



Empowering TIMES



January 2012

Editor's DESK

Dear Reader,

When we hear the word 'Consultant' our mind starts conjuring up the image of an impeccably dressed, smart and suave personality who walks with an air of confidence and talks on almost every subject under the sun. But a consultant is much more than what meets the eye and behind this outer persona is a thorough professional who is a subject matter expert who will not only help you solve the problem at hand, but will also help you foresee future problems and guide you with ways on avoiding them. But owing to the intangible nature of deliverables, high-cost perception and some failed cases (which are inevitable in any profession) the consulting profession has earned many detractors as well. In this month's ET, we attempt to present an all-encompassing view on the subject of 'Management Consultancy'.

In **Thinking Aloud** this month, Jay presents a comprehensive view about 'Management Consultancy'. He elucidates the difference in views about the profession by stating that a Management Consultant is running for the Presidential berth in the US, while in India management consultants have stayed far away from politics. He says that like every profession, consultants too need to adhere to a code of ethics and professional conduct. But he emphasizes that for a successful mutual partnership a good understanding of client expectations is a pre-requisite.

Podium this month features **Anuj Bhargava**, founder CEO of A.B. Associates and President of the Institute of Management Consultants of India, who talks to us about the role a Management Consultant. He

In this Issue:

Thinking Aloud: Management Consultants - Corporate Shamans? - Jay

Podium: Interview with **Anuj Bhargava**, founder CEO of A.B. Associates and President of IMCI

Between the Lines: The McKinsey Mind by Ethan M. Rasiel & Paul N. Friga

Standing Ovation: Bhumi, Change Today... Change Tomorrow

Figures of Speech
By Vikram Nandwani



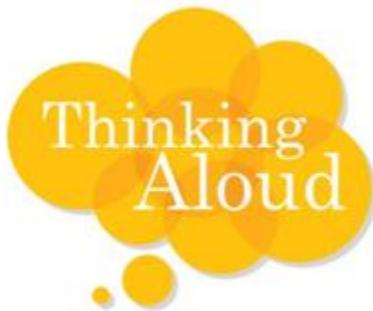
explains to us why consultancy is a specialization and tells us about the governing bodies of the profession in India and on a global level. He also outlines some of the key changes required to enable the development of the profession in India and gives wise pointers to budding consultants.

In ***Between the Lines*** this month's, we review the book 'The McKinsey Mind' by Ethan M. Rasiel & Paul N. Friga, ex-McKinsey consultants. The book attempts to get into the mind of the McKinsey Consultant and tells us about the 'secrets' which makes the Firm (the name by which McKinsey is known to its members) the most admired company in the business. It details the strategic problem solving technique used by the Firm in its engagements and shares some real life examples of former McKinsey consultants. But the book has taken much from the earlier work 'The McKinsey Way' and falls short by not providing enough examples displaying the actual working of the Firm's methodologies.

In ***Standing Ovation*** this month we feature Bhumi, a youth-volunteer based NGO, which aims to better the today to ensure a good tomorrow. Its volunteers educate and mentor children from orphanages, slum and village community centers in Chennai, Bengaluru, Chandigarh, Trichy, etc. They have various projects such as Kanini, Make a Difference, Little Einsteins etc. through which Bhumi drives its benign work.

In ***Figures of Speech***, Vikram presents a consultant in a lighter vein.

As always, we value your opinion, so do let us know how you liked this issue. To visit our previous issues you can visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#), [Linked In](#) & [Google+](#).



Management Consultants - Corporate Shamans? - Jay

A Management Consultant as the President of the United States? Well, hold your breath, it may be in the offing!

With the drama of the American primaries moving from state to state, the battle for the contender's title is taking interesting turns, with the resurgence of Newt Gingrich & the close race between Mitt Romney and Rick Santorum. While I don't intend to make this a political commentary, what is interesting is that after the first ever MBA in the White House (remember George W. Bush!), we now have the prospect of the first ever Management Consultant in the White House, if Mitt Romney has his way with the electorate (and that is a big 'If'!). Romney is the former CEO of Bain & Co. and was also the Head of Bain Capital before launching his political career. His political plank rests a lot on his ability to 'get things done' with his management expertise, which provides an interesting thought for many in India, where management professionals have for a long time tended to stay away from the political arena for fear of being tainted through association with the dirty under-belly of politics.

