Roles of management consultants in business transformation: case Capgemini Consulting

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ROLES OF MANAGEMENT CONSULTANTS IN BUSINESS TRANSFORMATION

This research sets out to identify and describe different roles that management consultants have in business transformation programs. In so doing, the research defines business transformation, provides versatile vistas to management consultants' roles in transformation programs, and outlines consulting skills that business transformations most prominently call for.

The research is a case study of Capgemini Consulting and particularly its Finnish organization. The study combines literature research with empirical research. The research methods used in the empirical research are thematic interviews and participant-observation. The research also draws from select internal documentation of Capgemini Consulting. The data analysis has relied on systematic combining of interview data and cross-referencing of interview transcripts with Capgemini's internal documentation.

In this research, business transformation programs emerge as strategic, multidimensional and extensive change programs that consist of two phases: analysis and design followed by results delivery. From a management consultant's perspective, business transformation programs are longer and occupy a greater number of consultants than most other consulting assignments. On the other hand, business transformations are found to comprise only few truly unique elements. Instead, they can be seen as combinations of elements of more typical consulting engagements.

The research revealed multiple roles for management consultants in business transformations, as well as multiple perspectives to approaching those roles. First, the research unveiled a fairly constant set of organizational roles available to management consultants, including e.g. the roles of a Program Director, Stream Lead, Subject Matter Expert and Business Case Manager. Second, various functional roles of management consultants were identified, including the advisor, coach, enabler and doer. Third, management consultants were found to have specific consulting styles in business transformations, with the high degree of client contact cutting across all identified styles. Fourth, select consulting skills were identified as characteristic to business transformation programs, with political sensitivity and social skills emerging as particularly important.

Key words: management consulting, business transformation, change management, strategic management

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LIIKKEENJOHDON KONSULTTIEN ROOLIT LIIKETOIMINNAN TRANSFORMAATIOSSA

Tämän tutkielman tavoitteena on tunnistaa ja tarkastella liikkeenjohdon konsulttien rooleja liiketoiminnan transformaatiohankkeissa. Tutkimuksessa pyritään määrittelemään liiketoiminnan transformaatiot sekä tunnistamaan tutkielman kannalta olennaisia tapoja tarkastella ja jäsennellä liikkeenjohdon konsulttien rooleja. Lisäksi tutkimuksessa pyritään tunnistamaan keskeiset liikkeenjohdon konsulttien taidot ja osaamisalueet liiketoiminnan transformaatiohankkeissa.

Tutkielma on tapaustutkimus Capgemini Consulting –konsulttiyrityksen Suomen organisaatiosta. Tutkielma koostuu kirjallisuustutkimuksesta ja empiirisestä tutkimuksesta. Empiirisessä tutkimuksessa käytetyt keskeiset tutkimusmenetelmät ovat temaattiset haastattelut sekä osallistuva havainnointi. Tutkimuksessa on lisäksi hyödynnetty tapausorganisaation sisäistä dokumentaatiota, kuten esitysaineistoja. Tutkimustiedon analysoinnissa on hyödynnetty etenkin systemaattista yhdistelyä (systematic combining) sekä haastattelutiedon vertaamista tapausorganisaation sisäisiin dokumentteihin (cross-referencing).

Tutkimuksen perusteella liiketoiminnan transformaatiot voidaan määritellä strategisiksi, moniulotteisiksi sekä laajoiksi muutoshankkeiksi, jotka koostuvat kahdesta vaiheesta: analysoinnista ja suunnittelusta sekä muutoksen toteutuksesta. Liikkeenjohdon konsultin näkökulmasta liiketoiminnan transformaatiot muodostavat oman toimeksiantotyyppinsä, joka poikkeaa monista muista toimeksiantotyypeistä muun muassa pitkän kestonsa sekä suurilukuisemman konsulttitiimin ansiosta. Toisaalta transformaatiohankkeet sisältävät vain vähän täysin ainutlaatuisia elementtejä ja ne voidaan osittain nähdä koostuvaksi useista eri toimeksiantotyyppien elementeistä.

Tutkimuksessa tunnistettiin useita rooleja, joita liikkeenjohdon konsulteilla on liiketoiminnan transformaatioissa, sekä useita tapoja jäsennellä kyseisiä rooleja. Ensinnäkin, tutkimuksessa piirtyi suhteellisen yksimielinen näkemys tyypillisestä transformaatiotiimistä, jossa konsulteilla on erilaisia organisatorisia rooleja. Esimerkkejä kyseisistä rooleista ovat hankejohtaja, projektipäällikkö, asiantuntija sekä business case –päällikkö. Toiseksi, tutkimuksessa tunnistettiin keskeisiä toiminnallisia rooleja, kuten neuvonantaja, valmentaja, mahdollistaja ja tekijä. Kolmanneksi, liikkeenjohdon konsulttien todettiin soveltavan erityisiä konsultointityylejä liiketoiminnan transformaatioissa. Yhteinen tekijä kaikille tunnistetuille tyyleille oli suuri asiakaskontaktin määrä. Neljänneksi, tutkimus osoitti eräät konsultointitaidot erityisen keskeisiksi liiketoiminnan transformaatioissa. Esimerkkejä kyseisistä taidoista ovat poliittinen tilannetaju sekä sosiaaliset taidot.

Keskeiset käsitteet: liikkeenjohdon konsultointi, liiketoiminnan transformaatiot, muutosjohtaminen, strateginen johtaminen.

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1. Introduction

1.1. Background to the study

"The only constant is change."

- Heraclitus

Business organizations are in a constant flux. Whether the catalyst is provided by tightening environmental regulations, emerging IT innovations, stagnating profits, a decreasing market share, or any other contemporary or classic business interruption, companies keep changing.

It is this constant change that has enabled the proliferation of one particular form of business – management consulting. Management consultants make their mark in the ever-changing spaces and fleeting moments of organizational change. While client organizations are supposedly experts in what they do 'normally', management consultants claim to be experts in different types of organizational 'anomalies' – instances, where the organization is shifting direction or changing pace in one way or another. When an organization is faced with a need for temporary tools, expertise, and manpower to support a change, a management consultant is often called in (see e.g. Nadler & Slywotzky 2005).

Although organizational changes are at times rather small or incremental, there are also occasions when an organization is faced with a more profound transformation. Mergers and acquisitions, outsourcing and offshoring initiatives, enterprise-wide IT projects, cross-functional improvement programs, and enterprise-wide organizational restructurings are all examples of transformations that, in this paper, will be referred to as business transformations. In business transformations, the change is neither small nor incremental: it affects the organization widely and instantaneously (Buono 2005, Harvard Business School 2005).

Business transformations are rooted in the organization's strategy. Whereas smaller and localized change projects may be rather loosely connected to strategy, extensive transformations are typically planned and initiated by the organizational body that is responsible for strategic planning. As a result, business transformations are, by nature, strategic.

In this thesis, I will focus on *roles of management consultants in business transformations*. Here, business transformation refers not only to the actual transformation – often in the form of a transformation program – but also to the transformational aspect of strategy work. By transformational aspect of strategy work, I refer to that aspect of strategy work that places fundamental change at the core of strategic design and planning (see Johnson 1992).

From a transformational perspective, a governing principle in strategy work is to be on a lookout for change: to be on full alert for internal and external factors that may render the existing business short-lived or uncompetitive. As soon as such interruptions are identified, the focus of strategy work is directed to planning large scale maneuvers that will reactively or proactively respond to that factor – here, those maneuvers are labeled business transformations. Management consultants may play a role – or multiple roles – from the early phase of strategy work to the final stages of the transformation's implementation. Examining those roles forms the core of this thesis.

1.2. Research objectives, questions, and scope

Capgemini is a global provider of consulting, technology and outsourcing services. The Group is present in more than 30 countries and employs over 90,000 people worldwide. It is headquartered in Paris and was founded in 1967. Capgemini Consulting, part of Capgemini Group, provides management consulting services in all major industry sectors.

The research objective is to identify and describe roles that management consultants at Capgemini Consulting have in their client organizations' business transformation programs.

The motivation for pursuing the research objective stems from my personal experience of business transformation programs. Furthermore, it stems from my observation that management consultants face versatile yet challenging roles in such programs. In fact, it would seem that transformation programs constitute a unique brand of consulting, and as much as has been written about change management and management consulting, little has been said about the particularities of 'transformation consulting'.

Consequently, the primary research question is as follows:

- What roles do management consultants of Capgemini Consulting have in client organizations' business transformation programs?

To answer the primary research question, a host of secondary research questions must first be addressed:

- How is business transformation defined; what are the central aspects of a business transformation program?
- In what ways can management consultant roles be approached or defined; what do we mean when we refer to 'roles of management consultants'?
- What are the central skills and competences of management consultants in business transformation programs?

The scope of the research calls for a clarification on three aspects – the line of experts being studied, the type of consulting engagements referred to as business transformation programs, and the multiple meanings of consulting roles. The outlining of the scope in the following paragraphs also brings forth key concepts and terminology of the research.

1. The line of experts being studied is formed by *practitioners of management consulting*, i.e. management consultants, of Capgemini Consulting. Here, management consultants are defined as practitioners of strategy, change and organization consulting (see Nadler & Slywotzky 2005): as a management consultancy, Capgemini Consulting can be categorized as a pure generalist (see Nadler & Slywotzky 2005). The research focus is particularly on the Finnish organization of Capgemini Consulting. In effect, the technical consultants of the other disciplines of Capgemini - Technology Services and Outsourcing Services – as well as the other regions of Capgemini Consulting are left outside of the scope.

2. The type of consulting engagements being studied is formed by *business transformation programs*: the planning and implementation of change programs that are strategic, extensive and multidimensional (Kosonen 1994). Business transformation programs are characteristically binary, consisting of an analysis and design stage as well as a results delivery stage. Excluded from the scope are consulting engagements that deal with only one or neither of the two stages. Examples of such engagements are pure analysis and design projects (such as strategic analyses) and pure results delivery projects (such as change support programs).

3. Management consultant roles in this research are understood rather broadly. The literature on management consulting is lacking a clear definition or explanation of what is meant by roles of management consultants. During the literature review and empirical research, three perspectives to management consultant roles emerged, forming the framework for this study:

    a. First, the empirical research revealed that management consultants have *organizational roles* in consulting engagements. Organizational roles refer to the organizational positions or titles consultants may have in a project organization. Examples of such roles include Program Director, Program Manager and Subject Matter Expert.

b. Second, the literature review outlined several different *functional roles* that management consultants enact in consulting engagements. The roles were enriched in the empirical research. Functional roles refer to the purposes – the functions – that consultants carry in consulting projects. Examples of functional roles include facilitator, coach, and advisor. A consultant may have more than one functional role at any given time.

c. Third, the literature review presented certain management consultant roles as *consulting styles*. Some instances of the literature on management consulting use consultant roles and consulting styles interchangeably, presenting consulting styles as conceptual consulting roles (see e.g. Poulfelt et al. 2005, Sheth & Sobel 2000). Consulting styles refer to the nature of consultant-client interaction. They differ, for instance, on the amount of client contact, the degree of process versus expert consulting, and the degree of standardization of solutions.

All three perspectives on consultant roles are included in the scope of the research. In addition, the examination of consultant roles is enriched with a discussion around *consulting skills*. Consulting skills, such as analytical skills or presentation skills, play a pivotal role in the investigation of management consultants in business transformation programs.

The research is intended to serve business audiences and academic audiences alike. The principal business audience is Capgemini Consulting, and more specifically its Finnish organization. The case organization is described in more detail in section 4.1 of this study.

Other targeted business audiences are strategists and change agents of diverse organizational contexts: executives, management consultants, development managers, and the likes. To them, the research will supply some food for thought regarding the management of strategy and transformation projects, as well as the buying of management consulting services.

The targeted academic audiences are found among the research communities studying organizations and management, and especially among those focusing on strategy, change management and management consulting.

1.3. Existing research

Existing research on management consultants' roles in the distinct context of large scale, long-term and fundamental business transformation is scarce. Such scarcity may in part stem from the reality that management consultants' roles in general tend to be discussed in the overall context of *change* – as will be discussed later on in this paper, management consultants are by default actors of organizational or operational change. Since change is so inherently characteristic to management consulting, deliberate focus on a particular scope and magnitude of change – here, business transformation – may not have been perceived interesting nor necessary by the mainstream of researchers on management consulting.

As a rare exemplar, Hellgren et al. (2004) have studied management consultants' roles in the context of one particular type of business transformation, namely post-merger and acquisition integration. Although some of their findings are contextually bound, some others seem applicable to many types of business transformations. Primarily, it can be deducted from their findings that the management consultants' roles of homogeneralization agent, negotiation agent, facilitator, and colonization agent would be viable roles in many different instances where an organization undergoes a large scale transformation.

Management consultants' roles as such are not a particularly under-researched topic. Edgar Schein and David Maister are among the leading researchers in the field, while many others have also contributed to the research (see e.g. Schein 2000 and 1998, Maister 2008 and 1993, Poulfelt et al. 2005, Nadler & Slywotzky 2005, Duboff 2005, Schwarz 2002, and Lundberg 1994). Common to their research is the absence of an explicit point of view of large scale business transformations.

Similarly, the topic of business transformations has been studied from multiple angles, but minutely with the explicit viewpoint of management consulting. In effect, a seminal piece for this paper has been the book "Transforming the Organization" by Gouillart and Kelly (1995) who practiced transformation consulting at Gemini Consulting at the time of writing their book. Another noteworthy study has been that of Kosonen (1994), which focused on defining corporate transformation.

Besides management consultants' roles and transformation, a third research area that has been tapped on for this paper is that of strategic management. As the literature of strategic management is vast, finding relevant and influential pieces posed no great difficulties. The literature pieces that have been the most elemental for this paper are "Strategy Safari" by Henry Mintzberg, Bruce Ahlstrand and Joseph Lampel (1998) and "Competitive Strategy: Techniques for Analyzing Industries and Competitors" by Michael Porter (1980).

1.4. Research methods and methodology

In this study, I have applied the qualitative research approach. Given the context of the study, Koskinen et al. (2005, 17) would – rather fittingly – label me as an "academic consultant": my research approach is *qualitative* (as opposed to quantitative), and my primary target audience consists of *management practitioners* mainly at Capgemini Consulting (as opposed to an academic community).

The research is patently a case study (see Koskinen et al. 2005). The organizational context is very explicitly defined: the case organization is Capgemini Consulting, its organization in Finland and especially the area of Strategy and Transformation.

The key research methods in this study have been literature research (see Koskinen et al. 2005) and thematic interviews (see Eskola & Suoranta 2008). The latter forms the mainstay of the study's empirical part, although the empirical part has also been influenced by participant-observation (see Eskola & Suoranta 2008) where the researcher acts as a member of Capgemini Consulting in Finland.

The principles of triangulation were adhered to especially in the use of multiple data sources (see Eskola & Suoranta 2008). Research data was collected from thematic interviews, observations and case organization's internal documentation. The research process was respectful of the systematic combining approach in the sense that, the research focus went back and forth between framework, data sources, and analysis (see Dubois & Gadde 2002).

