Spring 5-9-2010

A Student Manual for Venture Consulting

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Honors Thesis

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Spring 2010

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Chapter 1: Why Students Should Use This Manual

As a student in the Venture Consulting class, you most likely have never participated in a consulting project before. The class requires you to work independently on a consulting project with a client. Through your own research and work, you will identify a business problem the client is facing and then propose recommendations the client should follow in order to solve that problem. This may seem like a daunting task, especially if you have never even heard of consulting before.

Therefore, this manual is written as a guide to help you through the project, from start to finish. It covers topics such as how to find a client, how to determine the problem, how to interview and collect data from customers, and how to come up with solution recommendations. Since the class has no weekly lectures, the manual will serve as a textbook of sorts for the class to help you learn more about consulting with small and medium sized businesses.

You may not need to read the entire manual page-by-page, however certain chapters may be of particular interest to you. For example, you may only need help with coming up with solution recommendations. In this case, you only need to read Chapter 16, which covers that topic specifically. On the other hand, some students may find it useful to simply skim through the entire manual to get a broad sense of how the project will unfold. No matter how you choose to use the manual, it should be beneficial to all by providing knowledge on how to consult a small to medium size business as well as how to go about each task you will be confronted with. In addition, the manual will hopefully give you further insight about the consulting industry and a list of resources you can use to gather any more information you may seek.

Chapter 2: What is Consulting?

Consulting may or may not be a profession that you are familiar with. Before starting the Venture Consulting class, it may be beneficial for you to learn more about what consulting is and what the process entails. Fundamentally, consulting is about change. According to Mick Cope, author of *The Seven Cs of Consulting*, this might be a physical, cognitive, emotional, structural, technological, or organizational change.[1]

A collaboration of authors came up with a definition of consulting in *Management Consulting: A Guide To The Profession (3rd Edition)*. They said that, "Management consulting is an independent professional advisory service assisting managers and organizations in achieving organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning, and implementing changes."[2] Basically, it involves a consultant coming in to help a client solve a business problem or implement some type of change in the firm. It is a process of providing help on a task or series of tasks, whether it is on the content, process, or structure of the task. One assumption most people make is that consultants only help a company in trouble or facing failure, however this is not usually the case.

Another thing to note about consulting is that although the consultant will provide recommendations for the client to help solve their problem or make a change, they are usually not responsible for implementing the change, unless that is part of their contract with the client. Their responsibility is to bring a variety of skills and knowledge in order to diagnose problems.

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[1] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, xii.
[2] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 8.

They should be nonthreatening, nonjudgmental, and willing to listen in order to be perceived as a "friendly helper."

Benefits of Consultants:

- Bring in fresh ideas
- Impartial outside viewpoint
- Catalysts for change
- Provide the time to work on a project that managers cannot
- Ready source of expertise
- Justify management decisions
- Teach clients and staff[3]

There are many benefits to bringing in a consultant. For one thing, they can bring fresh ideas to a company, such as new products, new manufacturing techniques, new marketing methods, or new concepts on fundamental changes in the way the company is using its resources. Since the consultant is usually an outsider of the company, they are not biased or tied to any traditional thinking of the firm. Also, consultants can be catalysts for change, meaning they can help put ideas into practice, decide how to implement a change, and even can be part of the change if asked to be.

Another reason a client may bring in a consultant is because the managers do not have the time to work on a major problem or project, so they hire consultants who can provide the time to work on the project and will leave the organization afterwards. One of the biggest reasons firms

[3] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 18-21.

will hire consultants is because they are a ready source of expertise. Whether they are coming from a large, generalized consulting firm with a broad variety of skills and knowledge or small, specialized firm that has knowledge on a specific area, they have experience in dealing with similar problems. The consultants can apply their knowledge and experience to discern general trends and common causes of problems as well as learn how to approach new problems and opportunities. Also, since the environment and technologies are changing so fast, it can be difficult for even large organizations to keep up with the changes and deal with certain new problems on their own.

Sometimes, a client may want to bring in a consultant simply to justify their own management decisions. The client may use the consultant to undertaken assignments and submit reports so that the manager can justify his or her decisions by referring to the consultant's recommendations. Also, a consultant can benefit a client by actually teaching the client and staff how to manage better for themselves. They will hire a consultant and in turn acquire the consultant's special knowledge and the methods they use in identifying problems and implementing changes.

These definitions of consulting may sound broad, and that is because the profession of consulting is very broad itself. Examples of consultants can range from a person helping a group improve its interpersonal process, someone from one department observing and analyzing another department's plan, an outsider assisting in developing an organizational plan for the entire company, preparing a new marketing plan, developing new compensation plans, or providing new computer-based systems. Consulting has grown tremendously over the years. Its modern origins stem from the Industrial Revolution during many institutional and social transformations. Consulting emerged from a scientific management movement and has moved throughout the years towards having a broadened interest in many aspects and dimensions of business organizations.

Today, consultants work in private businesses, small businesses, in the public sector including governments, and in social organizations and agencies. They even work in international organizations. There are a variety of services that consultants can supply.

<u>Services of Consultants:</u>

- General Audit
- Strategic Planning Studies
- Organizational Planning
- Financial Studies
- Human Resources Studies
- Marketing
- Manufacturing
- Cost-Reduction Studies
- Systems
- Data Processing
- Acquisitions, Mergers, and Divestitures
- Executive Recruiting

The Consulting Industry itself can be divided into four general areas. These include Management Consulting, Strategy Consulting, Information Technology Consulting, and Industry Specific Consulting. Management Consulting focuses on how a company or organization works to achieve its stated goals. Strategy Consulting focuses on identifying the direction, goals, and growth of a company or organization within a specific industry. Information Technology Consulting deals with using technology to help an organization become more efficient and achieve its goals. Lastly, Industry Specific Consulting focuses on a specific industry, including strategy, management, IT, scientific, or technical consulting. There also are different types of consulting firms.[4]

Types of Consulting Firms:

- General Management Consultants
- Specialists
- Industry Specialists
- Local Regional and Foreign Consulting Firms
- MAS: Management Advisory Services of Major Accounting Firms

General Management Consultants, also known as "generalists", look at problems from the overall company point of view and can usually provide a broad variety of services. They will use a "top management approach" by looking at all of the company's activities before looking at individual parts. These types of firms are usually large, multifunctional consulting firms but they can also be medium sized. Some examples of these types of firms are McKinsey & Co., Booz Allen & Hamilton, and the Boston Consulting Group.

Specialists are individuals that offer services or provide systems in one field or in several related fields that improve performance of a single company function or activity. These types of consultants have in-depth skills. Examples can include college professors, retired

[4] MIT Careers Office (2005). *Consulting*, 1.

executives, professionals, or executives out of work. Peter Drucker, the guru of management methods and practices, is a very famous individual, specialized consultant.

Industry specialists will have in-depth information and skills dealing with specific industries, such as retailing, banking, health care, hotels, utilities, airlines, etc. Since these industries have special characteristics that make their needs unique, they need industry specialists to deal with issues such as industry requirements, practices, and performance results.

Local, regional, and foreign consulting firms have in-depth knowledge of consumer habits, market trends, and channels of distribution in a certain area. They also can help clients in learning about local laws and methods of dealing with government officials.

Management advisory services of major accounting firms are consulting divisions of major accounting firms. For example, Deloitte & Touche is a major accounting firm and has a division called Deloitte Consulting LLP that focuses on consulting. The MAS firms can benefit from being a part of a major accounting firm both in their expertise and assignment opportunities. "Currently six out of seven of the world's largest management consulting firms are those of the Big Six (public accounting firms) group."[5]

In general, consultants provide an independent and objective advisory service to clients to help them identify and analyze management problems or opportunities. They also recommend solutions or suggest actions for these issues, and may even assist in their implementation. Consultants create a change in organizations in order to solve a problem or make the organization more efficient.

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[5] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 30.

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Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, xii-xiii.

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Goodstein, Leonard D. (1978). *Consulting With Human Service Systems*. Reading, Massachusetts: Addison-Wesley Publishing Company, 19.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 3-43.

MIT Careers Office (2005). *Consulting*, 1.

Steele, Fritz (1975). *Consulting for Organizational Change*. Amherst, MA: University of Massachusetts Press, 2-3.

<u>Chapter 3: Ethics of Consulting</u>

Although you will be doing most of this class outside of the University of Connecticut, that does not mean you do not have ethical guidelines to follow. According to Katz, "As a student consultant to small businesses in your community, you must uphold the highest level of ethical standards as a representative of your university or college and as a citizen of your community."[6] Aside from following UConn codes of conduct, there are other ethical codes that all consultants should follow.

One important aspect of consulting is that it needs to be an independent service. This means that consultants need to be able to make their own assessments of situations and objectively make recommendations for the client without having any second thoughts on how this might affect his or her own interests. A consultant needs to have technical, financial, administrative, political, and emotional independence.

Technical independence means that the consultant needs to formulate a technical opinion and provide advice independently of what the client believes, pretends, or wishes to hear. Financial independence is when the consultant has no interest in the course of action taken by the client, and should let their advice and recommendations be affected by a desire to get more business from the client in the future. Administrative independence means the consultant cannot be the client's subordinate and cannot be affected by the client's administrative decisions. This is more of a problem with internal consulting. Political independence is referring to the client not influencing the consultant using political power or connections, political party membership, etc. Lastly, emotional independence means the consultant cannot be attached to the client or assignment, regardless of friendship or empathy.

[6] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 8.

As a consultant, you should follow ethical norms. Ethical norms define what is right and wrong behavior while providing a professional service. They go above respecting the law, because although something may be legal, it may not always be ethical. This takes self-discipline and self-control. In general, a consultant should follow both business ethics and the ethical norms of society.

