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STRATEGY AND ORGANIZATION CONSULTING

Jay R. Galbraith

ABSTRACT

This article is about the convergence of strategy and organizational consulting. Originally these two specialties were combined under the label of general management consulting. Then the process of specialization fragmented the practices. To some degree, the organizational design area has sought to reintegrate strategy and organization. Today, there is a movement to develop intellectual property and deliver integrated services. The article speculates on who might be the winners in this new development.

Consulting in Strategy and Organization began as a single practice area, General Management. Since its beginning it has fragmented into many specialties. Today there are pressures to put these specialties back together again in the service of the general manager. This article confronts the issues of whether the specialties should and can be combined into integrated consulting offerings for general management.

The article begins with a description of the development of the practice areas. The development of the practices reflects the advancement of the underlying knowledge base. Such progress highlights the three parallel streams of knowledge that have influenced the consulting practice. These are the evolution of management practice, the theory and research created in business schools and the knowledge coming from the consulting practice itself. At different times each of these has been the leading edge. The article finishes with a discussion of today's issues, challenges and responses that characterize the two practice areas. Specifically, the forces toward the reintegration will be featured along with the reactions by consultants and their development of sources of intellectual property.

The Development of Strategy and Organization Practices

The two practice areas began as one called General Management. Then as the practice of management became more complex and the knowledge base increased, General Management fragmented into Strategy, Strategic Planning and several different organizational practice areas. The continual appearance of new management challenges and the resulting increase in complexity have been the forces driving both the expansion and the fragmentation of the consulting areas.

The practice of management was the original leader as a source of consulting knowledge. During the 1920s and 30s, consulting firms were staffed with experienced practitioners who transitioned into consulting. Management books were written by thoughtful practitioners like Henri Fayol of France and Chester Barnard in the United States. The businesses of the time were simple by today's standards. They followed single business strategies and managed through functional organization structures. They executed single business strategies of vertical integration and geographic expansion and consolidation. Very often the bankers who financed the strategies also delivered the consulting on strategy and organization structure. The consulting firms, like McKinsey, were focused on solving the problems of top management. They developed an integrated approach to top management problems. The approach was written in McKinsey's General Survey Outline which was required reading for all consultants.

> "The Outline forces a strategic approach in that it calls for considering the industry outlook and the company's competitive position before considering anything specific to the organization. It also forces an orderly approach by requiring examination of the elements of managing, in an undeviating sequence: goals, strategy, policy, organization structure, facilities, procedures and personnel – <u>in that order</u>."[1]

This situation changed after World War II. Companies began to grow and follow strategies of diversification. These strategies required new organization structures. The companies struggled to transition from single business, functional organizations to diversified multi-divisional profit centers. It was a situation tailor made for consulting firms. Through projects they began to acquire the knowledge of diversification strategies and to understand the working of the multi-divisional structure. The strategy and organization consulting firms grew their business and their knowledge base as one firm after another transitioned to a multi-business company. First, the American firms and then the European and Japanese firms implemented the diversification strategy, many of them with the help of consultants.

The intellectual leadership shifted at this time to the business schools. There were at least three important streams of work. One was the strategy and organization stream. This stream was initially led by Peter Drucker. His <u>Concept of the Corporation</u> was a seminal work and has been followed by a never-ending sequence of books on management. Alfred Chandler wrote <u>Strategy and Structure</u> which documented the evolution to the diversification strategy and multi-divisional structure. Igor Ansoff, a practitioner turned academic, contributed one of the first books on strategy, <u>Corporate Strategy</u>. And finally, Michael Porter took the leadership with a series of books stretching into the 1990s.

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[1] Bhide, 1992, p. 13.

Another stream came from the behavioral sciences. The Hawthorne experiments began before the war. During the war Kurt Levin and his colleagues at MIT began experiments in changing people's eating behavior. The government was interested in seeing if people could be influenced to change their habits to eat foods in over supply and avoid those foods in short supply. Out of this work came the participative management movement. Its philosophy was articulated by Douglas MacGregor in The Human Side of Enterprise and research results reported by Rensis Likert in New Patterns of Management. Influenced by MacGregor's work, Warren Bennis, Dick Beckhard and Ed Schein became key players in the Organization Development (OD) practice. They edited the OD Series, which eventually comprised over thirty books. The series clearly focused on the human side of management and implementation of changes.