1.5. Structure of the study

The paper consists of five parts: introduction, literature research, research methods, empirical research, and summary and conclusions.

The introduction (section 1) begins with an account of the background to the study. Then, the research subject is presented by stating the research objectives, questions, and scope, which is followed by a description of existing research in the field. Finally, the research methods and methodology are explained before an account of the study's structure.

The literature research (section 2) consists of two main parts: management consulting (subsection 2.1), and strategy and transformation (subsection 2.2). The first part is initiated by defining management consulting and continued by outlining the history of management consulting internationally as well as in Finland. The last and most extensive section of the first part consists of a discussion around management consultants' roles. The second part sets out by defining strategy as well as business transformation, after which a brief account is given on management of transformations. The final section of the second part offers a challenging view to business transformation by presenting alternative approaches to organizational change. The literature research ends in a synthesis that merges management consulting and business transformation.

Section 3 entails a description of the research methods used in this study, forming the third part of the thesis. The section focuses on the methods that were used in conducting the empirical research, namely thematic interviews and participative observation. The section also includes an assessment of the research findings' reliability and validity along with some considerations regarding research ethics.

Section 4, i.e. the empirical research, is formed around three central subsections. In the first subsection (4.1.), the case organization Capgemini Consulting is presented. In the second subsection (4.2.), the case organization's definition of the concept of business transformation is devised: The central aspects of business transformation programs are outlined along with the success factors of such programs. In the third subsection (4.3.) of the empirical research, the roles of management consultants in business transformation programs are discussed. The section sets out with a description of the characteristics of a transformation consultancy, i.e. a consulting organization wishing to be regarded as a credible partner in business transformation programs. Then, the organizational and functional consulting roles in business transformation programs are outlined. The overview of consulting roles is enriched by discussing the organizational styles used as well as central consulting skills needed in business transformation programs.

Section 5 concludes the findings of the research. Potential areas for further research are lifted, and the academic and practical value of the findings is discussed.

2. Literature research

2.1. Management consulting

2.1.1. Defining management consulting

According to Wikipedia (2008), management consulting refers to both the industry and practice of helping organizations improve their performance, primarily through the analysis of existing business problems and development of plans for improvement. The Oxford Dictionary for The Business World (1994) defines management consultant as a "professional adviser who specializes in giving advice to organizations on ways of improving their efficiency and hence their profitability."

Furthermore, Ainamo and Tienari (2002) refer to modern management consulting as an institution carrying independent advice across time and place directly into the managerial boardroom.

The main purpose of management consulting is the creation of management practice. To fulfill that purpose, management consulting competes but also cooperates with academic institutions and media companies, thus forming a part of the knowledge management industry. (Kipping & Engwall 2002.) The set-up of the knowledge management industry is displayed in Figure 1.

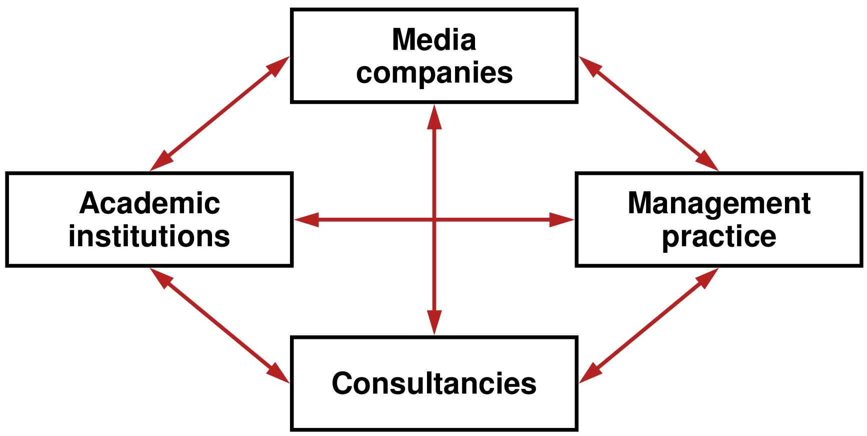

Figure 1, Consultancies as part of a knowledge management industry (Kipping & Engwall 2002)

Kipping and Engwall (2002) argue that, among the consultancies' symbiotic relationships displayed in Figure 1, the one with practice is of greatest importance. The rationale for their claim is that consultancies and media companies are subject to increasing pressures for adaptation from practice, and companies are continuously increasing their influence on the contents of education. Similarly, the relationship between management consultancies and academic institutions plays a particularly important role: academic institutions, primarily business schools, are significant producers of future consultants but also developers of management knowledge. (Kipping & Engwall 2002).

Management consultancies belong to a group of firms that, in the modern management literature, is described as knowledge-based companies. The main assets of such companies are the knowledge and competence of their personnel, which makes recruitment, division of labor between junior and senior consultants, and the facilitation of information sharing some of the key issues for consultancies. (Kipping & Engwall 2002)

Management consulting can be divided into three broad categories of consulting: strategy consulting, organization consulting and change consulting (Nadler & Slywotzky 2005). Although the three streams set out originally as distinctly separate practices, they have since then become seamlessly intertwined as modern day consultancies practice various combinations of those streams. In the following paragraphs, the streams are discussed in more detail.

The first stream, modern *strategy consulting*, has emerged from economics. For the majority of its existence, it was regarded as a top-down approach that involved senior executives putting their stamp on the strategy and announcing it to the organization. The second stream of *organization consulting* has its roots in psychology, and it typically starts with small group dynamics and then looks upward at the organization. Although the two streams have traditionally been pronouncedly separate, they have become increasingly integrated with each other in modern management consultancies' offerings and practical work. (Nadler & Slywotzky 2005).

The third stream, *change consulting*, has its origins linked closely to organization consulting. Because organization consulting traditionally involved a broad range of changes, its implementation required special attention to the human dynamics of change. Strategy consulting did not move toward change management issues until much later, since early strategy projects focused mainly on small groups of senior executives. (Nadler & Slywotzky 2005). Nonetheless, present-day management consultancies are increasingly involved in implementation and change management (Poulfelt et al. 2005).

Although the three streams have become increasingly intertwined, management consulting companies have numerous dimensions on which to differentiate themselves. Companies are positioned on such dimensions as *amount of client contact* and *degree of customization* (Duboff 2005), providing *infrastructure* or *problem solving services* (Poulfelt et al. 2005), having a *sales driven culture* or a *strongly enforced core* *philosophy* (Maister 1993), and being an *expert* or an *advisor* (Maister 2008). Some of the dimensions are revisited later on in section 2.1.4 regarding roles of management consultants.

2.1.2. History of management consulting

According to Poulfelt et al. (2005), the origins of management consulting lie in the late 1800s. The first consulting firm, Arthur D. Little, was founded in 1886. The industry grew slowly for half a century, as consulting firms were founded either with specific customer opportunities in hand, or with a specific functional specialization.

The industry experienced a surge of growth in the 1960s. A synergistic relationship between business schools and consulting firms developed, with top strategy consulting companies becoming the first job choice of MBAs in the United States. Nontraditional players began to enter the consulting industry: for instance, big accounting firms started launching management consulting services, although their consulting divisions struggled to penetrate the elite strategy market. (Poulfelt et al. 2005)

The late 1980s marked the beginning of the golden era of management consulting. Through organic and inorganic growth, American consulting companies captured over 80 percent of the world consulting market. The business was driven by information technology, as management consulting firms began to provide outsourcing services and integrated IT solutions to their customers. By the end of the millennium, the world's management consulting market had grown into a $100 billion business. (Poulfelt et al. 2005)

The 21st century has been characterized by the dominance of a few large, primarily IT-oriented firms such as IBM, Accenture and Capgemini. In 2001-2002, the ten largest consulting firms recorded about 42 percent of the industry's total revenue. The only generalist firms among the top ten were McKinsey and Mercer Consulting, the other eight being IT-oriented companies. (Poulfelt et al. 2005). The industry's orientation toward IT can be expected to continue, as Poulfelt et al. (2005) anticipate that the industry will become dominated by three major players, most probably IBM, Accenture, and one of either Capgemini or Deloitte.

2.1.3. Management consulting in Finland

Management consulting in Finland has largely national roots. Oy Rastor Ab, the first management consultancy in Finland, originated in the turn of the decade in 1940-1950. Albeit not a truly profit-seeking business, Rastor and its self-declared management consultants considered themselves "heralds of the free market economy with a mission to prepare for a life after war preparations and the war economy". (Ainamo & Tienari 2002).

Rastor's shareholders were large Finnish companies, each with a very small share. The ownership structure differed notably from the partnership model prevalent in management consultancies in the West. While the ownership structure did not necessarily support entrepreneurial commitment in consultancy work, Rastor managed to develop a unique profile for running its business. In 1950s and 1960s, Rastor gained foothold in Finnish companies seeking to diversify and divisionalize their organizations. (Ainamo & Tienari 2002)

Ainamo and Tienari (2002) argue that, The Finnish version of management consulting in the immediate post-war period – exemplified by Rastor – was based on personal links to managers, and rhetorics based on war imagery that had penetrated the Finnish economy and business. By the late 1960s it was estimated that the Finnish management consultants outnumbered their foreign counterparts 3 to 1 in the Finnish market. There was a division of management consultancy assignments in Finland into those carried out by Rastor and those carried out by small independent Finnish management consultants. (Ainamo & Tienari 2002)

Around the same time, internationalization of the field of management consulting in Finland began. In 1968, Rastor established a joint venture with Mec, the Finnish subsidiary of the Swedish subsidiary of H.B. Maynard. The new firm was named Mec-Rastor. Soon thereafter, the managers of rapidly internationalizing Finnish companies deemed Mec-Rastor's international experience insufficient, and started seeking other sources of American management knowledge. In effect, the trend of internationalization paved way for international management consultants in the Finnish consulting scene. In 1972, the Swedish-based SIAR established an office in Helsinki and became the most prominent single threat to Mec-Rastor for the following ten years (Ainamo & Tienari 2002).

Mec-Rastor experienced a swansong of growth in the early 1980s, after which its position deteriorated. The Boston Consulting Group (BCG) used Mec-Rastor as a springboard to the Finnish market: after a few joint projects in Finland, BCG dropped its local companion carrying on with subsequent assignments on its own. Other American-based global consultancies continued to infiltrate Finnish companies, and in the 1980s, the Finnish consulting scene faced a wave of newly set up offices from international players such as Capgemini, Accenture and McKinsey. (Ainamo & Tienari 2002)

In the 1990s, the American invasion of the Finnish management consulting scene became complete. Global consultancies began to acquire Rastor's small Finnish rivals, and Mec-Rastor itself was swallowed by Coopers & Lybrand, which later on merged into PricewaterhouseCoopers (PWC). Mec-Rastor's disappearance was followed by a number of its local rivals moving under the umbrella of global consultancies, with the remaining local consultancies adopting an increasingly international outlook. (Ainamo & Tienari 2002)

2.1.4. Roles of management consultants

When helping an individual, a group, or an organization, a consultant fulfills a number of roles that she finds appropriate for the client, the situation, and her style (Lippitt & Lippitt, 1986). Due to the variety of existing observations and interpretations, it is difficult to exhaustively define only one set of specific roles for a management consultant. This section outlines some of the roles presented in the literature on management consulting.

In one widely recognized dichotomy, consultative roles are divided into *task-oriented* and *process-oriented* roles (see e.g. Maister 2008, Schein 2000 and 1998, Margulies and Raia 1972). Margulies and Raia (1972) have compared the two roles on seven key dimensions. Their concept is indicated in Table 1.

Table 1 Role characteristics of task-oriented and process-oriented consultative roles (Lippitt & Lippitt 1986)

Dimension	***Consultant as Technical Expert***	***Consultant as Process Facilitator***
Problem verification	By "expert" evaluation and collection of data.	By "problem sensing" and facilitating a clear articulation that includes attitudes and feelings.
Problem solving	Provides ideas and opinions, designs research for data, and develops solution for the client-system.	Works on the problem-solving capability of the system, improves problem-solving process, and facilitates creativity.
Feedback	Presents research data with "expert" interpretations.	Provides meaningful data, facilitates assimilation of data, and allows for client interpretation.
Utilization of research	Makes specific and concrete recommendations based on data.	Develops client use of data and facilitates action by client based on learning.
Relationship to client	Is objective, detached, and task oriented. Connection is short term and problem oriented.	Is personal, involved, and process oriented. Connection is long term and system oriented.
Involvement	Is primarily with the problem to be solved.	Is primarily with people and groups in the organization.
Systems approach	Concern is with implications of the problem for other parts of the organization.	Concern is for collaborative relationships and exchange of resources among parts of the organization.

Schein (1998), in his research on process consulting, argues that in practice most consultations call for a mix of the two roles: expert and process consulting. He has developed the dichotomy further by identifying three roles of management consultants:

1. Consultant as a *doctor*: The client gives the consultant the pain and asks the consultant to provide the cure and the treatment.

2. Consultant as an *expert*: The client expects that the consultant is the expert and asks her to carry out well-defined, measurable tasks.

3. Consultant as a *process consultant*: Consultant creates such a relationship with the client that permits the client to perceive, understand, and act on the process events that occur in the client's environment in order to improve the situation as defined by the client.

Although the consultant must have the ability to move freely among the three roles, Schein argues that she must always begin in the process mode. To find out in what way expertise or diagnosis and prescription are relevant to the client's needs, the consultant must establish a helping relationship with client, in which the client can safely reveal the real problem. (Schein 2000)

Schein's (2000) argument regarding consultants starting out in the process mode is one of numerous views on how the consultant's role *shifts over time along her relationship with the client* (see Lundberg 2004, Poulfelt et al. 2005, Sheth & Sobel 2000). The theme is discussed in more detail in the paragraphs that now follow.

Lundberg (2004) argues that, in the beginning of the client-consultant relationship, the consultant acts as a *reliever*, focusing on reducing the client-manager's distress level. Second, when the distress level has been reduced enough to go forward, the consultant assumes the role of a *consensus builder*. As a consensus builder, the consultant is focused on discovering or creating acceptable identities and rules for the consultant and the client-manager, so that they can work together. In the third phase, the consultant acts as a *clarifier,* assisting in reframing and clarifying the organizational circumstances that cause distress to the client-manager. Finally, the consultant's assistance shifts to enabling the client-managers to design and implement an appropriate circumstance change. In effect, the consultant becomes a *change agent* to the client organization. In the final phase, the role may include contributing technical inputs or engendering needed frame changes among the client-manager's associates. (See Lundberg, 2004)

Poulfelt et al. (2005) argue that, in the course of the consultant-client relationship, the role of the consultant shifts from one that relies on *expert knowledge* to one of *collaborating with the client*. Sheth and Sobel (2000) provide a similar view, arguing that there are three stages of a client-consultant relationship: First, a management consultant begins as *an expert for hire* that works on transactions. Then, as the client base develops, the consultant becomes *a steady supplier* for clients who keep asking her back without really developing a close relationship. Finally, the consultant may evolve into *a trusted advisor* whom the client uses for a wide range of services. In the third and final phase, the consultant reaches a "client value zone" where the consultant is of the greatest value to the client, and *vice versa*. (Sheth & Sobel 2000: 35)

As the consultant progresses through the three steps outlined by Sheth & Sobel (2000), she moves from providing expertise to providing insight, and from having a task-related relationship to having a collaborative relationship with the client. The consultant's path to the client value zone is displayed in Figure 2.