All consultants should have professional responsibility. According to Milan Kubr and the various other authors that contributed to *Management Consulting: A Guide To The Profession*, "Professional responsibility can be defined as a set of voluntarily adopted and self-imposed values, norms and constraints, reflecting the professionals' conception of their role in the economy and in society, and their responsibility towards the clients. It is an ethical and cultural concept."[7] One important attribute a consultant should have as part of his or her professional responsibility is technical competence. This means that the consultant should have the knowledge and skills needed to help a client. The technical skills include an understanding and some experience in a technical discipline, such as computer data processing, marketing, or engineering. Also, he or she must be able and willing to assess their own knowledge and skills when considering a new assignment or reaching a point when different competences are required. You should not misrepresent yourself and pretend you can do a job beyond your competence.

You should also strive to achieve the best possible results in the client's interest. Avoid any conflict of interest between yourself and the client. Give impartial and objective advice to the client as well. This entails being free of any prejudices, biases, preconceived ideas, etc.

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[7] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 136.

One of the most important ethical concepts is to not disclose any confidential information about the client. This is of particular importance when you are visiting competition and gathering information from their managers, employees, and customers. Chapters 14 and 15 cover these topics in further detail. Remember to be ethical when collecting your data from the competition both in regards to your client, by not disclosing any of their information, and also to the competition, by not revealing any of their company's secrets to your client. Also, do not use any information from the client to obtain benefits or advantages for yourself or for other clients. The client needs to have trust in you, so this is extremely important.

Another ethical concept is that consultants should not bribe the client or accept any bribes from the client. Consultants should not charge excessive fees for their service as well, and should not undercut their fees in hope that they can eliminate competition.

Some consultants are a part of professional associations which promote professional standards of consulting and codes of conduct. For example, in the United States there is ACME, or the Association of Management Consulting Firms. These professional associations follow codes of conduct or codes of ethics. Sam Barcus, Joseph Wilkinson, and other authors of *Handbook of Management Consulting Services* state that, "Professional codes of ethics represent a unified effort to reduce to writing some of the more obvious, definable, practicable, and enforceable rules of conduct. Codes of conduct for management consultants represent the attitudes, principles, and approaches that have been found to contribute most to success and that make for equitable and satisfactory client relationships."[8]

[8] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 4.13.

For example, CPA firms that are part of the AICPA (American Institute of Certified Public Accountants), must follow the "Statements on Standards for Consulting Services." The AICPA has two parts: principles and rules. Some of the principles include a responsibility to exercise professional and moral judgments in all your activities, acting in a way that will serve the public interest, observing the Code of Professional Conduct, and more. The rules include being independent, maintaining objectivity and integrity, being free of conflicts of interests, not performing for a contingent fee, and not committing an act discreditable to the profession.

As a student consultant, you too have a code of ethics you should follow. You should not hold a vested interest in companies that maintain business relationships with client firms. You also should not accept any personal gifts or gratuities from clients. If a client firm offers you employment or remuneration while you are still engaged in consulting, you should not accept it. You also should not consult personally to a client firm that is owned or managed by an immediate family member. Working with other family members or friends is o.k. though. Along with the confidentiality concept mentioned earlier, you should not share any current data with others than the professor without a signed client waiver of confidentiality. You also should not practice discriminatory case selection procedures against any potential client.

Clients rely on you following a code of ethics to ensure fair business dealing. Many believe that professional ethics is one of the most important attributes of a consultant. Ethics norms demand more than just respecting the law, so it is important to remember that although a behavior may be perfectly legal, it may not always be ethical. By being ethical you will gain the client's trust, represent yourself and the university well, and be respected by the business world.

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Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 8.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 117-137.

Chapter 4: Points for Successful Consulting

In the Small Business Institute's *Student Consultant's Manual*, the Small Business Institute Directors' Association gives nine points for successful consulting. These are:

1. Use an objective, professional, and positive approach that focuses on your client's needs.
2. Encourage your client to talk about the business on an in-depth basis.
3. Determine your client's business objectives and needs.
4. Show empathy and respect for your client.
5. Apply your expertise without proving you are an expert.
6. Ask questions and perform research that will help you uncover the root problem, evidenced by the symptoms.
7. Apply through analysis to your research and information before reaching conclusions or determining recommendations.
8. Make clear recommendations that are consistent with your client's objectives and his/her ability to implement them.
9. Keep your faculty case supervisor well-informed about problems and progress.[9]

All of these points are necessary in order to complete the project effectively. Most of these points will be covered in later chapters, while the first point was already covered in the last chapter, Ethics of Consulting. Aside from following these recommendations, there are other steps you can make in order to successfully complete your consulting project.

[9] Small Business Institute Directors' Association. Points for Successful Consulting. *Student Consultant's Manual 1996-97*, 11.

The best way to be a successful consultant is by having the qualities of a consultant. The first of these qualities is intellectual ability. You must have the ability to learn quickly and easily, to observe, gather, select, and evaluate facts, and to synthesize and generalize. A consultant also should have good judgment and inductive as well as deductive reasoning. They also should have creative imagination and original thinking.

The second quality a consultant should have is the ability to understand people and work with them. This makes sense since you will be working directly for a client and will have to talk to many customers and other employees in order to complete the project. You should have respect for other people, tolerance, an ability to anticipate and evaluate human reactions, an ability to gain trust and respect, and courtesy and good manners.

A third quality that consultants possess is the ability to communicate, persuade, and motivate. This consists of an ability to listen, an ability to teach and train people, and skills in oral and written communication.

The fourth quality is intellectual and emotional maturity. The consultant should have stability of behavior and actions, independence in drawing unbiased conclusions, the ability to withstand pressures and live with frustrations and uncertainties, the ability to act with poise and in a calm and objective manner, self-control in all situations, as well as flexibility and adaptability to changed conditions.

The next quality is a personal drive and initiative. This means the consultant should have self-confidence, a healthy ambition, entrepreneurial spirit, and courage, initiative, and perseverance in action.

The six quality you should possess in order to be successful is ethics and integrity. This topic was covered in great detail in the last chapter, Ethics of Consulting. In general, you should have a genuine desire to help others, extreme honesty, the ability to recognize limitations to your competence, and the ability to admit mistakes and learn from failure.

Lastly, a successful consultant should have physical and mental health. This is necessary in order to sustain the specific working and living conditions of being a management consultant. Although you will not be traveling long distances as many consultants do, you will most likely have to travel at least 15 minutes to your client and then to visit any competitors they have in the area.

These are the, "Key intellectual abilities and personal qualities of a management consultant….it could be objected, and rightly, that only a very mature and exceptionally capable and versatile person can possess all the qualities mentioned."[10] As a student who most likely has little or no experience in consulting, the client will probably not expect you to have all of these qualities. However, if you strive to successfully help your client as well as pass this course, I recommend you try to follow the steps for successful consulting and possess as many of the qualities previously mentioned as possible.

Resources

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 668-685.

Small Business Institute Directors' Association (1996-1997). Points for Successful Consulting. *Student Consultant's Manual 1996-97*, 11.

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[10] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization. 668-669.

Chapter 5: How to Keep an Accurate Activity Log

If you look at the final report outline provided by the professor, you will notice that a contact log, or activity log, is required. I recommend starting this log as soon as you begin the project. It will be easier to keep track of the time you spent if you log each activity as it happens instead of trying to remember it all at the end of the project.

The activity log documents time and effort put into the project. There are some required pieces of information the log should contain. The final report outline specifies that you need the date, start and finish times, individuals present at the meeting, and what occurred on that date.

The Small Business Institute's Student Manual has the following listed as what should be contained in the activity log:

- Client meeting time (date, number of hours, nature of the meeting, and who was present.)
- Planning and preparation time (date, number of hours, nature of the work, research time, or other visitations made for your client including telephone surveys.)
- Telephone usage time (contact with clients, research, survey activities, analyzing the competition, date, number of hours, members present.)
- Travel time (if one way-distance is greater than 30 miles.)
- Note any appointments canceled by your client, but don't count these as part of the hours.
- Total hours on the project.[11]

Basically, you want to note any action you take to assist the client. This can include phone calls, meetings with the client, meetings with competitors, research time, time spent conducting surveys, etc. You just need to make sure to include a detailed log of each activity

[11] Small Business Institute Directors' Association. Points for Successful Consulting. *Student Consultant's Manual 1996-97*, 12.

you note. The log should include the date, the start and finish times, who is present at the meeting, and what activity was taking place.

Consultants usually keep activity logs for billing purposes. “Time records, or time sheets, are the source of data for invoicing clients and for much of the control information needed by firm management.”[12] As a student consultant, you are not being paid. You must keep an activity log to show all the time and effort you put into your project. Also, it will be easier for you to write your final report with this information already at hand.

References

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 593.

Small Business Institute Directors’ Association. Points for Successful Consulting. *Student Consultant’s Manual 1996-97*, 12.

[12] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization. 593.

Chapter 6: Finding a Client

One of the biggest first steps you must take before you can begin this project is to find a client. This may seem like a daunting task at first. Typically, it will be the client who will contact the consultant when they identify some problem with which help is required. However with this class, the situation is reversed, and you must locate a client yourself. Personally, I remember fearing that I would have to drive around to random businesses and plead with them to work with me. Do not let this fear get to you. Finding a client is not as hard as it seems.

In business, one of the best ways to find new clients is to use your personal network. This includes your family members, neighbors, friends, and fellow members of a club or organization. You can use your personal network in the same way to help you find a client for this class. When I took this class I talked to my friends and ended up using my friend's father's oil change business as my client organization.

Another important thing to remember is that although consultants usually work with client's who are struggling with a business problem, you do not have to find a client that seems to be in need of help. As the syllabus explains, you should stay away from businesses that are facing failure.