The third stream was the rational side of business. Mathematicians proved useful in the war effort by modeling military problems. These people moved into the business world and used mathematics, statistics and rational analysis to study business problems like inventory management. The practice was originally called Operations Research, Management Science and eventually Decision Sciences. Another group of specialists emerged from the planning and budgeting practice. Aided by computers, the mathematical models and simulations could be merged into the long-range plans and short-term budgets. Strategy was incorporated and the topic became Strategic Planning. The academics like Russell Ackoff were the leaders in developing this knowledge area. Also the planning and control faculties contributed their ideas with people like Robert Anthony and Richard Vancil from Harvard.

The knowledge streams reflected their academic base. That is, they were developed in depth with some degree of rigor. But the researchers had little or no knowledge of their counterparts in the other streams. They usually developed overlapping and sometimes opposing prescriptions for dealing with the management problems of the day. Eventually this fragmentation and the preference of rigor over relevance reduced the effectiveness of the academic specialties.

The next era of new problems emerged in the 1960s. The Treaty of Rome created the European Common Market and the opportunity for cross-border commerce for European firms. The Common Market and the slowdown of the U.S. domestic growth motivated U.S. firms to expand into Europe. This expansion required help from consultants on international strategy and structures. The international challenge also was indicative of the pattern of development of the consulting practices. As the consulting product line of diversification strategy and multi-divisional organizations matured, it became textbook knowledge and a consulting commodity. But as one management challenge became understood, another new one would arise for which general managers sought help and insight from consultants. So the consulting firms built their international expertise project by project. They again grew as one firm after another sought their help when expanding from their domestic base into new and unknown territory.

The intellectual leadership was again taken by the academics. The best example was the International project at Harvard, which lead by Ray Vernon. Books appeared describing the transition of American firms (Stopford and Wells 1972) and European firms (Franko 1976) using the Chandler strategy and structure framework. Business schools added an international business department and curriculum. For a while the Columbia Journal of World Business was an important source of ideas. The European business schools thrived and added executive programs as managers flocked to courses on international strategy and structures.

The initial expansion of firms was confined to the developed countries. The U.S. companies entered Europe and then Europeans came to the U.S. A typical organization structure at the time was one based on three regions, North America, Europe and ROW, meaning rest of world. But in the 1980s and 1990s, ROW was where the growth was. New competitors and multi-nationals emerged from Japan and then Korea and Taiwan. Again business firms sought help from the consulting firms crafting global strategies and global organizations to respond to these new opportunities and threats. The intellectual leadership remained with the academics. The books of the time were Prahalad and Doz's Multi-National Mission and Bartlett and Ghoshal's Managing Across Borders.

So the period from 1950 to 2000 was a golden age of strategy and organization consulting. Firms followed similar growth strategies of diversifying from single businesses, expanding into Europe and then becoming global. For each transition, companies sought consulting help to face the new challenges. As the solution to one challenge became common knowledge a new one emerged. At each stage, the consulting firms built their knowledge project by project. They were aided in this knowledge building by the research and publications from the business schools. They were also aided by hiring MBAs trained at these same business schools. In 1953 McKinsey stopped hiring experienced practitioners and began hiring MBAs. In part this change reflects the accumulating knowledge of the business schools that the consulting firms wanted to tap. In part it reflects the accumulating knowledge of the consulting firms themselves. They started to hire and to train MBAs in their way of doing things. Before continuing the description of the accumulating knowledge of the consulting firms, another change needs to be analyzed.

Organization Design

A reaction to the fragmentation of the knowledge base and the isolation of the business school researchers began to take place in the 1960s. It eventually took the shape of Organization Design in the 1970s and 1980s. On the one hand, Organization Design was a reaction to the fragmentation and on the other hand, it was an articulation of a framework based on an accumulating base of empirical evidence. It was the academics who led the creation of the topic. But the consultants have embraced the area and may well take the lead in its future developments.