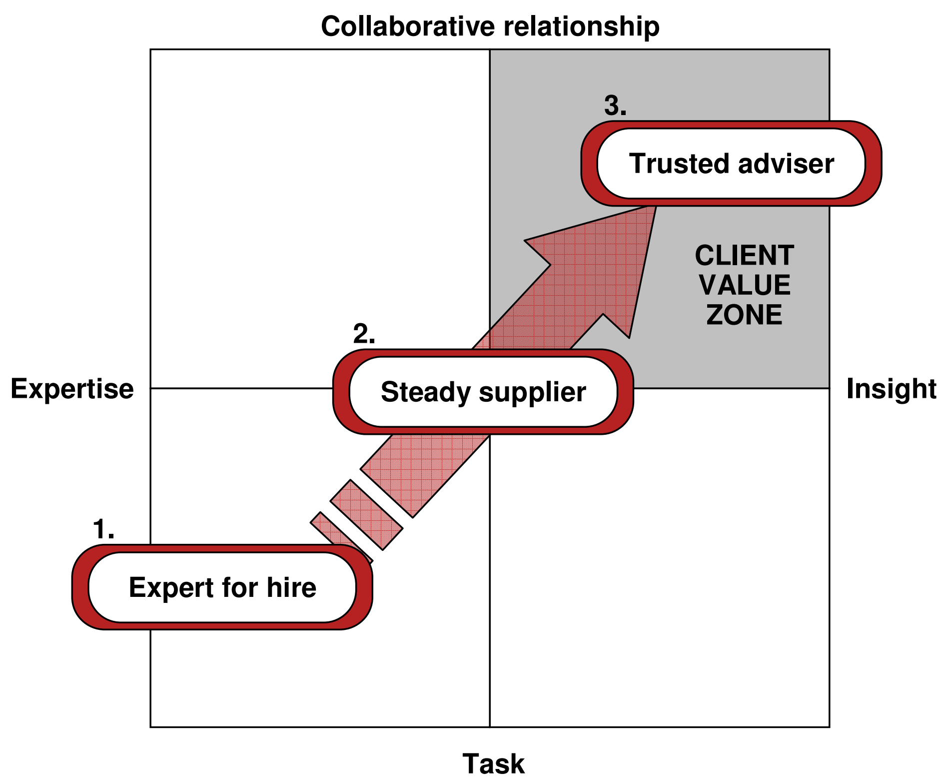

Figure 2, Moving into the Client Value Zone (adapted from Sheth & Sobel, 2000: 36)

In order to become a trusted, collaborative advisor, a management consultant needs to master a set of skills and characteristics that differentiate her from content-rich expert consultants. Some of the skills and characteristics are presented in Table 2.

Table 2, Experts vs. Advisers (Sheth & Sobel 2000: 32)

Experts	*Advisers*
Have depth	Have depth and breadth
Tell	Listen
Provide answers	Ask great questions
Develop professional trust	Develop professional and personal trust
Control	Collaborate
Supply expertise	Supply insight
Analyze	Synthesize

In another dichotomy regarding management consultants, Lippitt and Lippitt (1986) have developed a descriptive model that presents the consultant's role along *a directive* and *nondirective* continuum. In the directive consultant role, the consultant assumes leadership and directs the activity. In the nondirective mode, the consultant provides data for the client and acts as a guide for the client's problem solving. More than as a static continuum of isolated behavior, the roles are seen as spheres of competence as presented in Figure 3.

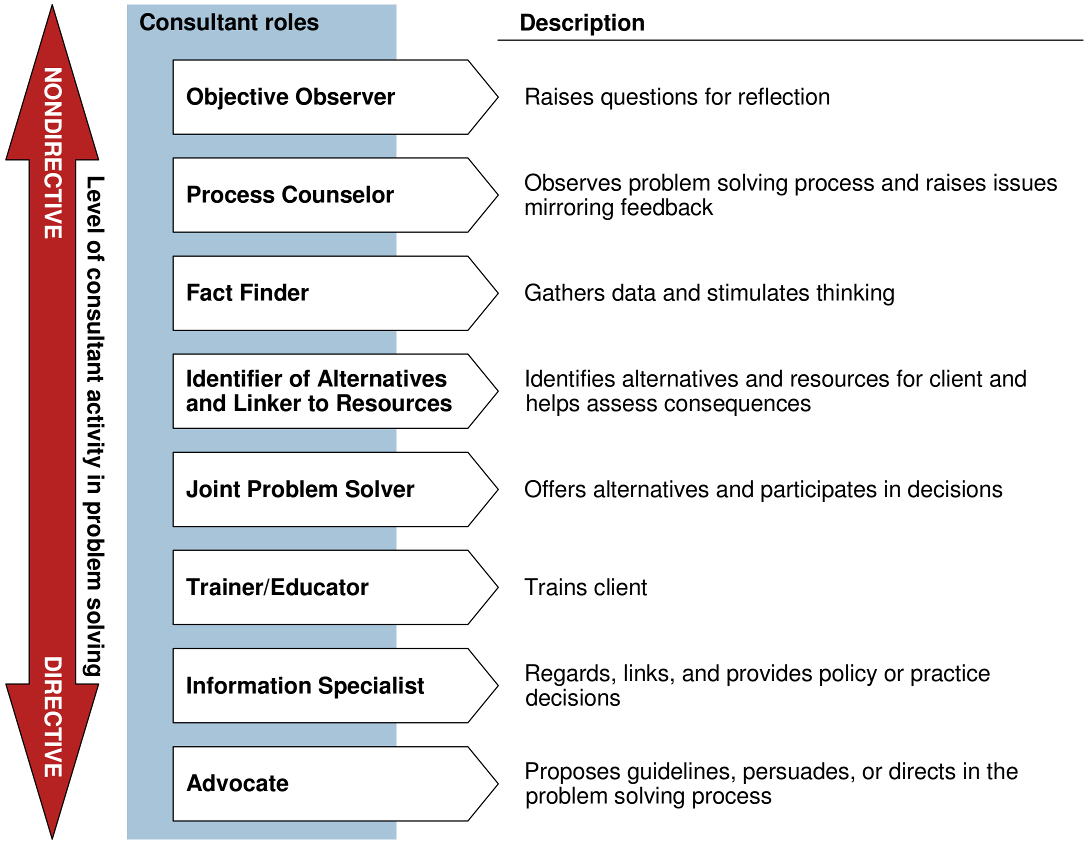

Figure 3, Directive and nondirective consultant roles (Lippitt & Lippitt 1986)

Duboff (2005) presents four consultative roles that differ on two dimensions: *amount of client contact* and *degree of customization*. According to the model, the most independent and straight-forward consulting role is that of "a pharmacist". Similarly, the role that closely deals with the client and uses customized tools and processes is that of "a psychotherapist". The two other roles, "nurse" and "brain surgeon" fall in between the two extremes, as depicted in Figure 4.

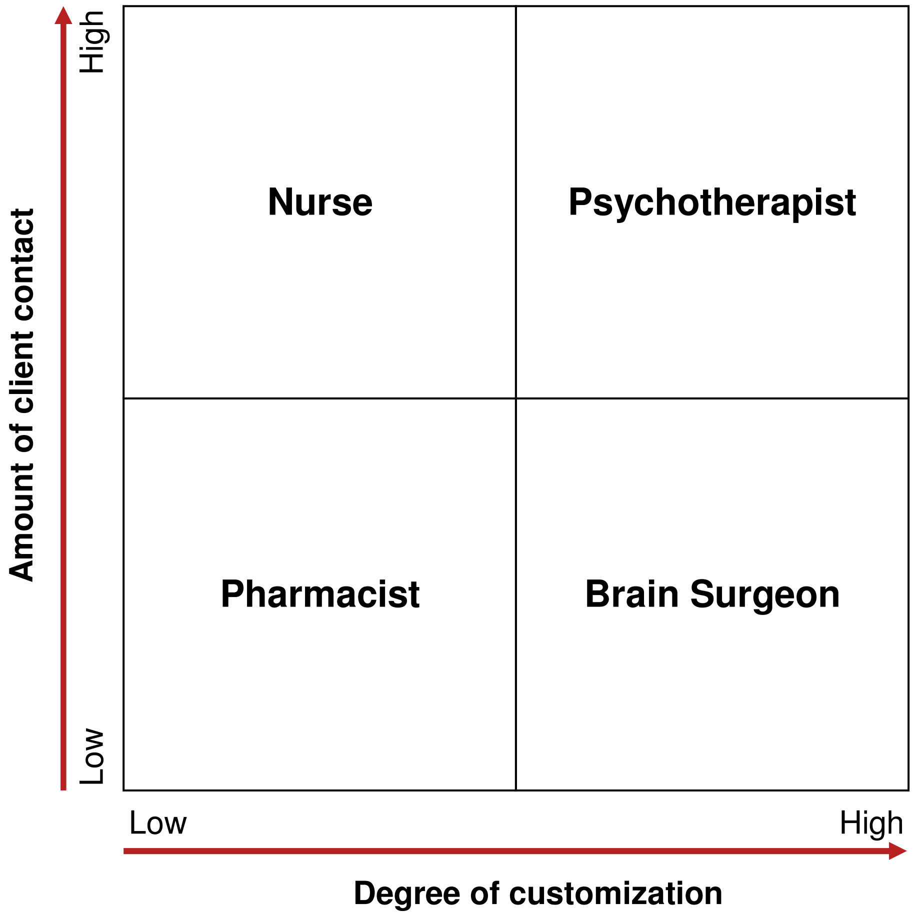

Figure 4, Four types of consulting practices (Duboff 2005)

Schwarz (2002), in his research on facilitation, defines *a facilitative consultant role*. He argues that a facilitative consultant is used for expertise in a particular area. The facilitative consultant is a third-party expert whose purpose is to help the client make informed decisions. The consultant does this by applying the area of expertise to the client's particular situation, recommending a course of action, and in some cases implementing it for the client. (Schwarz 2002). It should be noted here that Schwarz's (2002) definition of facilitator differs from that of some others. One differing definition is provided by Hellgren et al. (2004), whose definition and its comparison against that of Schwarz are included in the next paragraphs.

Hellgren et al. (2004) have studied management consultants' roles in the context of *post-merger and acquisition integration*. They argue that in post-merger integration, consultants play an important role in homogenization – "the processes through which the merging organizations collectively shape shared views and logics of how to undertake the newly combined business" (Hellgren et al. 2004: 116). The authors have identified four different ways in which homogenization unfold and is supported by consultants. The different kinds of homogenization processes and the roles of management consultants are summarized in table 3.

Table 3 Roles of management consultants in post-merger integration (Hellgren et al. 2004: 106)

Overall Role of Management Consultants	*Contributions of Management Consultants*	*Main characteristic of the Homogenization Process*
Agent of homogeneralization	• Provide general models and expert knowledge • Provide a common language	Externally driven
Agent of negotiation	• Ensure "objective" information and decisions • Provide a neutral perspective	Compromisingly driven
Facilitator	• Provide integrative and generative ideas • Facilitate interaction processes	Procedurally driven
Agent of colonization	• Legitimize one party's solutions • Disseminate dominant actors' ideas	Asymmetrically driven

As was noted earlier, Hellgren et al. (2004) define the role of a *facilitator* differently than Schwarz (2002), whose definition is presented in earlier paragraphs. Whereas Schwarz characterizes facilitation as an expert role, Hellgren views facilitator as a process consultant that helps the client arrive on a solution instead of providing and implementing the solution by herself.

Carucci and Tetenbaum (2000) argue that consultants can enact *destructive* as well as *value creating* roles. The three destructive roles, according to the authors, are the messiah, dependency builder, and colluder. The value-creating roles are the partner, capability builder, and truth teller. The key differences between value-creating and destructive roles are the consultant's focus on long-term partnerships as opposed to transactional relationships, building capabilities within the client as opposed to building dependability, and telling the truth as opposed to being agreeable. (Carucci & Tetenbaum 2000).

To summarize, a widely discussed dichotomy regarding management consultant roles is that of expert consultants and process consultants. Expert consultants bring in their content expertise and help the client by directly offering solutions to the client's problems. Process consultants, on the other hand, focus on the client's problem solving methods and processes, helping the client first to identify problems and then to develop solutions to those problems. (See Maister 2008, Schein 2000 and 1998, Margulies and Raia 1972).

The consultant's role is perceived to shift over time. In the beginning of a client relationship, the consultant should work in the process mode (Schein 2000) and focus on establishing a comfortable way of co-working with the client (Lundberg 2004). In this early stage, the consultant often works as an expert for hire on individual transactions (Sheth & Sobel 2000). Later on, the consultant increases her role first as a clarifier of the client's problems and then as a true change agent in the client organization (Lundberg 2004), striving to evolve into a steady supplier of services and finally into a trusted adviser (Sheth & Sobel 2000).

When enacting different roles, the consultant may assume nondirective or directive approaches to the client's problem solving activities (Lippitt & Lippitt 1986). In the nondirective mode, the consultant raises questions and mirrors feedback much like in the process consultant characterization discussed above. Similarly, in the directive mode, the consultant advocates solutions much like in the expert consultant characterization.

When working with a client, a consultant may assume varying degrees of client contact and service customization (Duboff 2005). In light of the process and expert consulting dichotomy, a process consultant would presumably have a high degree of client contact, whereas an expert consultant might make do with a lower degree of client contact. Based on the literature reviewed here, it cannot be assessed whether process consultants and expert consultants differ on their inclinations toward customization of services.

Finally, a consultant may enact destructive as well as value creating roles (Carucci & Tetenbaum 2000). To enact value creating roles, the consultant may focus on long-term partnerships such as the trusted advisor's role in Sheth's and Sobels's (2000) typology; on building capabilities within the client organization; and on being truthful.

Having focused on various roles of management consultants in this section, let us next discuss two content areas that are inherent to the work and industry of management consulting: strategy and transformation.

2.2. Strategy and transformation

2.2.1. Defining strategy

Porter (1980: 34) defines strategy as "taking offensive or defensive actions to create a defendable position in an industry, to cope successfully with the five competitive forces and thereby yield a superior return on investment for the firm". The five forces Porter refers to are threat of new entrants, bargaining power of buyers, threat of substitute products or services, bargaining power of suppliers, and rivalry among existing firms (see Figure 5).

