct a status meeting
- Presentation Skills Training

## Class 5

Focus: Consulting Operations

Crisis Management

Class Assignment:

- Read *KPMG (A): A Near Death Experience* (9-408-073), May 12, 2008 (32 pages)
  - What is the operating environment like during the events of the case?
  - What led to the crisis?
  - What steps did management take to deal with the crisis?
  - Do you agree with the quote by Arthur Levitt on Page 1?
- People:
  - Training
  - Promoting

## Class 6

Focus: Selling Your Firm

Consulting and Ethics – A Case Study

Class:

- Ethics Case Study to be handed out after Class 5
- Short Presentations
  - ◇ 5 minute elevator speech
  - ◇ Individual Projects
  - ◇ 5 minute presentation with one of following topics
    - Pick a Fortune 1000 company
    - You have a chance to 5 minutes meeting with the CEO
    - You are a manager at XYZ firm (choose one of the major ones)
    - XYZ Firm specializes in (one of the chapters you picked from Part III)

## Class 7

Focus: The Final Deliverable and Presentation

Case:

- HBS Case – McKinsey and the Globalization of Consultancy(9-806-035), 1973 (14 pages)
  - What is the benefit of globalization for a consultancy?
  - What are the barriers and risks?
  - Can another consultancy like McKinsey emerge in today's market? Why or why not?
- Read Appendix 9, 10 from *Management Consulting*
  - Team Presentations (20 minutes per team)
  - Written Deliverable / Report
  - Executive Summary + Power Point Presentation