So, on the one hand we have the image of the Consultant who gets things done & yet, consider the other cynical thought: management consultants do not matter! In the heydays of the 1990s & early 2000s, when many of the large Management Consulting firms were at the peak of their powers, their excesses earned them notoriety too (a former consultant wrote in his

memoirs, "*We were proud of the way we used to make things up as we went along. It's like robbing a bank but legal!*").

And this is not unusual when management consultancy is seen as a profession for everybody. In fact it is often said that everyone becomes a Consultant – at some stage or the other in his/her career! And today, even more so, in between jobs there are Consultants in transit! All this has added to the din in the market place (‘ free markets’ , anyone!) and with quality delivery missing in the assignment, the pain is felt by the client.

One of the cornerstones of any profession is a commitment to a code of ethics and the Institute of Management Consultants of India too has its own code of professional conduct for its members. Besides the fundamental matter of maintaining confidentiality, this includes other key issues like avoiding conflicting assignments & discouraging unrealistic expectations from clients while signing up for assignments, etc. Like in all other professions there is variation in quality of delivery, given the wide spectrum of specialists and players in the field. However, clearly there is some concrete value being offered to clients which is why the profession continues to attract new talent and in some cases, thrive.

The limelight is always on the large, marquee names (the ‘ Big Four’) but let us not forget that much more work happens due to the role played by smaller firms & even individual Consultants. While pricing models have varied from the classic Time & Materials (T&M) to results-based, there are exceptional cases where Consultants accept assignments where balloon payments happen through risk-sharing in execution. Generating positive results on the ground adds real value to the client & enhances the credibility of the Consultant, and the profession. This is not an easy challenge as on many occasions the brief from the client does not allow a ‘ roll-up-the-sleeves’ approach.

So, at the end of the day, what is the answer to the old question that is posed to Consultants, ‘ What do you really do?’ The true answer: ‘ Well, it depends!’ The variety of work offered to a Consultant is immense and in fact turns out to be one of the attractive elements of the profession. The downsides too are part of the package: the need to sharpen the proverbial professional-saw, ability to work long hours to meet deadlines, heavy load of travel at times, etc. Suffice it to say that there is a large onus on the client to define the scope of the assignment correctly to ensure that the deliverables are identified clearly. Further, the benefit of proper reviews cannot be stressed enough so that the assignment stays on track & there is no disappointment at the end of the contracted period.

In other words, it takes two to tango, and it helps when both sides know the steps – to generate a true partnership. And, when this happens, true value is created and there is a win-win situation for both sides.

[back to top ^](#)



Empowering
TIMES

Anuj Bhargava, President, Institute of Management Consultants of India (IMCI)



Anuj Bhargava is the founder CEO of A.B. Associates which offers consulting services in Technology and IT and the President of Institute of Management Consultants of India (IMCI), India's apex management consulting association. His area of expertise lies in the BFSI space. He specialises in Business and IT strategy, implementation across new age channels like mobile and internet, VAS and enterprise management for banks, investment banks, mutual funds, stock exchanges, custody, clearing and settlement, Transfer Agency, depositories, credit cards, portfolio management and broker dealers.

He was the CIO at HSBC in India and was Head - Country Operations (Belgium and South Africa) at Tata Consultancy Services where he rose from being a Programmer and later handled technology for the BFSI sector. Anuj has over 25 years of extensive experience working in India, the US, Europe, Asia, Middle East and Africa. He is a visiting professor at top institutes, covering subjects such as ERP, Database Management, and IT in Finance.

ET: It has been cynically said that Management Consultants are an unnecessary overhead to a business! What role do they really play?

AB: A consultant is many things - an advisor, a guru and an expert; but more importantly a 'sounding board'. I think a consultant is a necessary force multiplier. If we consider a highly specialised business it would do well to have a generalist consultant and vice versa. Most people expect consultants to do a line-job, like produce a report, as the business likes to see tangible results in terms of output, little realizing that the consultant does much more for them in so many small ways and helps the business differentiate between a wrong and a right call. He constantly imparts knowledge and wisdom.