The syllabus states the following requirements of your client:

- A small business in Connecticut
- Located greater than five miles from campus
- A for-profit business
- Been in full operation for at least two years

- Have complete financial control over spending and profits (not owned or controlled by parent company)
- Have at least five employees, counting the owner
- Must be willing to work with you and share their business problems and information with you
- Be financially viable and not at a high risk of failing

It is extremely important that you find a client that is willing to work with you. Before you even have your preliminary meeting with the client, make sure he or she understands the importance of sharing their information with you. "As a consultant you are invariably working on someone else's problems or opportunities. You can only succeed in so far as they give you permission to operate on their territory. When people are asking for advice they are not always prepared to tell you in the first instance many of the things you need to know."[13] The client should give the consultant wholehearted cooperation in order for them to give thoughtful conclusions. When clients seek out the help of a consultant, they usually are prepared to share information with the consultant. Since you are the one seeking out the client, it is extremely important that you make sure they are willing to share information with you before you move forward.

This challenge of making sure the client shares information with you can be more prevalent in small to medium sized businesses. Since the client is normally working with just a few other employees, who may also be family members, they may not be used to sharing private information with many outsiders. For this reason it can be particularly hard to get them to share

[13] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 7.1.

the information with you, who they know is neither part of their company nor a professional. You will need to work hard to make sure you develop a relationship with the client, which is covered in more detail in Chapter 8, to work though this challenge so that the client will trust you and open up.

Aside from making sure the client will share information with you, it is also important that you both get along. “The two (consultant and client) will be working together for a considerable period of time, and the association is more productive when there is mutual liking and respect.”[14] You will want to find a client that has a personality that is pleasing to you.

As long as you follow the requirements given by the professor, as well as make sure the prospective client agrees to share information with you and has a personality you like, you should be ready to move forward with the project.

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Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 7.1.

Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 113.

[14] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts. 113.

Chapter 7: Introducing Yourself and Securing the Position

Whether you have met the potential client before or are just meeting him or her for the first time, it is important to make sure you give a good impression when you introduce yourself. You not only want to represent yourself well and make sure he or she agrees to be your client, but you also are representing the University of Connecticut. There are a few key points you should follow when introducing yourself and attempting to secure the consulting position.

In Katz's *Consulting Overview*, he states that you should, "Dress professionally because the image you project will set the tone for the project."[15] Even though the first impression may be inaccurate, it still can be a lasting impression. Be sure to call ahead, confirm, and be on time for your appointment. If you want to develop a professional relationship with the potential client, it is important to appear clean and businesslike. Your manner and appearance should be professional, and you should behave with dignity. Also, be at ease and behave in a likable way. Display your knowledge, but make sure you do not seem arrogant or act superior to the client. Avoid the use of technical or professional jargon, and on the other hand, don't "talk down" to the potential client. Never allow the client to feel that you do not see the firm as worthwhile and important. It is usually safe to assume they will be comfortable with a high school graduate's level of communication. Also, show some enthusiasm, because as Henry Golightly says in *Consultants: Selecting, Using and Evaluating Business Consultants*, "An eagerness to develop the solution to the problem is a real asset."[16] The elements that can have an impact on the consultation include dress and appearance, language, background and interests, interactions style,

[15] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 3.
[16] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 121.

and character traits. Beware of this when you first meet the potential client or you may lose the opportunity to work with them all together.

Since you are a student consultant and it is your goal to secure the potential client you found for this project, you have to know the right questions to ask and what to say when you are first introducing yourself. Approach them in an optimistic manner and find something positive to say about the business early in your first visit. This will show the owner that you appreciate their business and understand that they have an emotional interest and pride in their business. Also be prepared to ask them questions about their business, products, services, customers, and perceived market niche.

The easiest way to secure the consulting position with your prospective client is by explaining to him or her that you are a UConn business student and are taking this venture consulting class to help out a small business in Connecticut. Let them know that they will receive the benefit of free advice and recommendations, while you will receive the benefit of helping them out while learning about the consulting profession and business strategies. If the prospective client does not seem interested or will not have enough time to talk and share information about their business with you, you should find another client and attempt to secure the consulting position with them.

Once you have come to an agreement with your client, you will put together the typed memo for the professor. This memo includes your name, the name and full address of the business, the owner or top manager's name and phone number, and the total number of full time employees (including the owner) and total number of part-time employees. Also included should be a statement signed by the business owner or top manager. The details of this statement are in the syllabus for the class. This memo will serve as a basic contract for the project.

Usually a consultant will form a contract with the client once they have reached an agreement. "The initial contract that you form with your client will set out a framework for action and offers a tool by which the success or failure of the engagement can be measured." It will include your goals, objectives, timeframe, methodology, key milestones, the responsibilities of both the client and consultant, payment specifics, confidentiality and disclosure policies, a review process, and the closure process.[17] The purpose of contracting is to provide a clear orientation for joint work and to protect the interests of both parties. The typed memo you have the client sign will be a form of a contract, agreeing to be your client and share information with you in order for you to complete the project successfully.

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Small Business Institute Directors' Association. Initial Client Meeting. *Student Consultant's Manual 1996-97*, 15-16.

[17] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: PearsoAn Education Limited, 54.

Chapter 8: Client-Consultant Relationship

The most important component of consulting services is the client-consultant relationship. As Mick Cope states, "The client-consultant relationship is the foundation stone that supports the entire assignment. Consulting is driven by the extent to which you can get close to the client. To professionally and sensitively arrive at a position where you become more of a confidant or trusted advisor than a supplier of services. How far you can build a sense of rapport with a client before the consulting process begins will to a large degree affect your ability to deliver change."[18] In order to have a good relationship with the client, you need to know who they are, understand their business, understand the needs of the client, and know what your primary role is within the relationship. You also need to figure out to what extent they trust you.

Trust is extremely important in any relationship. It provides a bond to make sure that promises are kept, work is completed on time, and knowledge is shared. You must be truthful, honest, open, responsive, consistent, reliable, predictable, loyal, benevolent, competent, and share ideas freely with each other. A good relationship entails an in-depth understanding of the client's business, the client's agreement to give effort and information to the client, and routine status meetings with the client.

A consultant should be dedicated to the consulting profession, believe in the work the client needs done, and care about what happens to the client and the end-users. He or she needs to be willing to spend time and energy to learn about the organization and the problem. A successful relationship results when the client accepts the consultant's promise and then perceives that the consultant resolved a need. This success depends on the consultant's ability to

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[18] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 19.

develop a mutually beneficial relationship that is based on need, understanding, credibility, and trust.

The relationship between the consultant and the client involves both of them. The client and the consultant will work to become interdependent on all aspects of the issue-resolution process. Decision making will be bilateral, acknowledging the responsibilities and expertise of both the client and the consultant. Collaboration is furthered by efforts to reach mutual understanding and agreement on expectations for the issue resolution process.[19]

If a client resists a consultant's suggestions or drags his or her feet about putting in any effort to the project, it may seem like resistance, but it can really be resentment. This resentment means the client is not happy about the process at hand or it can mean the client believes it is not satisfying or work his or her time and energy.[20] It is important to make sure you are paying attention to the client and notice if they are unhappy with any part of the process before you move forward.

Milan Kubr says that, "Experience shows that building this relationship is not easy. To achieve success, both consultants and clients ought to be aware of the human, cultural and other factors that will affect their relationship, and of the errors to be avoided when working together on the assignment. They must be prepared to make a special effort to build and maintain a relationship of understanding and trust that makes the effective intervention of an independent professional possible."[21] Aside from having a collaborative relationship, there are other steps a

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[19] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 8.1-9.14.
[20] Steele, Fritz (1975). *Consulting for Organizational Change*. Amherst, MA: University of Massachusetts Press, 43.
[21] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 51.

client and consultant should take to ensure a successful relationship. They should define expectations and roles. By this, I mean that the parties should clarify what results the assignment should achieve, and then determine how the assignment will be conducted by the two parties. You have your own deadlines to turn in assignments by, so you should make sure you discuss these with the client so he or she can help you obtain the information you need in order to complete the assignment on time. To make this easier on yourself, I would recommend telling your client the dates you need each assignment due by as soon as possible. This way, when you schedule an appointment the client will understand that you have a certain window of time that you will need to meet with him or her by. Also, see if the client has any specific times he or she would like a task completed by.

The consultant should demonstrate technical expertise. In the case of this class, this could mean applying knowledge from academic classes at UConn as well as information you find through your own research while working on the project. The consultant should also exhibit professional integrity, which was covered in greater detail in the "Ethics" chapter. There are a few other aspects to having a good relationship with your client.

The first is to demonstrate empathy with the client. The client should feel that consultant cares for him or her and enjoys working for him or her, as well as wants to be as helpful as possible. The consultant should have a sincere and genuine concern interest in the client's concerns. The consultant may also need to use assertive persuasion with the client to convince him or her that what you want them to do is the right, correct, or effective action to take.

Another aspect is that together, you should develop a common vision. This means you should have a shared picture of where you are headed, what you are trying to accomplish, and why it would be worthwhile for others to help. As mentioned earlier, you will need their trust, but you also will need the client to participate in the project. The client should feel involved in the project, so it is beneficial to ask for his or her contributions and ideas as well.

The consultant should promise only those consulting objectives that they can deliver during the term, be dependable, including being on time for appointments and punctual with promised services, do not expect to know all of the answers, be considerate of the client's time, experience, and opinions, and help you client become self-sufficient by teaching them how to continue with your recommendations after the consultation.

Consultants should develop an effective working rapport with their client. This entails showing sincere interest by listening intently to the client's complete story with an open mind, searching for meaning, gaining the client's confidence by asking questions and not being judgmental in the first meetings, and not giving any recommendations in the first few visits until your client knows you have studied their business. Also, "The ability to 'put yourself in another's shoes' is an important factor in the establishment of a good consulting relationship."[22]

The consultant should have clear communication with the client as well. Do not use any technical terminology and practice the art of listening, which is your most powerful tool as a consultant. Aside from arriving at your appointments on time like I mentioned before, you should also be willing to adjust your schedule to the convenience of your client. If the client is extremely busy one day, never insist on keeping the appointment and simply reschedule for a better time.

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[22] Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 9.