An initial stimulus was Hal Leavitt's chapter in the Handbook of Organizations. The idea was further developed in his work Managerial Psychology. He created a fictitious manager with a problem who then called in a consultant for a recommendation. The initial consultant was portrayed as a classical strategy and organization consultant. The advice that the manager received was to divisionalize to profit centers and decentralize decision-making. Leavitt's manager was a conservative one so he called in another consultant for a second opinion before acting. The second consultant came from a consulting firm following the Operations Research school of thought. Staffed with PhDs, this firm recommended the implementation of a long range planning system, a computer-based information system and several rational models to guide decision-making. The now confused manager called in a third consultant. The third consultant came from a firm staffed with PhDs in behavioral science. After looking at the situation, these consultants recommended the improvement of interpersonal relations to be implemented through a series of offsite meetings and feedback sessions.

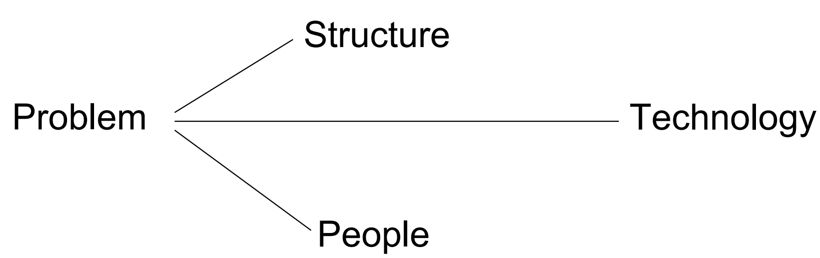

Figure 1 — Leavitt's Manager

Leavitt used a diagram like the one shown in Figure 1 to portray the manager's and indeed all managers' dilemma. For the same problems, it was possible to receive different prescriptions from different consultants based on their consulting specialties. Leavitt's point was that these prescriptions were not wrong but that they were all only partially correct. That is, in order to make a successful change and solve the manager's problem, structures, planning processes, information systems and interpersonal relations all had to be changed. Real managerial problems and tasks require a blending of all the specialists' areas. Real tasks and situations were not just structural issues or just interpersonal relationships.

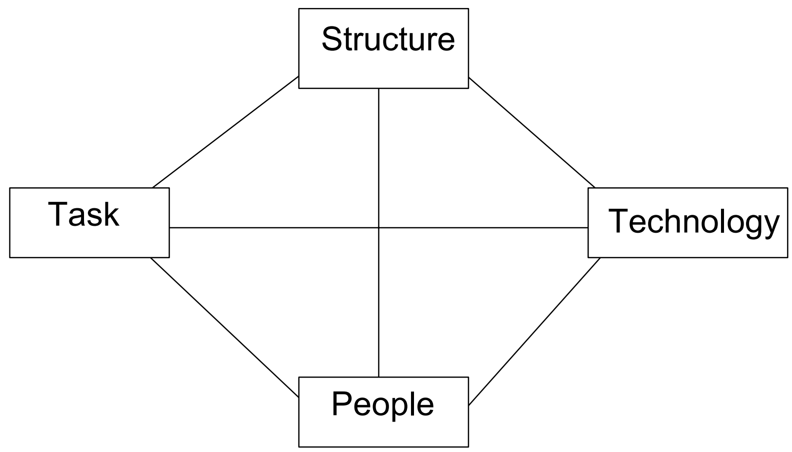

Figure 2 — Leavitt Model

Figure 2 shows schematically the point that Leavitt was making. In order to solve a manager's problem, consultants must deal with all the specialties simultaneously.

Numerous models began to appear after Leavitt's initial works. Usually strategy was substituted for the problem box. Lawrence and Lorsch's work began to use a triangle of strategy, organization and people. Lawrence and Lorsch and others who joined this effort added the idea that strategy, organization and people needed to fit together for high performance to occur. That is, the choice of organization and selection of types of people was contingent upon the type of strategy that the firm chose to follow. Initially these ideas were called Contingency Theory. But eventually the school of thought came to be known as Organization Design. The author's version of the Leavitt model, the Star Model, is shown in Figure 3. It states three of the ideas that provide the foundation for Organization Design.