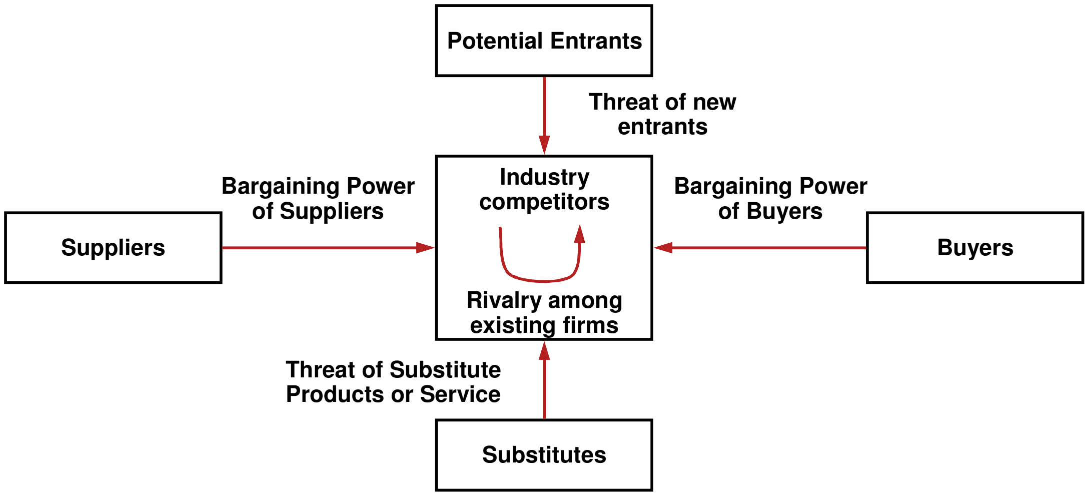

Figure 5, The five forces driving industry competition (Porter 1980: 4)

In a classic model, Porter (1980) defines three generic strategies for coping with the five competitive forces. These three generic strategies, described below, are defined along two dimensions: strategic scope and strategic strength. The generic strategies are:

1. Overall cost leadership – competing with low costs and low prices. The scope of the market is relatively broad.

2. Differentiation – competing with products or services that are perceived throughout the industry as unique. As in cost leadership, differentiation is aimed at a broad market.

3. Focus – competing in a select few target markets. The entire focus strategy is aimed at serving a narrow strategic target more effectively or efficiently than competitors that are competing more broadly.

According to Porter (1996), the three generic strategies are mutually exclusive and collectively exhaustive – a firm failing to develop its strategy in one of the three directions gets "stuck in the middle" and is in a poor strategic situation.

However, Porter's definition of strategy is one of many. Furthermore, its scope and focus occupies a space of its own in the hierarchy of strategies. In fact, Porter's definition of strategy is often referred to as *competitive strategy* or *business strategy*, which is subservient to a higher level definition of strategy, often referred to as *corporate strategy*.

Corporate strategy refers to the overarching strategy of a diversified firm. According to Goold et al. (1994), a corporate strategy answers the following questions:

- In which businesses should the firm compete?
- How does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporation as a whole?

Corporate strategy and business strategy form the two top layers of the strategy hierarchy. The third level of the strategy hierarchy is *operational strategy* (see Johnson 1987). It is narrow in focus, and it must operate within a budget but is not at liberty to adjust or create that budget (Drucker 2006). Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies. A popular tool for operational strategies is the balanced scorecard that contains metrics linked to strategic objectives (Cokins 2004).

Another strategy constellation, somewhat disparate from the strategy hierarchy, is formed by *functional strategies* such as marketing strategies (Kotler 1997), product innovation strategies (Robert 1995), human resource strategies (Kearns 2003), supply-chain strategies (Frazelle 2001), information technology management strategies (Ward & Peppard 2002), and the likes. The emphasis is on short and medium term plans and the strategy is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Mintzberg et al. (1998) argue that it is meaningless to pursue only one definition for strategy. Instead, they offer five definitions for strategy, namely strategy as a plan, a pattern, a position, a perspective, or a ploy. The five definitions are described below:

- Strategy as *a plan* – Strategy is an intended plan, direction or guide, a path to get from here to there.

- Strategy as *a pattern* – Strategy is what the organization does, a consistent pattern of behavior over time. The pattern may be deliberate, i.e. a realized plan, or emergent, where the realized pattern was not expressly intended.

- Strategy as *a position* – Strategy concerns the locating of particular products in particular markets: the creation of a unique and valuable position, involving a different set of activities. This definition has been elaborated above in the discussion regarding Porter's business strategy.

- Strategy as *a perspective* – Strategy encapsulates the organization's fundamental way of doing things. The definition is somewhat complementary to strategy as a position, since it relieves strategy from any geographical or product selection boundaries.

- Strategy as *a ploy* – Strategy is a specific maneuver intended to outwit an opponent or competitor.

Mintzberg et al. (1998) emphasize that none of the five definitions is sufficient on its own. In any organization, strategy may be planned but also realized as a pattern and it may have elements of position, perspective, and ploy.

The five definitions lead to ten schools of strategy formation (see Mintzberg et al. 1998). Each school takes a particular stance on the five definitions of strategy. The schools are described in Table 4.

Table 4 Ten schools of strategy (adapted from Sloan 2006 and Mintzberg et al. 1998)

School	*Definition*	*Base Discipline*	*Key concepts*	*Intended Message*
Design	Strategy formation as a process of conception	None (architecture as metaphor)	Fit between internal organization & external environment; architecture as a metaphor, establish fit	Fit
Planning	Strategy formation as a formal process	Links to urban planning, systems theory and cybernetics	Rigorous set of steps to execute a strategy; urban planning as a metaphor; strategy as a machine	Formalize
Positioning	Strategy formation as an analytical process	Economics (industrial organization) and military history	Strategic position of an organization relative to its industry; military strategy metaphor; only accept facts	Analyze
Entrepreneurial	Strategy formation as a visionary process	None (early writings from economists)	Vision for the organization from the mind of the CEO; intuition, judgment, wisdom and experience	Envision
Cognitive	Strategy formation as a mental process.	Cognitive psychology	Strategy as a creative mental process of concepts, schemas and mental frames; psychological metaphor	Cope or create
Learning	Strategy formation as an emergent process	Some links to learning theory. Chaos theory in mathematics	Lessons learnt integrated into grand plans of action; gradual unfolding of strategies over time; educational metaphor	Learn
Power	Strategy formation as a process of negotiation	Political science	Only the strongest survive; negotiating power between an organization and shareholders; political metaphor	Promote
Cultural	Strategy formation as a collective process.	Anthropology	Involvement and collaboration in strategic development; strategy reflecting culture; anthropological metaphor	Coalesce
Environmental	Strategy formation as a reactive process.	Biology	Organization as a living organism which needs to cope in an unpredictable environment; coping; biological metaphor	React
Configuration	Strategy formation as a process of transformation	The other nine strategy schools	Changing from one structure to another; integration; sustain stability; adaptability; contextual metaphor	Transform

While the ten schools depict fundamentally different aspects across similar strategy-making processes, they can be channeled into two basic perspectives: the design strategy viewpoint and the emergent strategy viewpoint.

The design viewpoint, according to Mintzberg et al. (1998), stipulates that strategy forms via a process of planning or design. According to the design viewpoint, strategy is first designed (by the CEO as in the design school, or by a mix of managers from different hierarchical levels as in the planning school), then agreed upon, and finally implemented, after which the process may start anew. The fundamental premise of the design viewpoint is that the formulation of strategy distinctly precedes its implementation: thinking is detached from acting. (Mintzberg et al.1998).

The emergent viewpoint of strategy challenges the design viewpoint by invoking the fallacy of detachment: the belief that thinking and doing are separate (Mintzberg et al. 1998). Managers, according to Mintzberg et al. (1998), are not rational, logical directors — their agendas and actions are influenced by politics, history, and human patterns of behavior over time. Consequently, Mintzberg et al. (1998) argue that the interaction in respect to strategy does not occur between top executives and the environment — it happens where employees at the operational level of the organization interact with one another. In effect, the emergent viewpoint maintains that strategy does not come from the top, but emerges bottom-up.

According to Mintzberg et al. (1998), the design and emergent viewpoint come together in *realized strategy* – a mix of deliberate and emergent strategy. The notion is depicted in Figure 6.

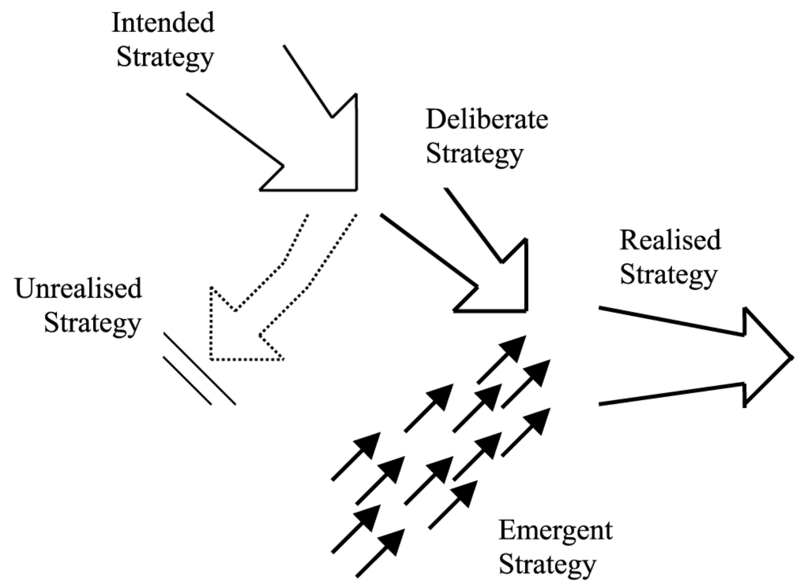

Figure 6, Realized strategy as a synthesis of the design viewpoint and the emergent viewpoint (adapted from Maloney 1997: 51)

Realized strategy is an outcome of what is planned - the intended strategy - how much of those plans are turned into action – the deliberate strategy – and what takes place regardless of the plans – the emergent strategy.

Sloan (2006) presents another dichotomy related to strategy making: that of *strategic planning* and *strategic thinking*. She argues that highly analytical strategy decisions need to be strengthened with a process of challenge and testing, which shifts the strategy making from linear planning to strategic thinking. Table 5 highlights key strategic factors and compares strategic planning to strategic thinking.

Table 5, Contrast of strategic planning and strategic thinking (Sloan 2006)

Factor	*Strategic Planning*	*Strategic Thinking*
Concept	• Analysis, metrics, numbers • Successful strategy is present • A "product" • Convergent tense and future tense	• A "process" that is renewable, re-creative, generative • Insight, innovation, ideas • Successful strategy is past tense • Divergent adaptable
Key dimensions Anchor strategy	• Financial • Singular, exclusive • Economics	• Financial, social contribution, individual development, risk assessment, business, integrity • Multiple, inclusive • Economics, sociology, history, politics, science, arts, humanities
Formulation	• Executive committee • Corporate management team • Business unit heads • VPs	• Corporate management team • Business unit heads • Functional heads • "Pipeline" of strategists
Performance measures	• Financial • Money as asset • Static Quantitative	• Comprehensive • Relationships are assets • Qualitative and quantitative • Dynamic
Analysis	• Convergent • Quantitative • Neutral • Objective	• Quantitative and qualitative • Relationships • Objective and subjective • Contextual
People and organization development	• Cost/expense • Profitability	• Investment/asset • Sustainable growth

As a summary, strategy can be viewed from various standpoints. In this section, attention has been given to four, in particular:

1. Strategies are made on different levels that form the strategy hierarchy. Strategy hierarchy consists of corporate strategy, competitive or business strategies, and operational strategies. Slightly disparate from the strategy hierarchy are the different functional strategies.

2. Strategy can be perceived to take various shapes: it can be a plan, a pattern, a position, a perspective, or a ploy. Similarly, the forming of strategy can be approached differently, as Mintzberg ten schools of strategy formation point out.

3. A fundamental dichotomy concerning strategies is that of emergent and planned strategies: Strategy can be seen to form predominantly as a result of planning, or to emerge bottom up.

4. Another dichotomy concerning strategies is that of strategic planning and strategic thinking. Strategic planning merits the creation of strategy to conscious, centralized planning, whereas strategic thinking broadens the scope to progressing and verifying the strategy in different parts of the organization.

When a new strategy is devised or an existing strategy is revised, the strategy's implementation results in a ripple effect in the organization. Next, the focus is turned on one particular – and relatively extensive and abrupt – embodiment of strategy implementation: business transformation.

2.2.2. Defining business transformation

Kilmann et al. (1989) define corporate transformation as "fundamental, serious, large scale, and long-term change that demands new ways of perceiving, thinking, and behaving of the members of the organization". Instead of one-step transition, transformation is long-term, serious and fundamental change. Similarly, instead of transition in one aspect of change, transformation entails simultaneously a number of aspects of large-scale change. (Kosonen 1994). In effect, transformation consists of three dimensions– degree of change, duration of change, and scope of change – that are displayed in Figure 7.

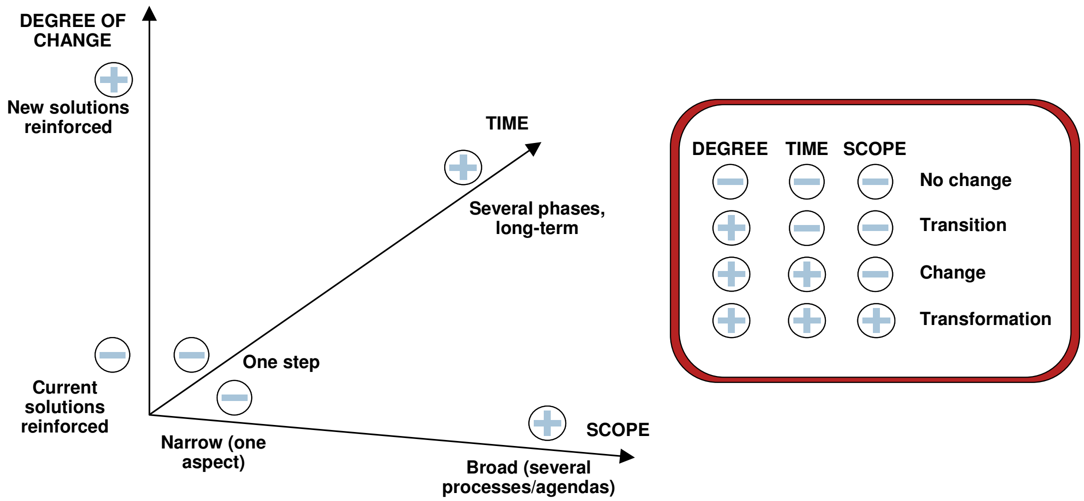

Figure 7, Key dimensions of transformation (Kosonen 1994: 15)

Corporate transformation is embedded into corporate strategy. Transformations are either ignited by changes in the corporate strategy, or the strategy shifts due to an extensive transformation – depending on whether strategy is approached from the design or emergent viewpoint. Figure 8 presents the relationship between corporate strategy and corporate transformation, as well as their hierarchical relationship to business strategy and business change.