I mentioned before that the client should collaborate and work with you. Some clients will be more active than others. In general, it is good to develop a relationship that is highly interactive. There are a few stages on which the client-consultant relationship can operate. These include:

- Inactive: The relationship is used to manage the cold contractual elements of the project.
- Reactive: The relationship is important to both parties but is essentially still used to manage the consulting process.
- Active: Both parties use the relationship to stretch the boundaries but still within the domain of the project.
- Proactive: Relationship is seen as important to the assignment, with both sides prepared to take the initiative in a wide range of areas.
- Interactive: Client relationship is seen as an integral part of the change process, not just a medium for managing the change.[23]

Once you are at the interactive level, you will be able to ask any awkward questions without seeming unruly or unprofessional and will be able to get to the heart of the problem instead of wasting time with the symptoms. Unless you are closer to an interactive relationship instead of an inactive relationship, then the chances of a successful outcome will be impaired.

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Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 51-67.

[23] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 25.

Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 9-10.

Steele, Fritz (1975). *Consulting for Organizational Change*. Amherst, MA: University of Massachusetts Press, 43.

Chapter 9: Preliminary Meeting

Once you have secured the consulting position and are ready to begin the project, there are a few important steps that need to be covered during the preliminary meeting(s). According to the SBI Student Manual, "The purpose of the first meeting is to get to know one another, to get answers to your general questions, and to decide what it is your client wants you to work on."[24] While you will get to know each other better as your client-consultant relationship develops, the second and third parts of that statement need to take place in the first meeting.

To start off with, you want to gather information about the client's firm. This can take place through a tour of the facilities, observation, conversation, and printed materials. Pick up any available brochures, catalogs, or other product information materials such as a restaurant menu. You also will want to gather any paperwork in the organization that describes the company's finances and other information, such as annual financial and activity reports, sales promotion materials, corporate objectives, expansion plans, sales statistics, invoices and back orders, types of new products or services, customer response to existing products, planning and promotional campaigns, feedback from custom and sales force on product performance, new-product development schedules, engineering schedule for products, systems for organizing files and reporting operating results, inventory status, background on employees, salary/performance review data, product pricing and costs, and operating expenses.[25]

The most important internal source of facts available to the consultant is people. This includes not only those in formal management but also clerical and production workers. You

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[24] Small Business Institute Directors' Association. Initial Client Meeting. *Student Consultant's Manual 1996-97*, 16.

[25] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.3.

should determine who the key employees are and introduce yourself to them. Many employees aside from the client can be an important source of information for your project. For example, when I had my first meeting with the client, I talked to not only the client to obtain information about the company, but also to one of the employees who worked behind the main desk. He had more of the financial data on hand as well as the prices for the company's products and services. I also spoke with another employee who was able to give me coupons and other promotional material the company used.

You also should pay attention to the relationships among people and departments in the company. You want to get as much information as possible on how the organization is structured, what the organization is or has been doing, and what the organization plans to do, especially since you will most likely not know at this point what you will be researching. You basically will want to gather enough information about the business in order to completely understand how the business works, and enough financial data to help you determine how their problem is affecting their bottom-line and to help you determine a cost-benefit analysis once you have come up with recommendations.

The second important step you need to complete during the preliminary meeting is to do a preliminary problem diagnosis. You will need to determine what you believe the client's problem is, which is covered in greater detail in Chapter 11, however before you do that you need to speak with the client to see what he or she believes to be problem areas for the company. According to Kubr, "During his or her initial contacts with the client and the subsequent preliminary problem diagnosis, the consultant should have collected and evaluated enough information to be able to plan the assignment."[26]

Some examples of questions you can ask the client during the first meetings are:

- What specifically would you like me to do?
- On what issues or for what problems do you need assistance?
- What questions would you like me to answer?
- How do you envision the nature and scope of the project?
- What do you believe you already know in relation to this problem/opportunity?

You will want to develop a set of questions that are personalized for the business you are dealing with. This means you should ask questions about the client's business, products or services, customers, and perceived market niche. Without asking the client these questions and gaining as much information as possible, it will be impossible to determine what the client's true problem is without simply stating what the symptoms of the problem are.

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Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 2-3.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 146-157.

Small Business Institute Directors' Association. Initial Client Meeting. *Student Consultant's Manual 1996-97*, 14-16.

[26] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 156.

Chapter 10: Independent Research

Once you have started researching the company by talking with the client and employees as well as gathering financial and other data in the office, you should do some independent research. This research should be done to gain knowledge of the client's general business environment. Barcus and Wilkinson state that, "Facts form the foundation for prospective solutions and direct the consultant to the solution ultimately rendered. Because facts serve such important functions, the consultant must be resourceful in fact gathering and skillful in fact analysis."[27]

Some things consultants should look into is whether the industry is growing, stable, or declining, if the industry or firms in it are facing any legal or political issues, if there are any social issues such as changes in society that can affect a firm, and any technological issues that exist. Knowing how these factors can influence the client firm can help you to make suggestions.[28] Some other pieces of information consultants should research are population figures, industry trends, financial information, and operating methods.

Once you have decided what information you will need, you need to figure out where to obtain this information. The type of sources you will be looking at are called secondary sources of information, which is published data collected by others. It is usually good to start with online and library print sources, such as McGraw Hill's Standard and Poor's database, Gales's Business & Company Resource Center, government census data, or trade association websites.[29] You also

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[27] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.1.

[28] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 2.

[29] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 5.

can ask librarians and small business reference specialists at your school for more information. Some other sources of the type of information you should research are:

- Industry reports (corporate data and analysis, industry news etc.)
- State and federal statistical data and abstracts (corporate statistical comparisons, economic or financial facts, Securities and Exchange Commission facts, Department of Commerce facts, & Bureau of Census facts)
- Database retrieval system (product, market, and industry news and analysis, economic forecasts, etc.[30])

You also can collect information from colleagues in the consulting organization who have worked in similar conditions, producers of equipment and systems software who may have developed improvements or have been working on them, staff in other departments of the client organization, or organizations which are prepared to communicate their experience. You also may need to obtain information from other external sources, such as customers and competition, but that is covered in greater detail in a later chapter.

A consultant will make sure that all available experience is identified and considered so that the client gets the best advice and in turn a solution that reflects the best experience that could be found. According to Katz, "Having a working knowledge of the client or the industry raises your self-confidence and provides a basis for meaningful discussions with the client."[31] In conclusion, it is important to obtain as much external information as possible on your own so that you can gain self-confidence, show the client that you understand their business and

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[30] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.3.
[31] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 3.

industry, to help you better understand the problems your client is facing, and most importantly to help you produce the best recommendations.

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Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.1-11.3.

Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 2-5.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 207.

Small Business Institute Directors' Association. Initial Client Meeting. *Student Consultant's Manual 1996-97*, 16-17.

Chapter 11: Determining the Problem

One of the most challenging aspects of the consulting project can be determining the client's problem. This is due to the fact that it can be easy to confuse the symptoms of the problem for the problem itself. A problem arises when, "There is a difference between two situations, one real and one potential or desired, and someone is concerned about this difference and wants to change it."[32] A consultant must take the time to thoroughly analyze data and go through all the steps of defining a problem in order to determine the underlying causes of the problem.

To properly define the problem, you must first take note of the symptoms, brainstorm the probable causes, analyze them, do research, ask questions, and make observations. Afterwards you should be able to narrow down the list of probable causes and determine the underlying problems. According to Mick Cope, "Failure to clarify the symptoms and source of a problem leads to a range of common problems."[33] By recognizing a symptom, it should point you to the problem.

Once you have taken note of the symptoms, such as a high employee turnover rate or low sales, you need to start looking at the probable underlying causes. Start off by brainstorming hypotheses of what these causes could be. After you make your hypotheses, you need to analyze them in order to narrow down the list. As started earlier, analyzing them includes research, inquiry, and observation.[34] This analysis will help to diagnose the problem.

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[32] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 167.
[33] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 59.
[34] Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 22.

Barcus and Wilkinson describe how the scope of the problem relates to the extent of its symptoms. They recommend asking questions during the analysis phase such as "How widespread are the effects of the problem at the present time?" and "Are they confined to one area in a specific department?"[35] Some other possible questions you can ask during the analysis phase are given in Appendix 1.

The list of areas you can evaluate is as follows:

- Markets
- Asset Adequacy
- Adequacy of Accounting Records
- Financial Condition
- Location
- Layout
- Legal Forms of Organization
- Sales Development and Promotion
- Pricing Policies
- Merchandising
- Seasonal Variations
- Purchasing and Inventory Control
- Expenses and a Break-Even Chart
- Credit Policies
- Protection Against Risks
- Personnel Policies
- Management Practices[36]

The key task in diagnosis is to identify the forces and factors which are causing the problem, and then you should attempt to fully understand the issue. According to Milan Kubr, "The purpose of diagnosis is to examine the problem faced and the purposes pursued by the client in detail and in depth, identify the factors and forces that are causing and influencing the problem, and prepare all information needed for deciding how to orient work on the solution to

[35] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 10.10.
[36] Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 53-62.

the problem. Diagnosis increases awareness of the need to change and indicates more specifically the sorts of change that will be required."[37]

There are two methods you can use to analyze the data. The first method is called the outside-in method. In this method, the consultant takes the data and finds out if it proves or disproves the hypotheses. Basically, the consultant is seeing how the data stands up against the propositions. It is an easy and cost-effective method, but it limits your level of flexibility. The second method is called the inside-out method. This method uses inductive reasoning, meaning the consultant will look at the data he or she has gathered and try to find any patterns or themes in the data.[38] Once you have analyzed the data, you will be able to eliminate hypotheses and be left with only the true causes or roots of the problem.