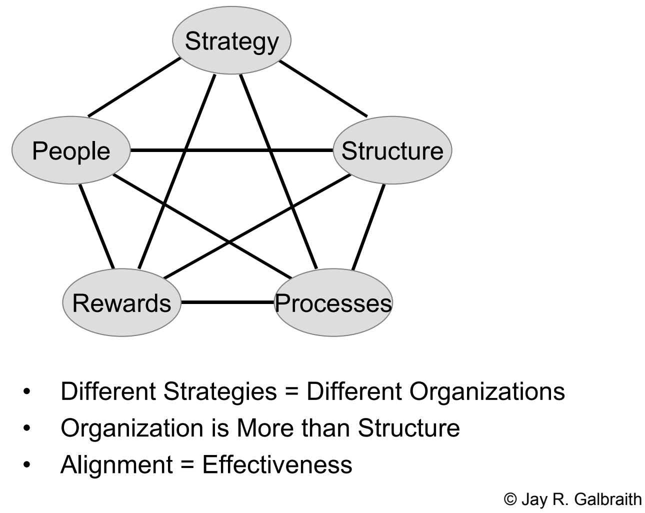

Figure 3 —The Star Model ™

First, different strategies require different organizations. Second, organization consists of business and management processes, reward systems and people practices in addition to structure. This idea is a throwback to McKinsey's General Outline Survey from the 1930s. And the third idea is that the effective company is one that has aligned all of the elements of the Star Model. The various Organization Design frameworks then spelled out how to achieve alignment.

The consulting firms began to develop their own versions of these models. The most popular of these was the McKinsey "Seven S" model that achieved notoriety in Peters and Waterman's <u>In Search of Excellence</u>. By 2000 virtually every consulting firm was using their own version of the Star Model. The terminology and the graphics are all different but the models still are based on the three Organizational Design ideas. These models are one of the bases of the integration of the specialties for the general manager.

<u>Integration</u>

At the beginning of the article, it was stated that one of today's issues is whether strategy and organization should be reintegrated for the general manager. And if they should be integrated, can they be integrated and by whom?

The answer to the first question seems to be mostly positive. The prevailing view supports Leavitt's original insights. That is, a firm cannot successfully execute a strategic change without making compatible changes to structure, processes and human resource practices to maintain alignment. In order to integrate the specialties, the consulting firms have adopted their own versions of Leavitt's model. Another factor favoring integration is the decreasing life cycle of a competitive advantage. That is, all advantages are temporary. And the time frame in most industries for advantages that are directly experienced by the customers is decreasing. So the strategy in many industries is to produce a sequence of advantages. Under this strategy, for example, the firm competes on the speed and effectiveness of its product development process, an organizational capability. The consultants and the firm must simultaneously plan the strategy and the organization. In fast-paced industries there is a convergence of strategy and organization.

Most consultants and consulting firms have struggled in combining the specialists as required by the models. To some degree, there is the normal difficulty of interdisciplinary cooperation. That is, integration is achieved by creating project teams consisting of individuals from the different specialties. Each specialist has their own language, models and points of intervention. Integrating the efforts of these different specialists is as difficult as integrating the different knowledge bases around the clients' issues. Managing these project teams is a more difficult project management task for the project leader. The consulting firms choosing a strategy of delivering an integrated solution to the general manager needs to follow its own integrated model. They need to develop project management skills and to select and promote specialists that can work in teams. They also need to create their own knowledge package of integrated specialties so that teams can work from a common model and use a common language. On the intellectual property front, the consulting firms may take over the leadership in integration.

Another problem experienced by the consulting firms following the integration strategy is simply building the specialties under one roof. When working separately the specialist consulting firms charge different rates, have different profit margins, use different business models and pay their people different salaries. For example, the strategy consultants are the highest paid and achieve the highest margins. They have about five or six associates per partner. The information technology firms pay less and use a leverage model of about twenty associates per partner. When working on the same project for the same customer, people compare salaries and jealousies and animosities can develop among team members. These are the same issues that have made the integration of commercial and investment bankers so difficult. If an information technology (IT) firm hires strategy people at IT rates, they will not attract the top people. Clients may then prefer to hire the first tier strategy firm and then hire the IT firm for the IT system development only. But there may be some clients that prefer one stop shopping. That way, the client may be able to place more accountability on the consulting firm. So the firms pursuing the integration strategy may have to choose those customers who want a one-stop shop.

