The Consulting Industry - A Primer for Experts and Beginners

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The nuances of the consulting world

Consulting can be a great career choice for individuals who don't like to be entrenched in the same activities. It can also be a stepping stone into the business world for new graduates and those looking for a career change. But consider your options carefully. All too often, I hear new consultants complain about the work because they never fully understood the "type of consulting" their firm specialized in. Also remember many of the larger firms consult in a variety of disciplines and switching between groups may be difficult. So how do you decide what kind of consulting firm to join?

When I began my research on consulting companies, I was amazed by the breadth and scope of services provided by consulting firms. Every consulting firm seemed to have the same phrases on their homepages, promising "value added services", "premier business advising", "e-business strategy", etc. Not only was I overwhelmed by all the consulting jargon, it seemed that a number of firms seemed to provide the same types of services. Distinguishing between firm specialties and understanding industry trends can help narrow down the choices.

^ Service with a smile

Consulting is a service industry. Consultants primarily provide advisory and implementation services in areas such as business strategy, organizational strategy, human resources, and technology services. Companies hire consulting firms when they have a problem that needs to be solved. This could entail formulating a new internet or business strategy, initiating new process reorganization, or building out the front end of a website.

Often consultants find themselves starting a project in one area such as technology, but then realize that the client needs more than just a new technology implemented. The client may also need to fine-tune their business strategy. Many consulting companies continuously consult for those clients that they have developed a relationship with; thus, the breadth of work can expand across many disciplines and require consultants to wear multiple hats and learn many skills.

It may take a few years for a young consultant to build up skills in a particular area because many start out as generalists. Many consultants develop an area of expertise by "just falling into it." But many others network carefully, talk to their peers, and research trends in the business before orienting their project or employment choices towards a particular area of interest.

Wide-ranging options

- **Strategy consulting** is often considered the most elite of all consulting. Strategists like McKinsey or Boston Consulting Group tend to recruit exclusively at top schools. The Big Five also employ a fleet of strategists. Strategists often interact with upper management since they are trying to implement a new business strategy, build alliances, or understand external competitive landscape. These individuals usually do a lot of interviewing, financial analysis, and research. Many strategists return to business school or join business development teams.

- **Operations consulting** is often confused with strategy consulting. Operations consulting deals with internal issues, such as business process reengineering or organizational restructuring. All projects usually require some strategic maneuvering, which is why the two skill sets are often blended together. PricewaterhouseCoopers considers its technology consultants to be operations (or management) consultants, and working in Andersen's Process competency group can entail addressing operations issues but can also dip into the technology consulting.

- **Human resources consulting** individuals work on compensation and benefits issues. Towers Perrin, William M. Mercer, and Hewitt Associates are big players in this area. Many of these consultants may need to obtain their actuary degree or have quantitative backgrounds. These consultants may help clients provide benefit packages to their employees or manage costs for these benefit programs. Future career plans include joining a health care group, human resources department, or non-profit organization.

- **Technology consulting** or e-consulting individuals may work for Scient, Razorfish, or Viant, or in the e-consulting division of a traditional firm (like McKinsey's @McKinsey or the MercerDigital division of Mercer Management Consulting). While many technology/e-consulting firms also employ strategists or management consultants, some do regard e-consulting firms as an entirely new breed of firm. Many of these new firms recruit heavily from the Big 5 and are made up of employees that are tired of the bureaucracy and the traveling found at the older, traditional firms.
Technology consulting can entail building a web site, implementing a system, or working on a supply chain or e-commerce business issue. Generally it is not necessary for technology consultants to return to graduate school. Many of them like to move on to dot coms or software companies.

Life choices

If you're thinking about consulting, be sure to ask yourself the following questions:

- **What do you want to do five years down the road?** If programming is your dream, then joining an e-consulting firm that specializes in building websites may be the most ideal. However, if you want to work on business development then joining a strategy firm may be your best bet.

- **How do you want to spend your time?** Are you willing to spend five days on the road or is being at home important to you? Consulting traditionally requires long hours and heavy travel. If you hate the idea of sleeping in your bed only three days a week, consider working for technology firm that will allow you to code in the office rather than traveling to the client site. Many consulting firms, however, are changing their business models to allow individuals to stay closer to their home office. Also, the smaller and more regionally focused a firm is, the greater the likelihood that you'd be able to keep traveling down to a minimum.

- **With whom do you want to work and network?** Remember that a job choice should rest more than on the type of consulting you are interested in. Company cultures vary from firm to firm. Many of the new econsulting firms have very flat organizational structures and are following the Internet culture of ping pong tables and casual dress codes. The Big Five firms tend to have more of a fraternity/collegiate atmosphere. Do you prefer "traditional" (McKinsey) or young/dynamic (Scient)?

The key to success: the interview

Finally, your key tool in differentiating job titles and wading through the consulting confusion is talking to people in the industry. Interview your peers, friends, or individuals who are consultants. They usually have a better feel for the type of work you might be asked to do. Ask them specifically what they did on a project and what other roles existed. Be sure to talk to individuals at your level to get a feel for day to day activities.

The firm interview can often give you a clue into the types of challenges you will face as an employee. If your interview consists of case questions, you'll probably be working on business analysis projects. If your interview is primarily "situation" questions, the firm is probably more interested in your ability to be a team player. An interview with a lot of technical questions probably means you will be programming.

Finally, try to remember that your own goals may change. Perhaps you thought you would enjoy strategy consulting but then decided that web development is your real passion. Sometimes you've just got to take the plunge. But try to stay informed and stay focused. You'll be sure to land the consulting job that's ideal for you.

A former Big 5 consultant, Sue Chen currently works at a small, strategy-focused consulting firm. *She has passions for the Internet, writing, and food. Please contact her with comments at swc_internet@hotmail.com.*