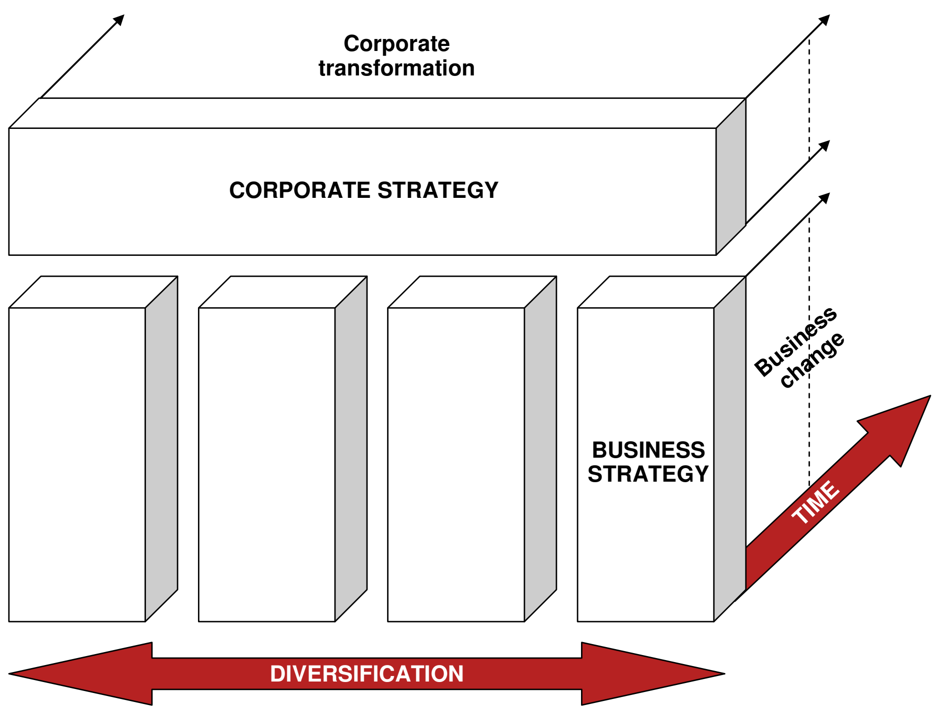

Figure 8, Relationship between corporate transformation and business change (adapted from Kosonen 1994: 24)

Gouillart & Kelly (1995), in their work on business transformation, define transformation more broadly. On one hand, they argue that business transformation refers to the shifting of the company's conception of itself: what it is and what it can achieve. The authors refer to this dimension of transformation as *reframing*. Secondly, business transformation affects the way the company and its operations are organized to match the new conception of self. This dimension, called *restructuring*, is centered on competitiveness and business strategy. Thirdly, transformation is about *revitalization*, changing the company's alignment with its environment. Finally, *renewal* deals with the people side of the transformation. It is about investing individuals with new skills and new purposes, thus allowing the company to regenerate itself. (Gouillart & Kelly 1995)

2.2.3. Managing business transformations

Gouillart and Kelly (1995) stress that, to be successful at transformation, all the four aspects of transformation – reframing the organization's conception of self, restructuring the company and its operations, revitalizing the company's alignment with the environment, and renewing people's competences and motivation – need to be addressed. They also argue that it is the renewal part that is "the most subtle and difficult, the least explored, and potentially the most powerful of transformation's dimensions." (Gouillart & Kelly 1995: 7)

According to Redwood et al. (1999), any action that is targeted at coping with change passes through five predictable stages. In the *initiation stage* (stage 1), managers take stock and decide to launch the action in question. In the *analysis stage* (stage 2), managers study the organization's current situation and look for opportunities to make improvements. During *definition* (stage 3), managers envision where the organization needs to be and specify the details required to get there. In *transition* (stage 4), managers move the organization from where it is to where it must be. Finally, in the *improvement stage* (stage 5), the action is consolidated and expanded through continuous improvement.

Sirkin et al. (2005) argue that a change program should be reviewed periodically – favorably at least once every two months – and be staffed with a capable and respected team leader as well as motivated and skilled team members. The senior management should have, through actions and words, clearly communicated the need for change, and employees should be eager, instead of merely willing, to take on the change initiative. Finally, the project should optimally require less than 10 % extra work by employees. In effect, a change program should be continuously assessed and managed on four key factors: project *duration*, integrity of performance, the level of commitment of both senior executives and staff, and the additional effort required of those employees whom are directly affected by the change at hand. (Sirkin et al. 2005)

2.2.4. Alternative approaches to change

Carrying out large transformation programs is not the only approach to managing change in organizations. On the contrary, there are views that renounce the need for transformation management altogether – some go as far as to deem business transformations categorically infeasible.

Kaplan and Norton (2006) have criticized one form of business transformation: *structural changes*. They have argued that expensive and distracting restructurings often undermine the implementation of new strategies. Instead, they propose that the existing organizational structures be tuned to the strategy by developing a *strategic system*, in which *balanced scorecard* plays an integral part. In effect, Kaplan and Norton do not categorically decline business transformation – for instance, they portray the centralization of business processes as a plausible strategic move – but they decline one form of it, namely structural changes.

According to Coulson-Thomas (2002), an alternative to large transformation programs is to adjust to discrete changes by taking relatively small, self-contained and incremental steps. Over a period of time, the author argues, an incremental approach can lead to a better accommodation with slowly changing environment, but it is unlikely to cope with a sudden rush of multiple challenges.

Hamel (2007) has observed that stories of fundamental change are often stories of turnarounds – crisis-led, episodic and programmatic changes led by the CEO. Hamel argues that such transformations are typically delayed and expensive substitutes for well-timed adaptation. Hence, Hamel argues, the goal is to build organizations that are capable of continual, trauma-free renewal. In effect, the optimal approach to organizational change is to build capabilities of continuous self-renewal by reducing strategic inertia.

Doz and Kosonen (2008) have studied *strategic agility* and identified strategic sensitivity, collective commitment, and resource fluidity as the key ingredients of a mature company that wishes to retain the entrepreneurial insight and flexibility of a newly formed enterprise. The authors argue that, instead of static and far-reaching cycles of strategy planning and implementation, an organization should stay alert to environmental changes and agile and flexible in its thinking and organizational processes. The authors do not renounce the need of transformations as such, but they highlight the importance of continuous monitoring and timely responses to changing circumstances. They also argue that, for a company to become agile, it must undergo a business transformation that affects the company's emotional, organizational, cognitive and relational drivers.

2.3. Synthesis: Management consultants in business transformations

Business transformation is a fundamental, large scale, and long-term change that affects the organization at large (Kosonen 1994). It affects the company on four accounts:

1. the company's conception of itself,
2. the company's and its operations' reorganization to match that conception,
3. the company's alignment with its environment, and
4. the company's human resources and capabilities (Gouillart & Kelly 1995).

Business transformation may be ignited by corporate strategy: a shift in the understanding of what business or businesses the company should be in (see Kosonen 1994). It may also be rooted in the business strategy level: the way the company strives to be competitive in the businesses it operates in (see Gouillart & Kelly 1995). Regardless of the strategic level that initiates the transformation, the magnitude and scope of the change is such that the lower levels are automatically affected by it – one cannot transform a corporate strategy and leave the business strategy untouched.

A management consultant may connect to business transformations in different ways. Acting as clarifier (see Lundberg 2004), the consultant may participate in the client's strategy work and help identify the need for transformation. Once such need has been identified (with or without the consultant), a consultant may play a number of roles in planning and designing the transformation: she may be an identifier of alternatives or an advocator of solutions (see Lippitt & Lippitt 1986), or she may act as a process consultant helping the client design the transformation program in an effective and thorough manner (see e.g. Schein 2000 and 1998). When the transformation has been designed and planned out, the consultant may act as a change agent (see Lundberg 2004) in supporting the implementation of the transformation program.

In any step of the process outlined above, the consultant may fine-tune her role by alternative degrees of client contact and service customization (Duboff 2005). Also, in any step of the process, she may act destructively or beneficially to the client on the accounts of fostering a long-term relationship, building capabilities and being truthful (Carucci & Tetenbaum 2000).

As extensive as the literature on management consultant roles may be, it lacks a clear and explicit definition of how the word *roles* should be understood. On one hand, consultant roles are presented as the functions or purposes that consultants fulfill in consulting engagements (see e.g. Lippitt & Lippitt 1986; Lundberg 2004). On the other hand, consultant roles are presented as the different styles in which consultants behave in consulting engagements (see e.g. Duboff 2005; Carucci & Tetenbaum 2000).

As the existing literature lacks an unambiguous and consistent framework for studying the roles of management consultants, one has been created for the sole purposes of this research. According to the framework, management consultant roles are approached from four sides. From one side, management consultant roles are researched from the point of view of the *organizational roles* that consultants have in business transformation programs. Secondly, the roles are investigated from the perspective of *functional roles*, meaning the purposes management consultants fulfill in business transformation programs. Thirdly, management consultant roles are understood as the different *consulting styles* management consultants have in business transformation programs. Fourthly, the *consulting skills* needed in business transformation programs are studied as one central aspect of the roles of management consultants.

As to the discussion regarding incremental change as an alternative to large scale transformation, it would be tempting to argue that continuous change is a far better situation to any company regardless of the industry. However, such argument does not need to be elaborated here, since continuous, incremental change – as optimal as it may be – is not always achieved in reality. At times, unforeseen events and unrealized patterns put companies in situations where more drastic transformations are needed to realize the full scale of organizational competitiveness or simply to survive.

3. Research methodology

3.1. Research process and methods

The foundation for this research was laid in 2008, when I was still working in the construction industry and took part in my previous employer's Nordic level business transformation program. The program was supported by a team of management consultants, and I became intrigued by the catalytic impact the consultants had on the program. Furthermore, my attention was drawn to the multiple roles played by the consultants, as some consultants' roles shifted significantly and instantaneously over the course of the program.

When I was then employed by Capgemini Consulting in June, 2008, I decided to write my Master's Thesis on the roles of management consultants in business transformation programs. The pragmatic background of the research resulted in a series of implications on the research methods and study design, as will be discussed in the following paragraphs.

Firstly, it was clear from the very beginning that the research would be a case study focusing on the consultants and practices of Capgemini Consulting. Case-study research is particularly suitable in situations where research and theory are still forming (Eisenhardt 1989). Accordingly, case studies are meaningful in situations where there is only limited prior knowledge, or the extant knowledge seems inadequate (Eisenhardt 1989; Yin 1994).

Albeit the research is focused on only one organization – Capgemini Consulting in Finland – interviewees drew from the experience of multiple business transformation programs. Hence, it becomes slightly obscured whether the research involves only one case – Capgemini Consulting – or multiple cases, namely the business transformation programs referred to by the interviewees. In effect, the research can be regarded in part as an embedded case study (see Yin 1994).

Secondly, it was clear from the beginning that the research setup demanded a qualitative research approach. The strength of qualitative research is in the likelihood of its resulting in theory building, development and refinement (Eisenhardt 1989; Yin 1994).

The research process followed in this study could be characterized as one with high interplay between theory and empirical research. Although the primary aim of the thesis lies in inductive analysis and theory building through qualitative research, it is worth noting that research is hardly ever purely inductive or deductive. Instead, qualitative research more often resembles an abductive discussion between the theory and the collected empirical data (Dubois & Gadde 2002). The abductive approach is also present in this research, particularly along the lines of systematic combining. In systematic combining, the research focus goes back and forth between framework, data sources, and analysis (Dubois & Gadde 2002).

The identification of the research questions began with an analysis of the existing literature and research on the topic. As the research framework consisted of a qualitative approach in the form of a case study, examination of the existing literature was imperative. As Weick (1979) argues, investing in theory keeps control of the burgeoning set of case descriptions. Furthermore, strong reliance on theory helps to improve the explanatory power of case studies (Dubois & Gadde 2002). When the research gaps had been identified a research strategy for the empirical analysis was created.

The research was executed in irregular spurts when the situation at work or at home allowed it. In broad terms, the literature review was carried out in the fall of 2008, and the empirical research was conducted in the spring of 2009. The summer and fall of 2009 marked the analysis of the collected research data and the writing of the thesis.

3.2. Data collection

Majority of the data in the empirical research was collected via a series of thematic interviews. The interviewees were selected using snowball sampling (see Goodman 1961): Each interviewee was asked to identify potential interviewees for the study, and interviews were continued until new names were no longer identified.

As a result, a total of ten individuals were identified and interviewed, each interview lasting from one to two hours. Eight of the interviewees were members of Capgemini Consulting at the time of the interview; the other two were former members that had moved to new positions within Capgemini. Out of the eight interviewees of the case organization, five belonged to the case organization's management team at the time of their interview. The remaining three were more junior consultants who were appointed as potential interviewees due to their involvement and insight in business transformation programs.

The interviews covered a majority of the case organization's management team members. In effect, the case organization's competence and experience of business transformation programs were thoroughly tapped into, which can be witnessed from two aspects. Firstly, the snowball method ran dry, meaning that the interviews eventually lead to the state where new interviewees were no longer identified. Secondly, the interviews became notably converging, meaning that the last few interviews brought up only few genuinely new perspectives or pieces of information.

The thematic interviews were conducted using a standard semi-structured interview format. Semi-structured, as open-ended, interviewing entails using a pre-determined structure, which falls in between the completely standardized and the non-standardized format. This strategy involves using a number of questions and specified topics that have been decided beforehand. In a typical semi-structured interview the themes and topics are known beforehand, but there are no fixed response alternatives and thereby the respondents are able to elaborate upon the issues concerned (Koskinen et al. 2005; Eskola & Suoranta 2008). In order to increase the credibility of the results, a tape recorder was used to store most of the interview data.

Along the way, the questions of the thematic interviews changed slightly, as certain questions and themes displayed greater convergence than others. Nonetheless, the two underlying themes carried through every interview: the definition of business transformation and the roles of management consultants in business transformation programs. Furthermore, a set of fixed questions was asked in all the interviews to ensure the comparability and validity of the answers. An example of the interview questionnaire is provided in Appendix 1.

In addition to the thematic interviews, some data and observations were gained through participant-observation (see Eskola & Suoranta 2008) as a consultant in the case organization's Transformation Consulting team. For instance, the description of

Accelerated Solution Environment (ASE) workshops in section 4.3.3 is based on the participant-observation in numerous real-life workshops.

Finally, part of the research data is collected from the case organization's material and presentations. For instance, the descriptions of the Phase 1 framework and the hothousing concept in section 4.2.2 are based on the case organization's internal training and presentation material on the topics. As the internal documents are not public, they have not been listed in the list of references, nor are they explicitly referred to in the body text.

3.3. Data analysis

According to Koskinen et al. (2005), perhaps the gravest error in qualitative research is to combine data without adding interpretation or analysis.

In this research, the data analysis involved inducting insights from the interview data, and processing the data further in order to gain more in-depth understanding of the phenomenon being studied. Organizing the research data for analysis is a phase that often demands substantial effort when qualitative methods, as in this case, are used (Hirsijärvi et al. 1997).

In data analysis, the transcriptions of the interviews were categorized and coded using a simplistic method. The data analysis was respectful to the hypothesis-evading nature of qualitative research (see Eskola & Suoranta 2008) by partially adhering to the principles of systemic combining. In systemic combining, research data is not forced to fit preconceived or preexistent categories; the categories are developed from data (Dubois & Gadde 2002). The interview transcripts were coded on the basis of what was discussed and what were the key findings from the specific interview. The key findings were then classified and arranged into categories that developed from data. Furthermore, the interview transcripts were cross-referenced to identify relevant information that complemented some of the case organization's internal material.