There are some issues that can come up with problem identification. These include:

- Mistaking symptoms for problems
- Preconceived ideas about the causes of problems (ex taking the client's word for what he or she believes the true causes are)
- Looking at problems from one technical viewpoint only
- Ignoring how the problem is perceived in various parts of the organization
- Unfinished problem diagnosis
- Failure to clarify the focus purpose[39]

The first problem, mistaking the symptoms for the causes, is a very common mistake, especially with small business owners. They may be too busy dealing with the business's

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[37] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 167-169.
[38] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 71-73.
[39] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 175.

immediate concerns to have time to analyze properly, may not have had the education or experience to identify problems, or they may have too much pride to examine their own management system objectively. This can lead them to treat the symptoms and not cure the problem. As a consultant, you should have an open mind, listen objectively, and apply thorough analysis to the case in order to avoid this issue, along with the issue of having preconceived ideas about the causes of the problem. Keep this information in mind when the client tells you what he or she believes the true problem is to make sure that you correctly identify the problem and do not incorrectly go along with what the client believes is the problem. Although they could be correctly labeling the symptoms they have, they could be misinterpreting them as the causes of the problem.[40]

Once you have determined what the problem is, you should identify the following five principal dimensions or characteristics of the problem:

- Substance of identity (Low performance, shortage of competent staff, lack of ideas on how to invest idle capital, etc.)
- Organizational and physical location (In what organization units – divisions, departments, etc. and physical units – plants, buildings, offices, etc., has the problem been observed.)
- Problem "ownership" (Which people in the organization are affected by the existence of the problem & want to resolve it)

[40] Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 21.

- Absolute and relative magnitude (How important is the problem in absolute terms – amount of working time or money lost, potential future gains, etc., and in relative terms – in comparison with other problems)
- Time perspective (Since when has the problem existed? Is it a one time or recurrent thing? Is the problem stabilized, increasing, or decreasing?)[41]

After determining the problem along with its symptoms and underlying causes, you can begin the process towards formulating recommendations for the client on how to solve the problem.

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Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 167-175.

Small Business Institute Directors' Association. Working as a Team and Developing Your Client Relationship. *Student Consultant's Manual 1996-97*, 21-22, 53-62.

[41] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 172-173.

Chapter 12: Collecting Data from the Client's Customers

Once the problem and its underlying causes are determined, you can begin gathering the data you need in order to help you develop recommendations for the client. You should have already gathered data from the client organization as well as done independent, secondary research. Now you can start to collect primary data. This data will most likely come from the client's customers as well as the client's competition. This chapter will explain how to collect data from the client's customers, as you will most likely begin with this.

According to Fritz Steele, "This building up of a pool of evidence which is clear and can be seen in a relatively undistorted way by the client system is a very important focal point for the consultant who wishes to guide an organization in the direction of greater acceptance of reality... the consultant must be able to present a very good case for where the organization is, what the consequences of its present position are, and some of the major factors which keep it in that particular position."[42] In this quote, Steele is explaining the importance of collecting data to present to the client to back up your case after you have developed recommendations.

Before you can start interviewing the client's customers, there are a few steps you need to take. First, you should ask the client when his or her firm's busiest days and hours are. This will help you to collect the most data you can during the times you are at the business. Then, let the client know the days and times you plan on coming to their firm to collect the data. You now need to decide what method(s) you will use to collect the data. Methods can include questionnaires/surveys, interviews, focus groups, and observation.

[42] Steele, Fritz (1975). *Consulting for Organizational Change*. Amherst, MA: University of Massachusetts Press, 141.

Questionnaires, also known as surveys, are one of the more common methods used to obtain data from large populations. It is a quick and easy way to gather information about the views of the customers. According to Kubr, "In management consulting a questionnaire is useful for obtaining a limited number of straightforward facts from a large number of people or from people widely separated from each other."[43] Another positive aspect to using surveys is that they are anonymous and confidential, so the informant is more likely to be accurate and honest.

The questionnaires do have some downfalls, though, including a low rate of return. For example, I decided to gather data using questionnaires at first, so I left a large stack of the sheets to be filled out by customers at the front desk of the business. When I returned about a week later, I was surprised to see that only about ten or so of the surveys had actually been completed. Katz recommends that you strive to obtain a minimum return rate of 10-30% so that your findings are generalizable to a larger population.[44] Another negative aspect of using questionnaires is that it can be difficult to ensure that you are drawing an accurate representation of the total population. Also, they do not provide you with an immediate opportunity to readdress comments that are vague or unclear or to give follow up comments that may lead to additional facts or ideas. For these reasons, questionnaires should be used when, "Travel is prohibitive, when you must query many people, or when the facts you gather are intended to verify similar facts you gathered from other sources."[45]

The surveys should include both open-ended and closed-ended questions. The open-ended questions let people tell you as much as they want to about the issue and give you

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[43] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 184.
[44] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.
[45] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.5.

information you might night otherwise obtain. The closed-ended questions are more structured, since the informant only has a select list of choices they can give as answers.[46] When you are developing a questionnaire or survey, you need to clearly identify what you want to learn, structure your questions to elicit only the information you want, prepare the questionnaire form, and then submit the questionnaire to the appropriate individuals.[47] The questions asked should be very clear and concise so that the informants do not get confused and can answer easily. Questions with yes or no answers or multiple choice answers are the best. You should try to arrange the questions in a logical order so that each answer leads to the next.

Also, format the questions so that responses can be tabulated easily to help you analyze the data you collect. If there is a question that cannot be answered objectively, the consultant should provide the respondent an opportunity to add a clarifying comment. Another important side note to make about the questionnaires, is that you should leave an explanatory note with them which will tell the respondent why that are being asked the questions, who is asking them, what the questioner will do with the replies, and who else is being asked the questions.[48]

Another method of data collecting is the face-to-face interview. Milan Kubr states that, "In management consulting, interviewing is certainly the most widely used technique of data gathering, together with the retrieval of recorded data."[49] Even Leonard Goodstein agrees by stating that, "Many consultants rely fairly exclusively upon interviews to gather data about the

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[46] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 5.
[47] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.6.
[48] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 184.
[49] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 184.

organization."[50] The interview is more flexible, probing, and sensitive to changing moods in the population. It allows you to get a first-hand feel for the intangible problems associated with the project. Interviews also give you rich and highly detailed information. It has many advantages over the questionnaire, such as the ability for every answer to be tested and elaborated and the fact that questions can supplement and confirm or contradict previous replies. The questions can lead to related facts, which may reveal unexpected relationships. Interviews are also much more flexible and adaptable, meaning if one question fails to produce the data you need, you can simply try asking another question. Also, consultants do not only learn from the direct answers they receive during interviews, but also from the nonverbal cues, inferences, comments, asides, opinions, anecdotes, and attitudes.[51]

There are some problems associated with this method, however. For one thing, it can be prone to bias by the interviewer, making it difficult to rely on the information you collect. You should carefully structure the interview, ask limited questions, and prompt responses to try to eliminate this problem.[52] Another negative aspect of the interview is that it can be much more time consuming than surveys. Since every business has its busy days and slow days, it is very important to make sure you come in during the busier times, otherwise you may find yourself sitting idly for 20 to 30 minutes without a single customer entering the business.

Before the interview, you should decide what facts you want to obtain and then prepare questions that are likely to reveal those facts. After speaking with the client and determining which days and times you will come in to collect the data, you are ready to begin interviewing.

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[50] Goodstein, Leonard D. (1978). *Consulting With Human Service Systems*. Reading, Massachusetts: Addison-Wesley Publishing Company, 99.
[51] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 184-185.
[52] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 69.

Dress in an appropriate and professional manner so the customers take you seriously. When a customer is available, approach them and introduce yourself as a UConn business student. Katz says that, "Usually explaining that you are a student from a local college working on a project is enough to gain permission to observe or survey, but always make sure first."[53] Explain to them that you are doing a project for one of your class and ask them if they could help you out with answering a few short questions. Be friendly and energetic so they feel comfortable with helping you and want to answer your questions.

During the interview, give a detailed explanation about the purpose of the discussion, ask questions that will lead toward the required information, encourage a spontaneous flow of information by asking further questions, make comments supplementing the interviewee's statements, and show interest. Also, make sure you do not interrupt except for encouraging interjections and be sure to pursue any vague responses you receive in a friendly and non-aggressive manner. Another important reminder is to develop an awareness of the interviewee's feelings and be alert to any non-verbal messages, feelings, and impressions. Take note of the facts and opinions you receive during the interview, confirm what you have noted at the end with the interviewee, and then thank him or her for their time and answers.[54]

Sometimes you may receive unexpected resistance from the interviewee. This means the interviewee may not answer a question, they could give answers that are evasive or too general, or they may seem to have doubts about the usefulness of the exercise. If you find yourself in this situation, make sure you are not provoking the resistance by aggressive or tactless questioning or by asking questions that are poorly prepared. If none of these are the case, you can ask the

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[53] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.
[54] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 187.

interviewee directly about their feelings concerning the interview, but if the interviewee refuses to cooperate, you should simply stop pursuing the interview.[55]

Another method of data collecting is the focus group. This method involves the consultant interviewing a group of people at once. This group can range anywhere from a few people to close to 20 people. Focus groups save time and, “offer the opportunity to extract a sense of synergistic spontaneity from the group.”[56] This can help feed into the analysis stage, which will be discussed in a later chapter.

The last way you can collect data is by observation. Just as you observed the employees in the business, you can observe the customers. Simply take note of the customers in their normal setting to find out what they do. Observe the number of customers that enter the store, what products or services they are interested, what they purchase, and what their reactions are. Since this type of method is nonreactive, it will not create any bias due to the fact that the customers will not know they are being watched.[57] A negative aspect to this method is that you will not be able to notice everything everyone is doing at the same time, and you will not know why they do what they do.

No matter which method you use, you still want to make sure the data you collect is of value. For one thing, make sure the data is relevant and about the subject area you are interested in. Secondly, do not try to save time and cut corners because you will most likely miss out on data that would have been beneficial to your project. Also, make sure any questions you act are grammatically correct, otherwise the informant may not take the exercise seriously and will not

[55] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 186.
[56] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 69.
[57] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.

give you good data. Ensure that people are told why the data is wanted and how it will be used. And most importantly, make sure that people believe their information will be held in confidence.[58]

After you have collected the data and thanked the informant, keep the data organized. This will help you know who it came from so you can distinguish between the customers' responses and competitions' responses, and will help you know what date it came from to help you complete your activity log. This data will need to be analyzed so you can make sense of it and start to develop recommendations, however that will be covered in more detail in a later chapter.