Another approach is to follow the integration strategy but partner with other specialist firms. This strategy is followed by Sun Microsystems in delivering IT solutions to customers.

They combine the "best of breed" among hardware, software, service and consulting firms for the customer. Partnering is possible but does not appear to be popular among the consulting firms as yet. Most consulting firms are not effective at partnering with other consulting firms.

The other approach is to let the client provide the integration. Historically, clients have provided most of the integration but not always effectively. Usually the client hires the specialist firms sequentially. First they hire the best strategy firm. Then they hire their preferred organization design firm, then the IT firm, the compensation firm and the executive recruiter of their choice. The sequential approach can and has worked for some firms. They may have the internal resources to provide the integration themselves. But when the required speed of change picks up, the sequential approach starts to break down. The clients can still integrate but they need the internal project management resources to execute major change efforts. There is also a lot of evidence that the clients have trouble executing the integration. The press reports that resulted from the re-engineering projects in the late 1980s and 1990s show that from fifty to seventy percent of the projects failed to reach their intended goals. The reason was that the consultants and clients failed to appreciate the human and organizational factors. A recent study by Bain Consultants shows that fifty percent of Customer Relationship Management (CRM) projects fail to meet their expected goals. The projects failed because there was insufficient strategy work prior to implementation and/or insufficient consideration of human, cultural and organization factors needed for implementation. So a large number of clients appear not to have the internal resources to achieve integration.

Another approach to the integration issue is to maintain the generalist but specialize by industry or customer segment. Most of the large consulting firms and the strategy firms specialize by industry like automotive, financial services, and so on. Within industry they often consult only for large global clients. Some account representatives consult only for their specific client. In this manner, the generalist consultant specializes by customer type, learns the language of the general manager and the industry. In these strategy firms there are specialist groups that provide support to the generalists when needed. The specialists are still second-class citizens but the approach may be an effective one overall. As it stands, there are clients who want one stop shopping and accountability, some who want to choose best of breed and integrate the specialists themselves, and finally, there are clients who do not integrate and represent a significant opportunity.

Implementation

One of the biggest criticisms of the strategy firms and to a lesser extent the organization firms was that their recommendations were rarely implemented. The consultants have been well aware of the feedback and have tried to address the complaint. Their response has been to adopt consulting processes which use greater involvement on the part of the clients. Like the move to greater integration, the emphasis on implementation requires large changes on the part of the consultants.

Initial consulting assignments produced advice in the form of reports for the CEO and perhaps the leadership team. Some early critiques of strategy consulting firms were that the expensive work lead to no real progress. When Bain Consulting was born, their slogan was “Results Not Reports”. They emphasized the interaction and involvement of the top management team in the analysis. This increase in interaction and involvement has been the most notable feature of strategy consulting and certainly organizational consulting. The consultants learned the lessons of participative management. People are more committed to outcomes that they have planned and created themselves. The consulting process, like the management process of the client, has moved away from command and control to involvement and commitment. Today the client is as educated and as smart as the consultants are. The consultants bring their methodology, databases and experience to help the client arrive at better decision. The consultant is less likely to tell the client how to decide.

Another transition has been from strategy as a plan to strategy that is enacted every day. The front line personnel in fast-moving businesses make strategy rather than have top managers plan strategy. In order to have the strategy makers understand the intended strategy, consultants are involving larger numbers of people in the strategic planning process. Nokia had 250 people work one-quarter time for six months on formulating a new strategy. They involved about 2,000 more people in the process. If a company wants everyone to understand the strategy, what better way to learn a strategy than to be part of the process to create it? Gary Hamel and Strategos, his consulting firm, were using large numbers of volunteers to engage in the strategy-making process. They referred to these people as a “volunteer army”.

Along with the increase in the number of people involved in strategy planning, strategy-making has created innovations in managing the process. One process innovation is the large-scale meeting. Years ago, Marv Weisbord made the observation that the best way to change a system was to “get the system in a room”. Indeed, small companies and start-ups have “all hands meetings”. In an attempt to reproduce the small company advantage, consultants now conduct three-day meetings with up to 2,000 people. The format is plenary session, break outs by business unit, plenary session, break outs by country, and so on. In this process everyone gets an opportunity to input to the strategy but must convince their peers of their ideas. Everyone experiences the CEO’s problem of convincing others. In the process, everyone learns a great deal about the business and the reasons for making a strategic change. While expensive, the process telescopes the time frame of creating and teaching the strategy to 800 or more key people.