Finally, a note must be made regarding the languages used during this research. The interviews were carried out and codified in Finnish, while the thesis language is English. The dual language setup has resulted in a limited use of direct quotations in the thesis as I have sought to minimize the amount of wisdom being 'lost in translation'.

3.4. Reliability and validity

According to Koskinen et al. (2005), assessing the reliability and validity of qualitative research can be futile at worst and suggestive at best. Nonetheless, I attempt to draw some remarks on the two aspects in the paragraphs that now follow.

In terms of qualitative research, reliability refers to the extent in which the researcher is obtaining reliable and sound data. The question to be asked when evaluating reliability is whether some other researcher would have produced similar results. Validity, on the other hand, refers to the appropriateness and relevance of the research methods and techniques as well as the language and the style of writing. In other words, the validity of a study is to do with the extent to which the methods used measure what they are supposed to measure. (Eskola & Suoranta 2008; Koskinen et al. 2005; Yin 1994).

It has been argued that triangulation increases the reliability and validity of qualitative research (Eskola & Suoranta 2008). In this research, triangulation is pursued through different ways, and most notably through the use of multiple data sources. The data consists of interviews, secondary materials, internal company reports, and observations.

The validity of any research is composed of two components: internal and external validity (Koskinen et al 2005). In order to improve the internal validity of the research, individuals with an extensive yet versatile mix of business transformation experience were interviewed. The significant convergence of their views can be interpreted as an indication of some degree of internal validity. Some indication of external validity is provided by the fact that, the interviews supported the researcher's own observations regarding business transformation programs outside of Capgemini Consulting – most notably the business transformation I had participated in the construction industry, and in which the supporting management consultancy was other than the case organization.

A slightly disquieting aspect regarding the validity of the research emerged in the interviewees' use of language: The interviewees tended to state their views as if the views were universal and not restricted to any specific transformation program they had experience from. In other words, the interviewees only rarely specified the exact piece of experience their insight was rooted on. The phenomenon gives way to the possibility that some of the interview findings in this research are presented as applicable to any business transformation program, when in fact they are only applicable to a very specific type of transformation program. However, the concern is slightly downplayed by the notable convergence of the interviews.

The convergence of the interviews is also indicating that the research has a considerable degree of reliability. Here, research reliability is defined along the lines of Koskinen et al. (2005), meaning that research reliability refers to the congruence of the research, the objectivity and accuracy of the instrument, and the continuity of the phenomenon. The interviewees were questioned on the same themes and topics, and by a relatively fixed set of questions. What is more, even in cases where uniqueness and novelty of thought were encountered, the views were hardly ever in contradiction with what others had said on the matter in question.

3.5. Research ethics

Finally, a few words on the ethics of the research. To avoid some obvious ethical problems, the interviewees were informed of the research they were about to take part, and that the interviews were to be recorded (see Eskola & Suoranta 2008). As the researcher is a member of the case organization, the risk of the research being manipulated for personal gain (see Eskola & Suoranta 2008) was mitigated by conducting the research outside of business hours and with minimum investment from the case organization. The research objectives were also set in a way that the scientific approach would not be compromised by contradicting business objectives.

To preserve the trust-based consultant-client relationship, any direct or indirect references to client organizations have been removed from the thesis. To some extent, the anonymization of client-specific data has come at the cost of losing scientific specificity and concrete examples to support the research findings.

4. Roles of management consultants in business transformations

4.1. Capgemini Consulting in Finland

Capgemini Finland is a subsidiary of the Capgemini Group. Capgemini is headquartered in France, and in 2008 it employed over 91,000 people in more than 30 countries. In Finland, Capgemini employed approximately 690 people in 2008, most of them in the Finnish headquarters in Espoo. Capgemini's three major disciplines – Consulting Services, Technology Services, and Outsourcing Services – form also the mainstay of Capgemini Finland's operations. This study focuses solely on the Consulting Services discipline.

The Consulting Services discipline is synonymous to Capgemini Consulting, a group-wide network of consulting organizations in Capgemini. Capgemini Consulting's service offering is focused on seven areas:

1. Strategy and Transformation – consulting services regarding e.g. the establishment of strategies; the development of organization structures and processes; and the analysis, design and delivery of transformation projects.

2. Marketing, Sales and Services – consulting services regarding e.g. sales, marketing, customer service, product management and channel management. One example of a project deliverable in the area is a Market & Experience Strategy.

3. Finance Transformation – consulting services regarding e.g. financial strategies, business performance management, finance process and shared services and business performance outsourcing (BPO).

4. Supply Chain Management – consulting services regarding the development of supply chain strategies, demand and supply planning, strategic sourcing and e-procurement, manufacturing and operations, and transportation and distribution.

5. Human Resources Consulting – consulting services regarding e.g. the development and implementation of HR systems, both from the technical perspective as well as from the perspective of mapping and developing HR processes.

6. Technology Transformation – consulting services regarding e.g. IT strategies, technology strategies, concurrent transformation and IT performance.

7. Accelerated Solutions Environment (ASE) – a concept of individually tailored workshops, in which customers can progress diverse aspects of their business with by engaging a large number of key individuals in the process.

This research is focused especially on the area of Strategy and Transformation, but the other areas of Capgemini Consulting services are involved in the research, as well.

4.2. Capgemini's approach to business transformation

4.2.1. Capgemini's definitions of business transformation

At first glance, the case organization would seem well-equipped to define business transformation. After all, the organization has aptly named teams such as the Transformation Consulting team and the Technology Transformation team. Furthermore, Business Transformation™ is a registered trademark of the parent organization, signifying the framework and methodology that Capgemini has developed for supporting and managing transformation programs..

Despite of – and, as it turned out during the research, because of – the case organization's various references to transformation, it proved difficult to arrive to one clear definition. Firstly, the word transformation gets obscured because it is used in different contexts in the case organization. For example, it refers to an organizational unit, such as the Transformation Consulting team; to an offering, such as 'concurrent transformation'; and to a consulting framework or philosophy, more specifically Business Transformation™.

Second, business transformation can be defined differently based on whose standpoint one takes – that of the consultant or the client organization. Furthermore, the word transformation is ambiguous in itself, to the extent that some interviewees shirked the word's use and labeled it as consultant slang. According to one of these interviewees, a better term would simply be "extensive change".

The business transformation concept has an elaborate history in the case organization. In the early 1990's, the former Cap Gemini acquired strategy consulting and operative consulting companies. The merging of strategy and change competences lead to the development of a new consulting concept: transformation consulting.

Since then, Capgemini's consulting organization has experienced a series of acquisitions and reorganizations. Simultaneously, the transformation consulting concept has evolved into a registered trademark (Business Transformation™) and an intricate framework of consulting tools, methods and models.

In this study, business transformation is approached from the perspective of a client organization's transformation program. In effect, the consultant and client views are combined, forming a two-sided view on a program that involves a management consultancy and its client. Definition of such a program is outlined in the following paragraphs.

Firstly, business transformations are inherently and distinctively *strategic*. Here, being strategic means three things:

1. Business transformations are directly *connected to strategy* – corporate, business, operational or functional strategy. The connection is bidirectional: businesses transform because it is part of their strategy, and strategies are modified because businesses transform.

2. Business transformation programs are on *the CXO agenda*. Being on the CXO agenda means that the program is in the interests of and followed by a CXO level executive: the CEO, CFO, CIO and the likes.

3. Business transformations are expected to add *high value* to the client organization. At times, a transformation is initiated with the sole target of keeping the organization functional and avoiding economic failure.

Secondly, business transformations are *multidimensional*. Here, being multidimensional refers to two things:

1. Business transformation programs are *cross-functional*. The transformation involves more than only one function or process, whereas many other types of consulting assignments and change projects affect one specific process or function.

2. Business transformation programs include *multiple streams*. Typically, the streams represent functions or processes included in the transformation, and mimic the target organization that is meant to be an outcome of the transformation. The streams are composed of miniature project teams working parallel, meaning that they progress partly independently, partly in concert. Communications and change management are often regarded as a perpendicular stream that runs across all the other streams.

Thirdly, business transformation programs are *extensive*. Here, being extensive means two things:

1. Business transformations are *profound, fundamental*. The change is not incremental or mediocre; it has a big impact on the organization.

2. Business transformations *take relatively long* to carry out. Although transformations are of a somewhat instantaneous nature, they still take months or even years to fully complete.

Finally, another noteworthy point is that, since business transformations are strategic, multidimensional and extensive, they are by nature *complex*. Next, two aspects of that complexity are taken a closer look from the consultant company's point of view: the resourcing and duration of business transformation programs.

Since business transformation programs are multidimensional, they require a significantly bigger consultant team (usually a team of 5-7 consultants) than normal consulting projects (usually a team of 2-3 consultants). Similarly, the extensive duration of transformation programs results in significantly longer consulting engagements (often 6-12 months at a time) than typical consulting projects (normally 1-3 months). These characteristics pose certain requirements for consultancies striving to be regarded as credible partners in transformation programs. The requirements are taken into closer consideration in section 4.3.1 of this study.

As difficult as defining business transformation may be, the reality remains that transformation programs have a number of signature aspects that set them apart from other management consulting projects. These aspects are examined more closely in the following section.

4.2.2. Aspects of business transformation programs

This section outlines aspects and building blocks of business transformation programs. The aspects discussed in the section are

- transformation programs' division into two phases: planning and execution,
- focus on the target end state,

- business case,
- hypothesis driven approach,
- time-boxed delivery and benefits tracking,
- change management tools and considerations,
- program management office (PMO) and war room, and
- hothousing.

Perhaps the most striking feature of all transformation programs is their division into two distinct yet overlapping phases: planning and execution. In the case organization's terminology, the two phases are referred to as *analysis and design* and *results delivery*, respectively.

In *analysis and design*, a draft of the transformation roadmap is outlined. In the case organization, the phase has often been carried out as an individual consulting project that adheres to the Phase 1 framework. The Phase 1 framework is a tightly defined concept that consists of five distinct stages: Initiation, hypotheses validation, focused analysis, options and business case, and implementation planning. Each stage consists of a set of predefined activities and deliverables with a focus on the rational, emotional and political aspects of change. A Phase 1 project is scheduled to take from eight to ten weeks, and it has four primary deliverables: an analysis, a business case, a mobilized organization, and a results delivery program plan.

The analysis and design phase is followed by program execution, or *results delivery*. Like the Phase 1 framework described earlier, also the results delivery is a standalone offering in the case organization's portfolio. Many interviewees highlighted that business transformation engagements are rarely, if ever, acquired in one piece. Instead, a number of business transformation engagements have only been identified after the fact: a standalone project (e.g. a Phase 1 project) has produced an identification of a transformation need that has eventually led to an extended cooperation in a series of results delivery projects.

Results delivery is not as tightly packaged framework as Phase 1. Instead, it consists of a set of change management tools and methodologies that are applied differently in each project, based on the project's needs and characteristics. Change management tools and methodologies are discussed later on in this section as a separate topic.

In business transformation programs, planning is not fully separated from execution. On the contrary, the two phases are intertwined, making a transformation program an iterative cycle of design and results delivery. Since the two phases cannot be completely distinguished from one another, the remainder of this section is devoted to presenting other elements of business transformation programs without systematically discussing whether the aspect is a part of analysis and design, results delivery, or both.

A focal point in the fairly early stages of a business transformation is the describing of a *target end state*: a description of the achievements that a successful transformation would bring about. The target end state description can have different names, such as 'the transformation vision' or 'what will success look like'. Once the vision has been defined, it is followed by the devising of a tool that is very specific to transformation programs: a bi-directional transformation map. In devising a bi-directional transformation map, the transformation is planned backwards, i.e. starting from the target end state and defining steps and tasks needed to reach it.

In concert with the clear focus on target end state, it is characteristic to transformation programs that they are *hypothesis driven*. Transformation programs' plans are grounded on predefined hypotheses concerning potential development areas, improvement levers and 'low hanging fruits' in the given organizational and industrial context. The predefined hypotheses set a framework for the program, enabling the program organization to focus on relevant areas instead of trying to tackle an infinite range of possibilities at once.

The target end state description and predefined hypotheses pave way to yet another central aspect of transformation programs: *benefits definition* supported by *business case*. Benefits definition refers to the explicit defining of qualitative and quantitative benefits pursued by the transformation. Business case is a quantitative model combining the transformation's costs and expected savings or earnings. A sound and attractive business case is a prerequisite for any transformation's advancement into execution phase.

As a transformation program starts leaning towards execution, it is characteristic that the execution is planned according to *time-boxed delivery.* Time-boxed delivery refers to the program's execution in consecutive phases or time boxes. Only the next time box is planned in detail, while the following time boxes are drafted on a more general level. Special attention is placed on defining what will be delivered by the end of the time box.

As the execution commences, the focus shifts from benefits definition and business case to *benefits tracking*. Benefits tracking is an integral part of a transformation program's results delivery, and it is based on the program's business case. The basic idea of benefits tracking is simply to track that the benefits identified and quantified in the business case are actually achieved. Benefits tracking and business case are typically done by the same individual in the program.

The aspects described above – description of target end state, devising of hypotheses, benefits definition and business case, time-boxed delivery, and benefits tracking – form an iterative loop of events in a business transformation program. Once the program is in execution phase and the benefits are being tracked, the initial description of the target end state is reviewed and possibly revised. Similarly, the initial hypotheses may need to be adjusted and the business case revised. A natural point for the loop to start anew is near the end of each time box, when the detailed plan for the next time box will be made. The loop is depicted in figure 9 below.

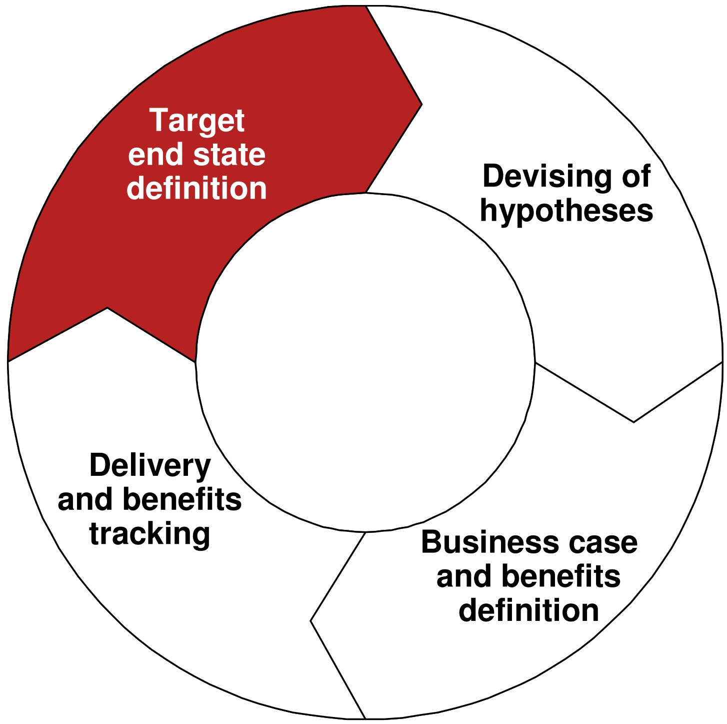

Figure 9 The iterative nature of time-boxed delivery

Change management and support is an integral part of any transformation program. As change management is also present in many other types of change projects and consulting assignments, the focus here is turned on three aspects that are especially characteristic to business transformation programs. Three aspects emerge as particularly characteristic: the highlighted presence of political, emotional and economic aspects of change; the 'valley of death'; and the message plan. Next, each aspect is considered in turn.