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Steele, Fritz (1975). *Consulting for Organizational Change*. Amherst, MA: University of Massachusetts Press, 141.

[58] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 70-71.

Chapter 13: How to Locate Competitors

In order to gain more data to help you develop solutions for your client, you need to meet with the client's competition. Before you start collecting data from the competition, you need to locate the client's competitors. The competitors exist in the client firm's industry. According to Katz, "An industry is a group of firms that produces products or services that are similar in nature and are intended to satisfy a common defined demand. Depending on the nature of the business, you will conduct a competitive analysis that can span from local (neighborhood) firms to international, if the business exports or has an online presence."[59]

The first step in locating the competition is determining the industry the client firm operates in. This should already have been defined in the beginning of the project. To help you define the industry, you should look at not only the products or services offered by the client, but also the experience the business provides to its customers. For example, a themed restaurant may be part of the entertainment industry as well as the food industry.

To begin searching for competitors, you should ask your client who he or she believes their main competitors to be. Although they may not name all their competitors on the spot, they should have a good idea about who provides the major competition to their business. The client may not name all the competitors due to the fact that a competitor may be smaller and less noticeable, even though the competitor may still be stealing away business from your client. Take note of who the client names as their competition.

Next, you should do some independent research to help find other companies in the same line of business that are located nearby your client's company. For example, during my project I

[59] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 2-3.

was able to learn of two of my client's competitors through him, and then researched online for "oil changes" nearby the location of my client's business to find the rest of the competitors. You will want to find as many competitors as possible within the area to get a sufficient amount of data.

By finding the competitors, you will be able to interview and collect data from not only the managers and employees, but their customers as well. This will be discussed in further detail in the following chapters. Consultants should recognize the importance of locating the competition. As Henry Golightly states, one of the seven opportunities missed by clients is, "Failure to recognize competitor's capabilities."[60] The first step in doing so, is by recognizing and locating the competitors themselves.

<u>References</u>

Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 208.

Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 2-3.

[60] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 208.

Chapter 14: Collecting Data from the Competitors' Customers

It is important to gather data from sources outside of the client organization. Milan Kubr makes note of how consultants do this by stating, "During their work, consultants make contact with many organizations apart from those of their clients."[61] This can be described as a comprehensive case study, which according to the SBI student manual, "May include an analysis of the organization, competition, functional areas, and industry." Basically, this type of approach looks at the big picture including external sources such as competition.[62] Even Barcus and Wilkinson agree with Kubr and the authors of the SBI student manual when they say that, "You can also obtain many facts from external sources, that is, sources outside the client organization. For example, you may gather facts from customers concerning their perceptions of the client's products as compared to those of the major competitors."[63]

Once you have identified your client's competitors, you will want to start collecting data from them. This can include both data from the managers and employees as well as the customers. This chapter deals with collecting data from the competitors' customers. Collecting this type of data will be done in a similar way to how you collected data from the client's customers, however there are a few differences.

For one thing, you need to approach the competitors as well as their customers differently. You will need to still gain consent from the managers and/or employees of the competing business to collect data from their customers, however you do not want to mention

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[61] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 152-153.
[62] Small Business Institute Directors' Association. Comprehensive Versus Specific Case Studies. *Student Consultant's Manual 1996-97*, 23.
[63] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.4.

that you are working for your client. If you say this, the firms will most likely not want to help you and in turn help your client. Simply state that you are a UConn business student working on a project for a class on business practices and that you need to collect data from customers on various firms in an industry. Once you have permission to collect the data, you will need to approach the customers. This can be done in a similar fashion to how you approached the client's customers, however make sure once again to not state that you are working for your client.

While conducting the interviews or distributing questionnaire sheets, you should follow the same guidelines outlined in Chapter 12. Since you do not know the managers or employees of the competing businesses that well, you most likely will not want to leave questionnaire sheets with them to distribute to their customers. It will probably be easier to conduct the interviews yourself and not place any burden on the employees of the businesses.

The questions you ask these customers may be the exact same questions you asked the client's customers. They also may vary a bit, depending on the type of information you are trying to obtain. For example, you may ask the competitors' customers if they have ever heard of or been a customer of your client's business and if so ask them why they switched to this business. After the interview, make sure you thank the customer as well as the business's manager or employee when you leave. Also, keep the data from each business separated so you know where it came from. The last thing you want is to confuse information from different businesses.

References

Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.4.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 152-153.

Small Business Institute Directors' Association. Comprehensive Versus Specific Case Studies. *Student Consultant's Manual 1996-97*, 23.

Chapter 15: Conducting Interviews with the Competition

Aside from collecting data from customers of the competitors, you should also collect data from the managers and employees of the competitors. As mentioned earlier, Henry Golightly states how important it is to consider both the external as well as the internal conditions.[64] Barcus and Wilkinson list competition as one of the external sources you should use during fact finding and analysis in their book, *Handbook of Management Consulting Services.* They recommend that you collect data on the products and product literature of the competition, as well as data on the industry and market in general.[65]

When approaching the managers or employees of these businesses, you should once again remember to not mention that you are working for your client. State that you are a UConn business student doing a project for a class on business practices. You can collect data from the businesses both by observing and by speaking with the managers and employees. To start off, you should take note of the general pieces of information of the business, such as what products and/or services they sell, the prices, the days and hours of operation, their average number of employees, and their average number of customers. Then, you should gather data related to your client's problem. For example, if your client's main business problem is a lack of gaining new customers, try to see how the competitors gain new customers and maintain their current customers. One way to do this is by asking them about their advertising and promotion methods.

Collecting data on competition is important to not only understand the full scope of the area you are researching for your client, but also to help find possible solutions for the problem.

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[64] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 208.
[65] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.3.

Whether a competitor is currently dealing with the same problem and has ideas on how to solve it, or has already solved a similar problem, you can take these ideas and bring them to your client.

Once you have spoken with the employees and managers, you should observe the business. Milan Kubr lists the following as some information the consultant usually obtains:

- Layout of factory, warehouses and offices;
- Flow of operations, materials and people;
- Work methods, work pace and discipline;
- Working conditions
- Attitudes and behavior of higher and middle managers, supervisors, staff specialists and workers;
- Interpersonal and intergroup relations.[66]

While collecting data from each organization, you need to take note of not only the surface factors, but the shadow factors as well. Mick Cope describes these shadow factors as deeper, hidden behaviors, thoughts, and feelings. Surface factors can include the company values, the mission statement, personnel systems, formal communication channels, and planned strategy. On the other hand, some shadow factors include internal politics, local custom and practice, informal networks, and decision making methods. Cope recommends that you try to unearth both the surface factors as well as the shadow factors from the organizations.[67]

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[66] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 182.
[67] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 74-75.

Once you have collected data from the managers, employees, and the competition in general, you will have much more knowledge on the problem your client is facing. You may even have some possible solutions in mind as well. You should now be ready to begin formulating recommendations for your client.

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Chapter 16: Coming Up With Possible Recommendations

Now that you have all the data you need, you can move on to the data analysis phase to come up with recommendations. According to Milan Kubr, "The ultimate aim of the consulting process is to initiate and implement change, and fact analysis should bring us closer to achieving this."[68] You should analyze the data you collected both from the client organization and competition in order to find patterns and come up with solutions. This type of analyzing is called synthesis, which is defined as identifying basic relationships, trends and causes, differentiating between fundamental and secondary events and factors, and defining factors and conditions that have to be changed if a whole process or organization is to change.[69]

There are a few different techniques you can use for fact analysis. These include:

- Charting (Provide pictorial representations of one or more dimensions of a client's organization or its activities.)
- Organization Chart (Provides facts about reporting relationships, quantities of resources, and levels of authority and responsibility within the client's organization.)
- Data Flow diagram (A logical view of how data flow through a system.)
- System Flowchart (Depicts an overall view of a system in terms of its major elements, such as processing programs or runs, files, inputs, and outputs.)
- Detail Flowchart (Graphically represents the logic of a process.)
- Input/Output Analysis (Analyze the problem situation in terms of its input and outputs.)
- Structured Techniques (Focus on the well-defined functions of the organization to gain a clear understanding of the organization's essential inputs, processes, and outputs.)

[68] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 190.
[69] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 199.

- Nonstructured Analysis (Take advantage of the combined wisdom of such parties as a client's managers and use various unstructured techniques such as the Delphi and brainstorming approaches.)[70]

Once you have analyzed the data, you will begin to develop solutions. There are a few different ways to go about this. Simply stated, you can develop unique and creative solutions on your own or you can use solutions that others have already developed. The process of developing solutions usually follows a pattern similar to this:

- Managed creativity (Originate and develop potential solutions for the core issue identified.)
- Creative blockage (Ensure any blockages to creativity are understood ad managed out of the process.)
- Scanning (See if any solutions can be found in work that others have done.)
- Storyboard (Validate the potential solutions' potential to deal with the issue and weed out the ones that don't have potential.)
- Resources (Map the resources to the potential solutions to ensure they're viable.)
- Stream owners (Identify owners for the consultancy solution and test that they have the capability and desire to own them.)
- Positics (ensure the proposed options don't create any political problems for the client or consumer)[71]

There are a variety of factors to consider when developing solutions. These factors are as follows:

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[70] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 11.8-11.16.
[71] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 101.

- The technical characteristics of the problem (functional area; techniques or methods to be changed)
- Complexity (technical, financial, human and other aspects of management involved, importance to the client organization, and need to respect sectoral technical standards)
- Degree of newness (whether the consultant and the client are familiar with the problem involved; whether a completely new solution has to be developed or if an established solution can be applied with or without adaptation)[72]

It is usually best to come up with a unique solution on your own. Even if you are able to find a solution that others have developed and used in a separate organization, you will most likely have to adapt that solution to make it fit with your client's organization and unique situation. Do not try to simply transplant what other people have implemented. You should also make sure that the solution you come up with is realistic and practical.