A next step being pursued is to use the Internet to involve more people and to react more quickly to business changes. One example is British Petroleum. They conducted a strategy session with the top seventy people in a room. But connected via a video conferencing link were 10,000 personal computers. People in offices and oil rigs in the North Sea were plugged in. These other participants had the materials and could dialogue with the leaders at the session.

To be effective, these large-scale meetings need thorough planning and disciplined execution. But they hold the potential for involving large numbers of people in the strategy and organization design process. This involvement should aid in gaining commitment for implementation and speed the process of communication. A new consulting specialty is arising around the planning and execution of the large-scale (500-thousands of people) meeting. These specialists will also need to be integrated into project teams.

Intellectual Property

The pursuit of thought leadership is the new Holy Grail of consulting. Originally practitioners were the thought leaders as described above. Then after World War II, the business schools took the leadership until the late 1990s. Now in many areas it appears that consulting firms are pursuing and achieving thought leadership. However, the leadership question is not as clear as before. There are practitioners like Andy Grove of Intel who write books and lecture. There are also pockets of leadership in the business schools from which an occasional guru emerges. But the consulting firms are playing a larger role than before.

The consulting firms always accumulated expertise in the newest business challenge. This knowledge was shared in various ways within the firm. When the Boston Consulting Group introduced the learning curve and the growth-share matrix, the effect was enormous. They became recognized as thought leaders and more advanced than the other strategy firms. Their growth and success showed the result of the new thought leadership. Firms also saw the results of Peters and Waterman's In Search of Excellence. The consulting firms all began serious programs of generating, accumulating, publishing and disseminating their own intellectual property.

One indicator is the evolution of the McKinsey Quarterly. When it first appeared, it was small and contained a few reprints taken from the Harvard Business Review or the California Management Review. Over the years the publication has gotten larger and contained more articles from McKinsey consultants. Today it is totally devoted to McKinsey-generated material. Consultants are encouraged to publish. The authors of the most requested articles are rewarded. In some cases McKinsey charges for access to some articles. All the other firms now have introduced their own journals. The competition for thought leadership and new business has begun.

The next new thing was originally to be e-commerce in the 1990s. The consultants rushed to learn and to publish. The Boston Consulting Group produced Blown to Bits which was representative of the published works. Of course, these efforts and the hype surrounding them crashed along with the dot-coms. The economic slowdown further hampered the implementation of e-commerce. But e-commerce and the move to Enterprise Systems (the integration of Customer Relationship Management (CRM), Supply Chain Management (SCM) and Enterprise Resource Management (ERP) Systems) continue to challenge management. New

IT systems are driving new forms of organization. New IT systems are therefore driving the development of consulting practices and the underlying knowledge bases.

The surprise is that the thought leadership will probably pass to the IT firms like IBM and Hewlett-Packard, software firms like SAP and Oracle and to the systems integrators like Accenture. These firms have built their own consulting capabilities and acquired others. They have established research centers to build intellectual property. In addition to selling hardware and software, these firms will provide consulting for strategy, organization and change management. For the strategy firms it may be difficult to wrest control of many clients from these new consultants.

Another challenge for the strategy and organization consulting firms are the former clients that believe they are thought leaders and are developing their own intellectual property. At a minimum these firms are reluctant to hire consultants. The author participated in a brain-storming session at one of the strategy firms to see what the firm could offer to Cisco Systems. Cisco like other leading firms believed that they would teach the consulting firm and not the reverse. These leading firms are reluctant to engage consultants who, they believe, will spread their intellectual property to their competitors.