- *Political, emotional and rational aspects of change* – Extensive transformation programs bring a wide range of political, emotional and rational aspects of change to the surface. The organization's animosity toward the program, stream leaders' fight over resources, and executives' concerns regarding the redistribution of power are jus some examples of change aspects that surface to a far greater extent in transformation programs than in any other type of consulting or change projects. Especially the link between emotional and political factors is highlighted, as people who are worried about their power, status or resources try to influence the business case.

- *The 'valley of death'* – A signature feature of most transformation programs is the emergence of 'the valley of death': the point in time when all hope seems lost and the program organization's morale is all but nonexistent. The experience of a valley of death spans over four stages: it starts in the organization's uninformed optimism regarding the current state and the change initiative it is about to embark on. In the second stage, the mood is degraded into informed pessimism, as the organization becomes fully aware of the issues of the current state and the challenges the change initiative seems destined to face. In the third stage, the organization starts developing ideas about fixing the problems and surviving the challenges, and is overcome by hopeful realism. The program is finally steered out of the valley of death in the fourth stage, as concrete action plans form and commitment builds, leading the organization into a state of informed optimism.

- *The message plan* – Whether a transformation program is in the planning or results delivery mode, it is imperative to control the messages sent inside and outside of the program. A message plan is often created as a part of the program's change management. The message plan consists of hypothesized messages about the change the program team wants to embed throughout the organization. The plan outlines a script for the transformation program: key messages regarding the state of the program at different stages. It is closely tied with what is actually delivered in the program at different stages.

From an organizational point of view, there are two aspects that set transformation programs apart from other typical change and consulting projects: *Program Management Office (PMO)* and *war room*. PMO is the organizational unit that is responsible for the transformation program's management and governance. It is typically staffed by representatives of the client organization as well as the participating management consultancy. Whereas the PMO is an organizational unit, war room is more a physical unit. It is a space reserved for program communications, consisting of e.g. a 'scoreboard' with the program plans and status updates, meeting rooms, and working facilities for the program organization.

Hothousing refers to the case organization's framework for gradually implementing large scale change, which makes is a popular framework in business transformation programs. The framework's underlying idea is to first carry out the change in one organizational location – a hothouse – and then copy the implementation process in other parts of the organization. Once the change has been implemented in the first hothouse, people from other parts of the organization visit the site to learn about the implementation process and to experience the desired end-result first hand.

The different characteristics of business transformation programs outlined above have implications on the roles that management consultants have in such programs, and on the skills needed by consultants to successfully carry out those roles. Before turning on to studying those implications in greater detail, let us first investigate one more aspect that affects the roles consultants have in transformation programs and the skills they need in those roles: the degree of transformation.

4.2.3. Degrees of business transformation

The research revealed that, business transformations are not all of the same scope and magnitude – they come in varying degrees. The more fundamental the transformation, the more complex and time consuming its execution. The following paragraphs outline three different levels of transformation – the identity level, the positioning level, and the operative level – with examples of each transformation type. Furthermore, their implications on consultants' roles and skills in respective transformation programs are discussed.

Identity level transformation is the most fundamental type of transformation. If one were to draw an analogy from the sports world, it would be similar to an athlete or a sports team taking up on another sport, e.g. a basketball player taking up on handball. In Finland, a well-known identity level transformation is that of Nokia, as the company transformed from a traditional industrial company into a leading mobile technology company. In short, identity level transformation affects what the company *is*: what businesses it operates in, and how. Identity level transformation starts from the company's vision and mission statements and is rooted in the corporate strategy.

Identity level transformation is also the most complex type of transformation. For a management consultant, taking part in an identity level transformation requires a solid competence in the area of corporate and business strategy. Furthermore, an identity level transformation requires true innovativeness and creativity from the consultant – pure analytics will not suffice.

Positioning level transformation is one step below the identity level. In a positioning level transformation, the businesses the company is in are not changed – instead, what is changed is how the company competes and wants to be positioned in those businesses. Hence, a positioning level transformation is rooted in a company's business or competitive strategy. If one were to continue with the sports analogy, a positioning level transformation would be similar to a basketball player shifting from being a point guard to being a forward. In business world, an example of a positioning level transformation would be a local company's transformation into a global player, or a company transforming from a differentiated niche producer into a low-cost mass producer.

For a management consultant, being part of a positioning level transformation requires sound analytical skills along with a deep understanding of competitive strategy. In cases where the client organization looks to extend its operations abroad, understanding of internationalization strategy becomes an important asset of the consultant. Positioning level transformations often involve mergers and acquisitions, so a typical example of a positioning level transformation program would be a post-merger integration.

Operative level transformation is the lowest level of transformation. In operative transformations, a company transforms its organization and/or operations, without seeking to change its positioning in the market, let alone its identity. Continuing the sports analogy, an operative transformation would be a basketball player improving her shooting skills. In business world, operative transformation is the most common transformation type, as companies frequently undergo extensive cost cutting programs, IT transformations and the likes.

Operative transformation is the most straight-forward transformation type, and consultants are used in such transformation programs as little more than extra resources. In operative transformations, consultants must be especially skilled in change management tools and methodologies. Alternatively, the consultant must be competent in the functional area of the transformation's content, such as in enterprise-wide IT projects or supply chain transformations.

Although there are several definite levels of transformation, the levels are not isolated or independent from one another. As the strategy hierarchy presented in the literature research section, also the transformation levels form a hierarchy where each hierarchy level is subservient to the level directly above it: an identity level transformation also contains a positioning level transformation, as the transformed organization must define a competitive strategy, and a positioning level transformation also contains an operative transformation, as the new strategy must be implemented. It must be noted that the hierarchy is one-way: for example, an operative transformation may be possible without any changes in the company's corporate or business strategy.

The transformation hierarchy is depicted in figure 10 below.

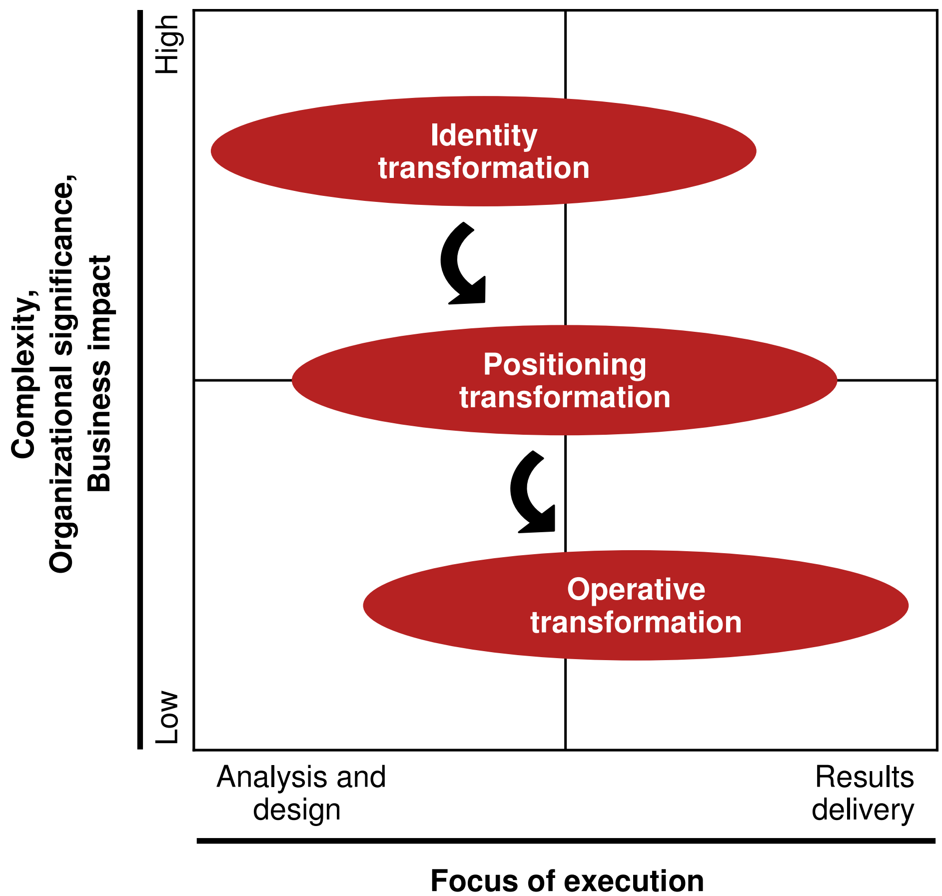

Figure 10 Business transformation hierarchy

Based on the research, a true management or transformation consultant must have the insight and ability to move effortlessly from one transformational level to another. The consultant must be able to help the client organization understand the needed level of transformation in any given situation, for instance when the client is attempting a too moderate transformation when a more drastic change is needed. The consultant must also be able to help the client identify external or internal accelerators or interruptions that trigger the need for a transformation.

In effect, the consultant must be thoroughly cognizant and competent in strategy, business transformation, and the client's industry. This leads us to addressing the central success factors of a business transformation program in the section that now follows.

4.2.4. Success factors of business transformation programs

Several success factors of business transformation programs were identified during the research. The success factors were identified mostly from a consultant's viewpoint, meaning that a successful transformation program was implicitly interpreted as a successful consulting engagement. In this section, the identified success factors are divided into three categories: service delivery, customer relationship management, and change management. Next, the success factors in each category are discussed in turn.

Firstly, the research outlined success factors related to the *delivery of services* in a transformation program. To begin with, one interviewee regarded it self-evident that everything a consultant does in a transformation program "must be of the highest standards". Some others continued the point by stressing the importance of delivering the results as planned.

From another perspective, the interviewees stressed that the program mode must be maintained long enough before implementing the final organization. Implementing the final organization too soon can jeopardize the focus on and attainment of the transformation program's goals, as the working mode in a process or function based organization is characteristically different from a project based organization.

Secondly, the research revealed a set of success factors related to *customer relationship management*. Many interviewees emphasized that the consultant team must have two program leads: one managing the program delivery, the other managing the client relationship. It was especially stressed that, the client relationship must be deliberately managed by an appointed individual. According to one interviewee the need for such a 'client manager' stems from the finding that "identifying and getting access to different influencing channels in the client organization is critical to the program's success". Another interviewee carried on with the argument by stating that, "finding the channels needed to secure the right resources from client's side" is a critical success factor in a transformation program.

A critical factor of managing the customer relationship is the success of 'expectation management' – keeping inflated client expectations at bay, and doing what has been promised. Many interviewees acknowledged the need to manage interest conflicts in the client organization, pointing out that interest conflicts are more notable in transformation programs than in other consulting engagements. Typical interest conflicts concern negotiations of resources, shifting divisions of power and overlapping areas of responsibility within the transformation program or regarding the post-transformation organization.

On a final note on managing the customer relationship, the interviewees pointed out that, while the commitment of top management is self-evidently critical to the transformation, it is equally critical that "a sense of urgency extends from top to also the middle management".

Thirdly, interviewees identified success factors related to *change management*. One critical factor in change management is the understanding of the 'human aspect' in all facets of a business transformation. Any change is eventually a change in people's behavior, so one should always consider how the transformation affects the people involved, and try to make the change easy for the individuals. Along those lines, some interviewees stressed the creation of 'change proponents': the coaching and development of people that will act favorably and supportively of the program. Change proponents play a key role in the accumulation of 'critical mass', which refers to the number of supportive individuals needed to enable the change in the organization.

Furthermore on the change management side, it is imperative that the transformation program survives the 'valley of death' that most transformations arguably face at least once. Some interviewees pointed out that, leading the transformation through the valley of death can be leveraged into an effective way to align the program organization to support the common goals.

A summary of the success factors of business transformation programs is provided in figure below.

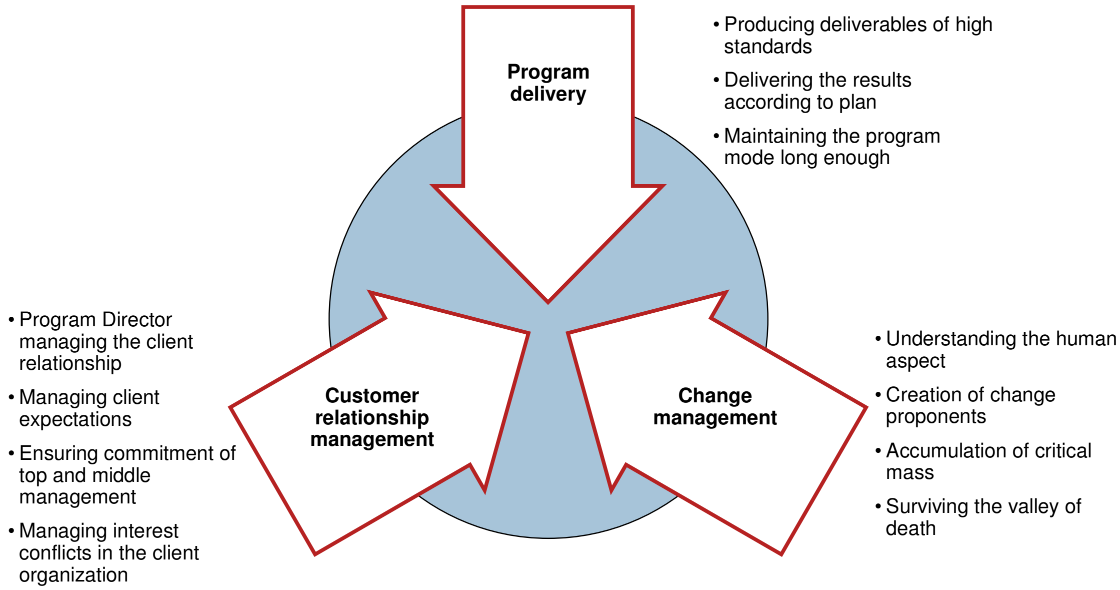

Figure 11 Success factors of business transformation programs

Having discussed the definition, aspects and success factors of business transformation programs in the previous sections, it is now time to begin to focus on the roles of management consulting in such programs, starting with investigating management consultancies.

4.3. Management consultants in business transformations

4.3.1. Qualities of a transformation consultancy

For a management consultancy to become a partner in business transformation, certain characteristics are required. The research singled out three characteristics as particularly important: that the consultancy is large enough, that it has an international resource pool, and that it has shared history with the client. Next, the three characteristics are discussed in greater detail.

Firstly, the consultancy must be big enough. In order to support the transformation program with the right resources, the consultancy needs a critical mass in terms of number of employees. As the consultant team consists of typically 5-7 consultants in a transformation program, the consultancy must have a vast enough resource pool to draw from. Furthermore, the consultancy needs to be established and have created its own set of transformation related tools and methodologies – an aspect that many smaller consultancies are lacking.