In order to come up with innovative solutions, you need to open your mind and remove any inhibitions and blockages that prevent the generation of new solutions. This will help you to create a pool of ideas which you will then analyze and filter out those that do not add value. Three attributes are needed to create the pool of ideas. These include:

- The ability to challenge the status quo and break through the mentality that strives for the average level of mediocrity that often drives the creative process.
- Once the desire is in place to reach out for new ideas, randomize potential solutions to generate a variety of options.
- Explore each of the ideas and see which ones start to offer some real change options.

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[72] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 207.

To help you filter out the ideas with less value, use the following styles of thought:

- Appraise each idea and filter out those that don't help resolve the original issue.
- Test the remaining ideas, often by filtering them out through a criteria sieve to identify which of them can deliver a valued output.
- Evaluate each of the remaining options against the core requirement to ensure that the end solution deals with the problem.[73]

Milan Kubr lists five stages in the creative thinking process:

1. Preparation (Obtain all the known facts; apply analytical thinking as far as possible.)
2. Effort (Use divergent thinking to generate multiple ideas, concepts and approaches.)
3. Incubation (Leave the problem in your subconscious mind to give time for inhibitions and emotional blocks to weaken and opportunities to pick up additional ideas.)
4. Insight (The flash of illumination that gives an answer and leads to possible solutions of the problem.)
5. Evaluation (Analyzing all the ideas obtained in the last three stages to find possible solutions.)[74]

To further help you with creative thinking, follow these next few guidelines. First off, suspend any judgment. This means you should rule out premature criticism of any idea, because it might end up being the final solution for your problem! Secondly, free-wheel. The wilder ideas, the better the results. Get creative. A third guideline to follow is to get as many ideas as possible. You can always filter out the ideas that add the least value in the end. And lastly, cross-

[73] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 104-105.
[74] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 210.

fertilize. By this I mean try to combine as well as improve on the ideas of others. If you have two really great ideas, rather than filtering one out, why not try to combine them into one great idea?[75]

Sometimes barriers might get in your way when developing ideas and solutions. Kubr states, "Don't let yourself be restricted by barriers such as self-imposed barriers, the believe that there is always one right answer, conformity or giving the expected answer, lack of effort and courage in challenging the obvious, evaluating too quickly, or fear of looking a fool."[76] If you remove any barriers, you will be able to develop a large pool of ideas and will have better luck in coming up with good recommendations.

Another thing to watch out for is to make sure that the suggestions consider future needs and changes. These changes could include changes in the environment, in demand for the client's services or products, in competition, and within the client organization itself.[77]

Aside from creative thinking, there are other techniques you can use in solution development. These include:

- Brainstorming (Obtain a large number of ideas from a group of people in a short time.)
- Synectics (Analyze suggestions one at a time until you find possible solutions.)
- Attribute listing (List the main attributes of each idea and examine each one to see how it can be changed.)

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[75] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 212.
[76] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 212-213.
[77] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 213.

- Forced relationships (Take ideas and ask, "In how many ways can these be combined to give a new idea?")
- Morphological analysis (Set down all the variables in a matrix and try to combine them in new ways.)
- Lateral thinking (Examine all options, including those that appear to be outside the given problem area.)
- Check-lists (Use as pointers to ideas.)
- Breakthrough Thinking (A general flow of reasoning with 7 principles leading to the opportunity for a breakthrough.)[78]
- SCAMPER Approach (Substitute, Combine, Adjust, Magnify, Put to other uses, Eliminate, Reverse; this approach emphasizes the use of a systematic process to generate ideas leading to solution alternatives while allowing time for incubation.)
- Delphi Approach (Employs an idea-generation concept similar to brainstorming, but it insulates the interaction of participants from one another by individually polling experts for ideas, summarizing and presenting the ideas to the experts, polling the experts again, and then summarizing and presenting the ideas once the responses have stabilized.)
- Prototyping Approach (Crystallizes various ideas and perceptions concerning a specific solution, stimulates users and designers to work together, allows for the evolution of a preferred design, and fosters convergence of opinion and agreement between conflicting parties.)
- Alpha Site or Pilot Project Approach (Use a host department as an environment in which to develop systems that are to be implemented later throughout the organization.)[79]

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[78] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 210-212.

Possible solutions could be found in other organizations, sectors, countries, etc., but as I stated earlier, you will most likely need to make adjustments to these solutions to make sure they work with your client's organization. Many consultants often draw on their past experiences; however since you are a student consultant, you most likely will not have much experience with developing solutions for clients. You can gain knowledge on how previous problems were solved by talking to colleagues in the consulting organization, looking at professional literature, and from information you gained from other organizations, such as the competition. [80]

After you have developed a number of recommendations, you will need to evaluate these in order to filter out those that do not add real value. Sort out, review, discuss, and assess all the ideas. It is impossible to pursue a large number of ideas so you should preselect which ones you want to go forward with.[81] The standards by which each solution alternative may be analyzed are:

- Economic feasibility (Cost/benefit analysis – discussed in greater detail in the next chapter.)
- Operational feasibility (Concerns the usability of each solution alternative in the environment and by the persons for whom it is intended.)
- Technical feasibility (Concerns the adequacy of the existing state of technology to meet the requirements of each solution alternative.)

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[79] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 12.6-12.8.
[80] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 207.
[81] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 214-217.

- Scheduling feasibility (Concerns the realistic likelihood that each solution alternative can be put into operation by a specified time in order to achieve certain objectives or avoid certain consequences.)
- Legal feasibility (Concerns the ability of each solution alternative to meet legal requirements imposed by outside authorities.)[82]

For this project, you are supposed to come up with recommendation(s) for the client. That means you do not have to have just one single recommendation. If you have a few good solutions that you think will work for your client, then give them all in your final report and presentation.

The *Handbook of Management Consulting Services* gives some final guidelines for solution development. There are:

1. Be sure that the selected solution relates directly to objectives that the client desires to achieve.
2. Maintain a comprehensive view of the problem and how it relates to the overall organization. At the same time, however, focus on the key issues or concerns.
3. As an aspect of the above, search for all the important relationships involved in the situation.
4. Employ systematic procedures and methodologies while maintaining an openness to creative insights.[83]

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[82] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 12.8-12.11.
[83] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 12.20.

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Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 190-220.

Chapter 17: Determining the Cost/Benefit Analysis

An important part to helping determine the right solution for your client is the cost/benefit analysis. According to Barcus and Wilkinson, "Central to economic feasibility is a benefit/cost analysis. This type of analysis attempts (1) to identify and quantify all the benefits and costs associated with a particular solution alternative and (2) to weight those benefits and costs by means of an economically oriented criterion."[84] Before you attempt to weight the benefits and costs, you should know what they both consist of.

Benefits consist of:

- Cost avoidance
- Cost reduction
- Revenue improvement
- Performance improvement
- Product quality improvement
- Increased market awareness
- Return on investment[85]

Costs consist of:

- Development costs also known as designing costs (These arise from the initial front-end work that takes place in the confirmation process, such as sizing the markets to be measured, designing the survey criteria, or developing the questionnaires.)

[84] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 12.8.
[85] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.

- Implementation costs also known as delivering costs (These are the costs associated with taking the primary data from the measurement process and turning it into something that has value for the consultant and client, such as aligning data with industry benchmark information.)
- Operating costs[86] also known as deploying costs (These are the direct operational costs incurred from running the measurement process, such as printing and mailing questionnaires, paying for professional interviewers, or telephone charges.)[87]

In order to determine the costs and benefits, you will need to use the financial data you have gathered from your research as well as any other information you have gathered during the project. This is why it is extremely important to make sure the client is willing to share as much information as possible with you. Without the financial data, you will not be able to determine how much money you will save the client or by how much you will increase sales per year with the solution(s) you recommend. Basically, by performing the cost/benefit analysis you will have a better idea of which solution alternative is best, as well as be able to demonstrate the financial, bottom-line impact of your recommendations when you present the final report to your client. Just remember that when you are presenting the possible recommendations to the client you will also need to explain to him or her the risks involved. For example, as Milan Kubr states, "The real investment and/or operating costs may be higher than foreseen."[88]

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[86] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 12.8-12.9.
[87] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 174-175.
[88] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 218.

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Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.

Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 218.

Chapter 18: Implementation Timetable

Although you will not be implementing any of the recommendations yourself, you still play a major part in the implementation. The consultants need to construct a timetable or work plan for the client which provides a step-by-step schedule of what the client will need to do in order to implement your recommendations. This should also contain a realistic, detailed estimate of the costs associated with implanting your recommendations.

According to Katz, "A set of action steps is given, with time frame, personnel and other resources required, and agreed upon between the student and the client. Any knowledge or instructions that the client needs to carry out your recommendations are provided or a referral is given."[89] This timetable or work plan should define controllable, and if possible, measurable results of individual tasks, operations and steps. It should set demanding but realistic goals for the implementation process.[90] The plan should be controlled to ensure that the change is managed to time, cost and quality. As Mick Cope states, "Plans are made, resources booked and people hired all on the premise that the change will follow a known path."[91] However, the timetable should have flexibility built in, because not everything can be foreseen. Changes may have to be made down the line.

This plan will define which tasks are to be performed, when the tasks are to be performed, and who will perform them. Barcus and Wilkinson list the following seven steps in the development of a sound work plan:

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[89] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6.
[90] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 223-231.
[91] Cope, Mick (2000). *The Seven Cs Of Consulting*. Great Britain: Pearson Education Limited, 131.