Consultants are extremely critical in today's competitive business scenario. Most CEOs and owners think they have made it thus far without help and can carry on - nothing can go wrong. Look at the developed countries, most of them have a robust consulting industry. To take the next big leap, India must use consultants, but the caveat is certified and experienced. If the government and industries liberally use consultants, a dramatic improvement can be made in achievements - take the case of NSE and the depository NSDL, both have changed the dynamics of the investment play-field the use of technology and consulting continue to redefine business.

ET: The belief is that anyone can become a Management Consultant. Is that so? Are there any special skills necessary or Training required to be a Certified Management Consultant.

AB: Consulting is a science that uses tools to help you in specific situations right from diagnosis and problem statement to a solution. A certain amount of training and on the job experience is a must to become a Certified Management Consultant (CMC) and also a three years track record in consulting is mandatory.

Most businesses make the mistake of employing consultants who are retired employees or retired senior executives. But just as you would consider going to a qualified surgeon with a good track record for a medical problem, businesses too must go to a Certified Consultant.

Becoming a consultant is an arduous journey, in which a lot of self-discipline, observation, tact, communication skills and a 'Visionary Knowledge base' are a must. Hence IMCI which awards a CMC certification conducts a *viva* to examine in detail whether the budding consultant has the skills with regards to the management principles and their usage in the assignments carried out. The Institute has been judicious in giving out the CMC certification to the dedicated and competent with an aim that the

business fraternity which uses these consultants will see a visible difference.

ET: Is there a code of ethics for management consultants & any international body that regulates it?

AB: IMCI in India and International Council of Management Consulting Institutes (ICMCI) (IMCI India is a part of ICMCI) have formulated a strong code of ethics for members as part of its membership criteria for those practicing as consultants. This Code protects the industry and IMCI being an industry watchdog lays down several best practises that are invaluable for any business. The ethics around consulting are critical for any client to feel secure in a competitive world.

ET: How does the government of India view the Management Consulting profession?

AB: Although the government needs consultants it has done little to encourage the profession. An ecosystem to encourage growth of consultants is critical. Encouraging individuals to start consulting will help employment in the country. Easy loans, friendlier taxation – service tax exemption, export incentives, etc., are among the primary needs of the industry to flourish.

ET: What is your advice to young professionals who aspire to become Management Consultants?

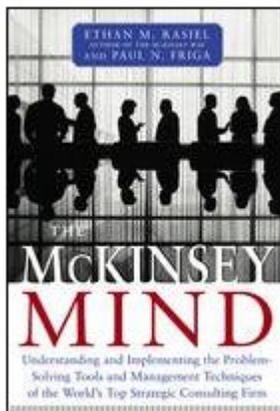
AB: It is one of the most intellectually stimulating and demanding careers. One can have a lifelong learning and earning. I know and understand that the consultancy industry in India needs much more appreciation than it currently gets but then India has just started morphing into a bigger power globally. The path for consulting is clear – gathering appropriate educational background, ensuring apprenticeships with leading consultants (not just firms) and then joining IMCI to be a part of a larger network. Reading is a learner's (read consultant here) best friend!

[back to top ^](#)



Empowering
TIMES

The McKinsey Mind by Ethan M. Rasiel & Paul N. Friga



What makes a consulting organization special? What is in their tool box? How do they do it?

The answers to these esoteric questions have been attempted by a study of what the authors call, the 'McKinsey Mind'. The book by Ethan Rasiel and Paul Friga (both former McKinsey consultants) provides the frameworks used by the 'Firm' (the rather sombre & sinister name by which McKinsey is known to its members) for approaching its client assignments or engagements, as it is called in the Firm.

The Firm is not the biggest consulting company in the world but arguably is the most admired and influential one in the business. The book shares the 'technology secrets', as it were, that makes the Firm's Consultants deliver quality reports to its clients and have earned it an enviable reputation over decades, not just in business circles but also in Government echelons. This reputation has been built by the common ability of its consultants to use standard frameworks for providing superior results in the strategic advisory phase for global

clients.