A bigger threat comes from firms like General Electric (GE). The management of GE feels that they have developed their own intellectual property. Their efforts at "Work Out" and "Change Acceleration Program" are or were regarded as leading edge management practices. They were developed at GE with the help of individual consultants. But these consultants were prevented from writing about these practices until recently. Instead the practices were taught to all the businesses of GE at Crotonville, GE's corporate university. Then some of the businesses began to offer these programs to their customers. GE Capital and Medical Systems take their customers to Crotonville for courses and consulting. They show customers how to implement changes funded by GE Capital and profit from hospital equipment installed by Medical Systems. GE also exchanges these practices with other companies like Wal-Mart that have their own intellectual property to exchange. GE still uses consulting from its businesses and from other firms and provides consulting to its customers. This type of exchange or consulting is new. Other companies are not far behind. These former clients are smart, hire smart MBAs and hire former consultants. As they confront cutting-edge problems they develop their own solutions, which they keep to themselves and provide selectively to customers.

There is a problem when consultants, companies and gurus develop intellectual property and publish it. The situation becomes worse when the ideas are promoted and hyped. The reason is that when new ideas first appear, they are only partially developed. The way to improve those ideas or the theories behind them is to find the errors in the theory and correct them. However, if the initial ideas were hyped and customers bought them, the subsequent discovery of errors is embarrassing. Admission of error would be tantamount to a product recall. As a result, consultants and gurus are more interested in proving rather than improving a theory. Proving a theory is a short- sighted pursuit. The more a theory is hyped, the greater the incentive for another consulting firm or an assistant professor to discover and report the errors. The result is that all consulting firms and gurus lose credibility when hyped ideas are shown to be faulty.

There are two responses to the publishing of intellectual property by consulting firms. The first is to set the proper expectations with clients and constituencies. Hyping new ideas is to be avoided. The subsequent fall matches the initial notoriety. Working with early adapters as a beta site is preferable. Many leading-edge clients are interested in new ideas and taking prudent risks. A second response is partnerships with business schools. Many consulting firms are data rich and research-skill poor. Partnerships with research faculties combine complementary skills. The partnerships still need to be driven by values that promote finding error and improving ideas. For example, the early research by academics in the study of new factories run by autonomous blue-collar teams was based on the objective collection of data. The result is that these academics won the credibility of both unions and managers. An objective rather than an evangelical and hyped approach led to the implementation of effective factories. An approach based on inquiry and the discovery of error led to better relationships with the participants. So the creation and publication of intellectual property by consulting firms needs some maturing in order to be an enduring source of value for them and their clients.

The business schools are increasingly a “no show” in the current development of thought leadership. To be sure, there are individuals and centers here and there that make contributions, but on the whole the center of gravity of thought leadership in organization and to a lesser extent in strategy has moved away from the business schools. In organization, the business schools are organized around Organization Behavior (OB) and Organization Theory (OT) not around real issues. In OT the focus has been on Population Ecology and Resource Dependence and not on Organization Design. Currently the trend is toward Complexity Theory, which may eventually produce an important breakthrough in creating organizations. But most of what is produced in business schools is seen as having little value to people responsible for the stewardship of our institutions.

So the development of intellectual property and the development of consulting practices have shifted to the consulting firms and to leading edge companies. The development of consulting practices at leading-edge firms present a new source of competition for the consulting firms. Many leading-edge firms now bundle consulting and services along with their traditional products. The consulting firms’ best approach appears to be the generation of new ideas from their internal research centers and from partnerships with business schools. Those partnerships may also help the business schools to keep from losing completely their past thought leadership.

Summary

The future of consulting is likely to follow the past. New challenges arise for which management seeks help from consultants. The preceding section set up the competition threatening consulting firms. The corporation facing the challenge can develop the solutions itself, get advice from other companies who faced the challenge earlier or call on consultants who have built up a knowledge base on the new challenge. The issue for the strategy and organization consulting firms is whether they will get early access to the leading-edge firms. These are the firms that may want to build their own intellectual property. These are also the firms that the IT vendors will see early and try to win the consulting business. The consulting firms will always be hired to provide outside, objective assessments and temporary teams to formulate a new strategy. But will they win projects on the new challenging problems early enough to build knowledge superior to the competitor, new and old?

Other aspects of the future of consulting were anticipated in earlier sections. There will be a greater emphasis on integration from some customers. There will be a fusion of strategy and organization for firms with short duration competitive advantages. These clients will be more interested in implementation. To serve these clients, consulting firms will need to collaborate with them in formulating solutions. The large-scale meetings will play a greater role in these projects. The need for good project management and new specialties will be the order of the day for the strategy and organizational consulting firms.

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