1. Define the scope of the implementation project. (Clearly define those areas that are to be included within the implementation and those that are not.)
2. Define the work units to be performed. (Identify and define the tasks to be performed)
3. Identify the skill levels required to complete the work units. (Identify the appropriate skill level or experience level for each defined work unit or task to help you assign specific individuals to each task.)
4. Estimate the times required to complete the work units. (Estimate how long each work unit or task will take to complete.)
5. Establish milestone dates within the life of the project. (First determine the project completion date, and then determine the milestone dates that represent the completion of major work activities. Determine them taking the critical path into account. These will help you make sure the project is on schedule and give you logical points in time to review the quality and scope of the project.)
6. Develop the details of the work plan. (Determine all the smaller work units or subtasks that comprise each major work unit or task. Then prepare a network chart showing all the milestones as well as the final completion date.)
7. Review and approve the work plan. (Review the plan with client management to see if it needs to be adjusted.)[92]

Step 5 mentions following a critical path. This is represented by the progression of key tasks that need to be completed before work on other tasks can begin. In general, the overall length of a project will be a result of the time required to complete all tasks on the critical path. [93]

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[92] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 13.2-13.8.

There may be individuals in the client organization who are against change and may not agree with the recommendations you give. You may need to gain both the commitment and support of a number of individuals. For this reason, Leonard Goodstein states, "Consultants, in designing and planning interventions in organizations, need to be aware of the forces against change and plan their change strategy accordingly."[94]

The development of the timetable is critical to a successful implementation phase of the recommendations. If you give your client a step-by-step explanation of when to implement changes and what is involved in the implementation, the client will be able to put your recommendations into place without your further help. Since small business owners are usually not as experienced with making big changes in their businesses, it is extremely important to make sure the client understands not only what they need to do, but also why.

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[93] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 13.6.

[94] Goodstein, Leonard D. (1978). *Consulting With Human Service Systems*. Reading, Massachusetts: Addison-Wesley Publishing Company, 120-121.

Chapter 19: The Final Report and Presentation

At the end of the project, you are to submit a final written report both to your client and your professor, as well as give a presentation to your client. Katz states that, "Your final consulting report and presentation to the client are the 'deliverables,' and they reflect the major focus of your efforts during the project."[95] The majority of your grade for the project is based on the final report and the evaluation of your report and presentation given by the client, so you should devote a good deal of time and effort to them.

According to Milan Kubr, "The final report provides a short comprehensive view of work performed. It also points out the real benefits obtained from implementation and makes suggestions to the client on what should be undertaken, or avoided, in the future."[96] In general, the report should answer what you learned as a result of the research, what new information you can provide the client to help increase his or her firm's performance, and what you suggest the client should do to improve operations. The report should keep the client's perspective in mind, provide sufficient detail to stand on its own, be well-thought out, be free of grammatical errors, and have graphs, flowcharts, diagrams, illustrations, or other visual aides to make it more interesting and understandable.[97] It also should demonstrate an accurate understanding of the client's problem(s), a realistic plan of action to address the problem, and knowledge of the seriousness of the problem and the level of urgency needed to address it.[98] The main elements of a formal written proposal typically include:

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[95] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 7.
[96] Kubr (1996). *Management Consulting: A Guide To The Profession* (Third Edition). Geneva, Switzerland: International Labour Organization, 247.
[97] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 14.11-14.12.
[98] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 14.3-14.4.

- Description of the problem
- Approach or work plan
- Results/Benefits
- Schedule
- Consultant's pertinent experience
- Staffing
- Assumptions[99]

The final report should be well-documented, written logically and cohesively, and use language understood by the client. Also, it should look professional and be free of grammatical errors. Usually the final consulting report will include:

- A cover page including the client's name, the business's name, and the student's name.
- Table of contents.
- Statement of the problem faced by the client.
- Brief history and background of the client organization.
- Detailed description of the methodology employed by the team and the analyses conducted.
- Findings and results of the facts you discovered through research.
- Discussion of the findings.
- The recommendations which have a detailed description of the proposed course of action and the specific methods the client should use to implement the recommendations.
- Bibliography with citations for all the sources of information you used.

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[99] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 14.4.

- Appendixes including exhibits, figures, tables, and other supporting documents that illustrate key points from the report.[100]

The professor will provide you with an outline for the final report, so make sure you follow it and include everything that is asked of you. The report should look neat and professional to show that you care about the project and your client's business, as well as to demonstrate the effort you have put into the project. One way to do this is to make sure the report is free of spelling and grammatical errors. Refer to "Tips for Polishing the SBI Report: Common Grammatical Errors" on pages 29-30 of the SBI Student Manual to help with this.[101]

Another important aspect of the final report is to include visual aids such as charts and graphs to help keep the report interesting as well as more understandable. Make sure to follow the following descriptions of the different types of charts and graphs to help you choose the right one for the information you are portraying:

- Pie Chart (shows relationships between parts and the whole)
- Bar Chart (shows rankings, compares and groups items)
- Column Chart (shows changes over time; best for up to six or seven points, emphasizes levels or magnitudes)
- Line Graph (shows changes over time; best for long time periods; emphasizes movement)
- Scatter Diagram (shows relationships among two or more variables; uses dots or bubbles)[102]

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[100] Katz. Consulting to Small Business—SBI and Beyond. *Consulting Overview*, 6-7.
[101] Small Business Institute Directors' Association. Tips for Polishing the SBI Report: Common Grammatical Errors. *Student Consultant's Manual 1996-97*, 29-30.
[102] Barcus III, Sam W., & Wilkinson, Joseph W. (1995). *Handbook of Management Consulting Services* (Second Edition). New York, NY: McGraw-Hill, Inc, 17.21.

Aside from handing the client a written report, you also will be giving a formal presentation of the report to the client. This presentation will give you time to present your findings and recommendations, discuss them with the client, as well as discuss any sensitive issues that may not be included in the final report. One thing to remember when presenting to the client is that it will be much harder to critique the client's business in person than it is when you do it in writing. The SBI student manual states, "It is easy to be critical of the inefficiencies of your client's business when you are not in his/her presence. When facing your client in person, you will need to handle these areas with a great deal of tact."[103]

Some tips that Henry Golightly gives on the presentation are to make sure you have enough time to say what you need to say, give the client time to ask you any questions they might have, and try to keep the atmosphere at the presentation meeting friendly and pleasant.[104] You should make sure to clearly identify the client's problem and then move on to the recommendations. Also, you should explain the forecasted or expected benefits from the recommended solution(s). While presenting your findings to the client, you should present the recommended solution(s) in a persuasive manner. In order to do this you will need to justify the recommendations with facts and arguments as well as providing any visual aids to help you. Do not overwhelm the client with numerous details and discussions of data analysis, but do make sure you tell the client any information concerning the tasks that a recommended solution entails and any risks or difficulties that may come with implementing the solution. The consultant will usually "talk though" the main points of the report with the client during the presentation and then provide the written report to the client for him or her to study in depth later.

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[103] Small Business Institute Directors' Association. *Student Consultant's Manual 1996-97*, 32.
[104] Golightly, Henry O. (1985). *Consultants: Selecting, Using And Evaluating Business Consultants*. New York/Toronto: Franklin Watts, 175.

According to Barcus and Wilkinson, the success of a presentation depends on four factors:

1. A clear plan for the production and the message.
2. An effective package of visual support.
3. Enough practice to build confidence.
4. A dynamic performance.[105]

In order to give a good presentation, you should be prepared and know what you are talking about, keep a positive attitude, have confidence, and warm-up before the presentation such as using relaxation techniques. The final report and presentation are the last assignments of your project, aside from the evaluation the client will submit on your work. Make sure you put in a good deal of effort to prove to your client that you understand his or her business, are knowledgeable about the problem at hand, and have done enough research to come up with good recommendations.

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Appendix 1: List of Questions to Ask

- **Chapter 6** (Questions to Ask the Prospective Client):
- Do you own a small business in Connecticut?
- Are you located greater than five miles from UConn's campus in Storrs?
- Are you a for-profit business?
- Have you been in full operation for at least two years?
- Do you have complete financial control over spending and profits?
- Are you not owned nor controlled by a parent company?
- Do you have at least five employees, counting the owner?
- Are you willing to work with me and share your business problems and information with me?
- Is your company financially viable and not at a high risk of failing?

- **Chapter 10** (Preliminary Questions to Ask the Client):
- What are the company's products and services?
- What are their prices?
- What is your average number of customers per day or per week?
- When are your busiest days and hours?
- How many employees do you have?
- Can I see the company's financial information such as costs and revenues?
- Do you have any available product information materials I can look at such as catalogues, brochures, etc?
- Do you have any promotion materials I can see?
- What specifically would you like me to do?
- On what issues or for what problems do you need assistance?
- What questions would you like me to answer?
- How do you envision the nature and scope of the project?
- What do you believe you already know in relation to this problem or opportunity?

- **Chapter 12** (Questions to Ask Yourself in Determining the Problem):
- Is the firm's major problem lack of sales?
- Was a proper market survey made when the firm started?
- What is the nature and form of competition?
- Does the firm lack any assets that would improve its capacity, image, or profitability?
- What is the relationship of total assets and liabilities?
- Is the location good in terms of rent, competition, traffic, parking, promotion, etc?
- Is the present layout encouraging to sales because it reflects buying habits of customers?
- Is the present advertising program being checked for its effectiveness?
- Do customers generally reflect a feeling of satisfaction in doing business with the firm?
- Do prices now produce an average gross margin consistent with the sales volume for this type of firm?
- What is the turnover rate of desirable employees?

- **Chapters 12, 14, and 15** (Questions for Analysis):
- What has been the trend of sales in recent years?

- Does population growth, new competition, or competitor change in methods justify new ways of serving this market?
- Has the ratio of population to number of firms in this trading area changed since the firm was established? If so what has been done by management to keep current with these changes?
- What is the nature and form of competition?
- Does the firm lack any assets that would improve its capacity for service, its image, or its profitability?
- What is the relationship of total assets and liabilities?
- Are any financial weaknesses apparent?
- Is the location good from the standpoint of meeting competition?
- Is the location good for development of sales via promotion?
- Has your client considered all the direct and indirect sales promotion methods?
- What is the firm's image in the community that it serves?
- Do customers generally reflect a feeling of satisfaction in doing business with the firm?
- Is market strategy employed in setting prices?
- What are the prices and pricing policies of the competition?
- What is the turnover rate of desirable employees?

Appendix 2: Additional Sources

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