The essence of the book is the detailed explanation of the strategic problem solving process used by every McKinsey consultant. The model has at its core six discrete elements: Business Need, Analysing, Presenting, Managing, Implementation and finally, Leadership. Of course, each element has multiple aspects, all of which seems easy to describe but requires great knowledge & skill to execute. While there is heavy stress on data for analytical decision making, the authors mention that there is also a constant tension with the world of intuition, as it is impossible to have all the relevant facts at all times before reaching a decision in the real world.

While the book does not divulge any client confidential information in the best traditions of a consultancy, what makes the book interesting is the constant sharing of experiences from the real life experiences of former McKinsey consultants who have moved on to executive roles in industry. Invariably, you will find these consultants conceding that real time decisions require a more intuitive feel and they continue to rely on the frameworks learned from their days at the Firm. A key tenet is the Mutually Exclusive, Collectively Exhaustive (MECE) approach used at the firm for every engagement. This approach enables them to separate problems into distinct, non-overlapping issues while ensuring that no relevant issues are overlooked. While every client is unique, the framework that is used is fairly standard thus requiring the consultant to create an initial hypothesis (based on the basic business drivers) which they rigidly test to arrive at the best solution.

If the picture that comes to your mind is a bunch of analytical geeks, busy number crunching, let me caution you that this is not quite right. The social skills required to succeed in an engagement are equally high not just to meet the client' s dilemmas & handle business relations with him but also the reality of today' s business world is that you are always a member of a team working with colleagues from across the organization, each committed to deliver the right solution to your client.

The real disappointment with the book is that it does not tell enough! While the framework is useful, one would have preferred to see a real-life case where the framework has actually been used. The book has borrowed much from the earlier work (' The McKinsey Way') that one wonders why a separate book like this was really required. And, when one notes that there is a third book in the trilogy (' The McKinsey Engagement'), one suspects that the best-selling authors have perhaps decided to make the most of the opportunity offered by product line extensions! Clearly, they are not averse to capitalizing on a business opportunity when they sense one – in a classic McKinsey consultant manner!

[back to top ^](#)

STANDING
OVATION

Bhumi, Change Today... Change Tomorrow

Empowering
TIMES



Bhumi is a youth volunteer non-profit organisation which was founded on 15 August 2006 by a small group of young friends with a strong passion to change society as it is today and build a better India for tomorrow. The organization provides socially-conscious students and young professionals a platform to serve society and to bridge the gap between the learned and the unlearned through education.

Its volunteers educate and mentor children from orphanages, slum and village community centers in Chennai, Bengaluru, Chandigarh, Trichy, etc., to give them a better future and

benefit them, as well as to benefit the country. Bhumi has recently expanded its wings to Pune and New Delhi too. The learning experience is mutual – the volunteers gain perspective and the experience to mold themselves into tomorrow's leaders. At Bhumi, it is their belief that the children and volunteers are the latent potential that India needs for a bright and prosperous future. Bhumi also works actively towards the conservation of the environment and their work emphasizes humanity's collective need to act immediately against climate change.

Some of Bhumi' s projects include:

- Kanini: A Computer literacy program
- Make a Difference: An interactive English learning program
- Little Einsteins: An activity-based learning program
- Dronacharya & Ekalavya: An experiential learning leadership-mentorship program
- Think Green: An environmental initiative
- Siragugal: An annual home-art, cultural, sports and science talent fest for children
- Joy to the World: An annual initiative to spread joy on New Years' to the lesser privileged children

As an initiative to encourage youngsters to think big, Bhumi has launched iCubed, a national social entrepreneurship competition. Registrations for the same are open and more details can be had at www.iCubed.in

It' s Vision is' To help build a more influential, equal and socially conscious society' .

For its vision and its work, Bhumi deserves a **Standing Ovation!**

If you want to get more information and support Bhumi, you can visit its website <http://www.bhumi.org.in/> or look up their Facebook page <http://www.facebook.com/Bhumi.Org>.

[back to top ^](#)

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