Second, the consultancy needs to be an international player. To be able to provide the industry and process competence needed in a business transformation program, an international resource pool is typically required. International staffing is especially common in the analysis and design phase where the content expertise is highlighted, and finding domestic resources with the right competence areas may become hard-pressed.

Third, the consultancy needs to have shared history with the client. Before a transformation program can be sold to a client, the consultancy must become an interesting and trusted partner. Becoming a trusted partner takes place though a series of smaller engagements that the consultancy executes successfully. Typically, a transformation program is a natural continuation of an individual analysis and design engagement such as a Phase 1 project or a strategy project. It is also important to build a social network at the client site during these smaller engagements. In conclusion, it would seem that a consultancy that wishes to partake in a business transformation program must first evolve into a trusted adviser[1] to the client organization.

Before turning the focus on individual consultants' roles in business transformations, it is worth noting that a consultant organization itself can play multiple roles in a transformation program. First, a consultancy may act as an executive partner whose involvement is restricted on the executive and advisory level. As such, the consultancy is only accountable for providing advice and guidance to the client organization's executive team. Second, a consultancy can be a tactical partner that provides content input reserved on program management level. Third, a consultancy may act as a fully operational partner that has shared responsibility for program delivery and management with the client. Accountability for the program's success, along with the size of the participating team of consultants, grows considerably as the role shifts from a strategic to a tactical and eventually to an operational partner.

[1] More on the trusted adviser position (Duboff 2005) in the literature review (section 2.1.4.) of this thesis.

Although the consultancy's role in a business transformation has a direct impact on the roles consultants occupy in the program, it has only limited, if any, impact on the content and nature of any particular role. Hence, it is meaningful to investigate the roles of management consultants in business transformations without being overtly cognizant of the role of the consultancy itself.

4.3.2. Organizational roles in business transformations

The research unveiled a consistent perception of a relatively fixed transformation program organization. A typical transformation program consists of the following organizational elements: a steering group, a Program Management Office (PMO), a business case, and a varying number of streams. While the program organization is relatively fixed, the use of management consultants in the organizational elements varies from case to case. A model of a transformation program organization as well as the potential organizational roles for management consultants are depicted in figure 11 below.

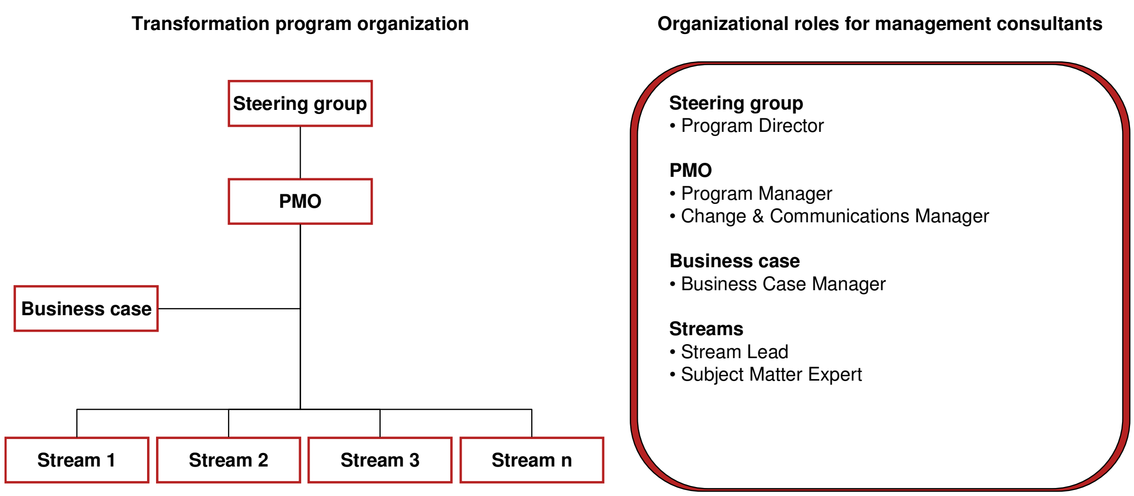

Figure 12 Model of a transformation program organization including possible roles for management consultants

A business transformation program is typically steered by a steering group that consists of high level executives, including oftentimes the CEO. The steering group makes or approves key decisions regarding the transformation program without getting involved in its daily operations. In many cases, the steering group is supported by an experienced management consultant acting in a Program Director role.

Many interviewees underlined that the Program Director manages primarily the customer relationship, i.e. stays loyal to the person that has ordered the consulting service – not to the client representative managing the program. When the person managing the client does not become loyal to the client's Program Manager, she maintains the professional autonomy to give objective advice regarding e.g. the termination of the program without risking the relationship to the client.

Important activities of the Program Director include managing the key stakeholders and nurturing the client relationship. The Program Director steers the program without committing to the daily management of the program activities. A key tool for Program Director is the message plan that assists her to communicate the program's state to key stakeholders and to steer the delivery of the Program Manager. Another feature of the Program Director's role is to have personal meetings with the steering group members and walk through the meeting material prior to every steering group meeting.

Subservient to steering group is the PMO. The PMO is the organizational body managing the daily operations of the transformation program. From the management consultancy's perspective – and often from the client's perspective, as well – it would be best if the supporting consultancy had a presence in the PMO, as it is where the consultants' experience and competence can be effectively utilized.

There are two roles that management consultants may have in the PMO: Program Manager and Change and Communications Manager. When a consultant acts as a Program Manager, she shares the role with the client's Program Manager. The Change and Communications Manager's role becomes highlighted in the results delivery phase. The manager's responsibility areas vary greatly from case to case, ranging from cultural trainings to internal an external communications plans and to managing emotions throughout the transformation. It is noteworthy that change and communications management is not always seen as part of the PMO – it can also form its own stream, in which case it cuts across the other streams as in a matrix organization.

Business case is the only organizational element in a transformation program that is typically managed solely by the participating management consultancy. The Business Case Manager is responsible for devising a calculation about the transformation's costs and monetary benefits. In so doing, she defines the calculation's logic and structure, and gathers the needed data from the client organization. The business case is not a fixed calculation – it is updated along the way, as the transformation progresses and the plans and estimations change. In the result delivery phase, the Business Case Manager is responsible for benefits tracking, i.e. defining and monitoring the monetary benefits achieved by the transformation. Depending on the case, the Business Case Manager may also be responsible for the program's budgeting. Managing the business case is not always viewed as an independent organizational element – it is sometimes viewed as a function of the PMO.

Finally, a bulk of the actual work in a transformation program is carried out in the program streams. The streams resemble parallel project teams with a Stream Lead and team members. The streams typically represent processes or organizational units of the post-transformation organization. Management consultants can have two types of roles in a program stream: Stream Leads and Subject Matter Experts (SMEs). The role of the Stream Lead resembles in many ways the role of a Project Manager in other types of consulting engagements. When management consultants are hired as SMEs, on the other hand, they often form pairs of one senior and one junior consultant. In such cases, the senior consultant has an advisory role with a lighter involvement in the program, while the junior consultant works hands-on and has a heavier involvement in the program.

This section has outlined an account of management consultants' organizational roles in business transformation programs. As the organizational roles alone provide only a shallow view of management consultants in business transformation programs, the view is enriched in the following section by turning the focus on another perspective of consulting roles, namely the functional roles of management consultants in business transformation programs.

4.3.3. Functional roles in business transformations

In addition to their organizational roles, one can look at management consultants in terms of the functional roles they have in a transformation program. Here, functional roles refer to the purposes – the basic functions – management consultants have in transformation programs. During the research, four basic functional roles were revealed: adviser, doer, enabler, and coach. The roles are depicted in figure 13 below. Next, the functional roles are discussed in more detail.

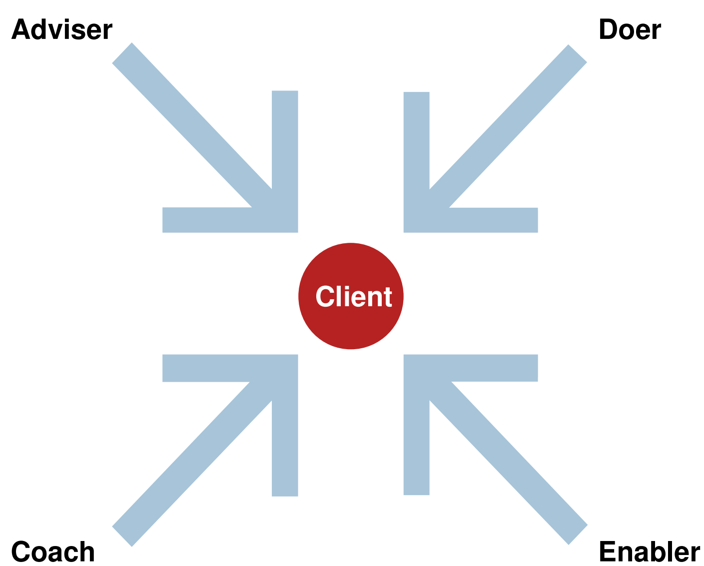

Figure 13 Functional consultant roles in business transformations

Adviser is a consultant whose function is to supply the transformation program with her expertise. The expertise may be industry or process related, in which case the adviser typically works with specific issues as an SME. The expertise may also be general and e.g. management related, in which case the adviser has a more general role like that of a Program Director. An adviser has at times only a partial involvement in the program, as her tasks include commenting on other people's work and advising those with a heavier involvement in the program. The adviser role is similar to that of an advocate who proposes, persuades or directs the problem solving process[2].

Doer is in many ways opposite to adviser. A doer is a consultant that is hired in the program as an extra resource. Her job is to support the program by doing hands-on work, thus relieving the work load of more senior – and more expensive – consultants. A typical doer is a junior SME, who supports a more senior SME in one of the program's streams.

Enabler is a consultant whose main purpose is to facilitate the work in the program. Stream Leads, the Program Manager and the Program Director act fully or partly as enablers: their job is to enable the other participants in the program with the abilities and facilities needed. In effect, the role of an enabler resembles closely the role of a facilitator[3] whose purpose is to help the client make informed decisions.

The enabler's role can also be perceived to shift over time during a business transformation. In the very beginning of a transformation program – if not before – the consultant acts as a reliever and a consensus builder through smaller consulting engagements, relieving the client from anxiety and distress as well as building a shared understanding of the client's issues. It is during these smaller engagements that the consultant establishes herself as a credible partner in transformation. Then – and typically in the analysis and design phase of the transformation – the consultant assumes the role of a clarifier by enabling the client to understand the true reasons to her distress as well as the path to relieving it. Finally, the consultant becomes a change agent that enables the client to design and implement an appropriate circumstance change.[4]

On occasions, there are also specifically appointed enablers whose sole purpose is to facilitate a specific part – for instance, the solving of a specific problem – within the transformation program. In the case organization, a good example of an appointed enabler is the facilitator of an ASE (Accelerated Solutions Environment) workshop.

[2] More on the advocate role (Lippitt & Lippitt 1986) in the literature review (section 2.1.4. of this thesis).
[3] More on the role of a facilitator (Schwarz 2002) in the literature review (section 2.1.4.) of this thesis.
[4] More on the roles of a reliever, consensus builder, clarifier and change agent (Lundberg 2004) in the literature review (section 2.1.4.) of this thesis.

ASE workshops are elaborate and multifaceted workshops that utilize a wide array of workshop tools and methods. They typically last from one to three days, and bring together the client organization's key people to collaboratively work on the issue at hand.

ASE workshops are used for clear and definite purposes in a transformation program, which means that the workshop facilitator may only be involved in the program for the duration of the workshop. A classic example of an ASE workshop in a business transformation program is an alignment session aimed at bringing the program organization to an equal level of understanding regarding the program and its objectives.

Coach is an experienced consultant – often a Program Director or a Change and Communications Manager – that supports the client's key individuals in decision making throughout the transformation program. A coach is different from an advisor in the sense that, she supports the client by facilitating the client's thought and decision making processes, instead of giving specific advice on a specific topic. In effect, the role of a coach is similar to that of a process counselor[5] much the same way as an advisor was found to be similar to an advocate a few paragraphs above.

In transformation programs, there are rarely consultants acting solely as coaches – they perform other roles, as well. A typical example of a coach is a Program Director that advises and coaches the transformation program's steering group, simultaneously enacting the dual role of an advisor and a coach.

The organizational and functional roles described in the past two sections call for a versatile mix of consulting styles and skills in business transformation programs. It is these styles and skills that are addressed in the next two sections.

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[5] More on the role of a process counselor (Lippitt & Lippitt 1986) in the literature review (section 2.1.4.) of this thesis.

4.3.4. Consulting styles in business transformations

The literature research of this study revealed four dichotomies regarding management consultant roles:

1. Expert vs. process consulting,
2. Standard vs. tailored solutions,
3. Abundant vs. limited customer contact, and
4. Directive vs. indirective consulting style.

The dichotomies are addressed in section 2.1.4 of this thesis. Here, the dichotomies are examined as *consulting styles* in a business transformation program.

The research revealed that, in business transformation programs, management consultants are required to do *expert* as well as *process consulting*, depending on the situation. Firstly, the type of consulting depends on the phase the program is in: expert consulting is highlighted in the analysis and design phase, whereas process consulting is emphasized in the results delivery phase.

Secondly, the research revealed that the choice of either expert or process consulting depends on the organizational role of the management consultant. In the Program Director and Program Manager roles, the process mode is prevalent. In the Business Case Manager and Stream Lead roles the expert mode is highlighted.

Thirdly, the type of consulting was found to depend on the customer. If the customer has identified the need for transformation before the management consultant is brought in, it is natural that the consultant will assume primarily a process mode. If the consultant is used as an advisor in an earlier stage, she will act more in the expert mode.

Similarly, in business transformation programs, management consultants use *standard* as well as *tailored solutions*. On one hand, the consultant must have a set of ready-made tools – 'accelerators' – as well as the skills to use them. Examples of such accelerators include the change readiness assessment, the business case, the transformation map and the message plan. Furthermore, transformation programs have certain standardized organizational aspects such as the PMO and the program's governance.

On the other hand, transformation programs are 'made-to-measure suits', tailored to each client and situation. According to one interviewee, "it is especially important to show the client that the service is fully customized. It does not work if we suggest that such and such tools be applied here." Another interviewee added to the point by emphasizing that the application of standardized tools and frameworks produces such unique outcomes in each transformation that it is more meaningful to talk about tailored than standardized solutions.

While the two previous dichotomies produced relatively versatile answers in the interviews, the interviewees were unanimous about the *amount of client contact* in a transformation program: there is "a lot of it". One interviewee argued that, "in all modern management consulting, close collaboration with the client is becoming increasingly common compared to earlier consulting eras". The interviewee also stated that collaborating with the client is even more important in transformation programs than in analyst assignments.

Similarly, clients' readiness to use consultants has increased significantly from the old days: "Consultants are no longer perceived as the stars they once were," as one interviewee put it. The view was shared by many others, and one other interviewee declared having witnessed the "degeneration of management consulting into an ordinary industry".

Finally, management consulting in transformation programs was found to contain *directive* as well as *non-directive* aspects, with the directive aspect more dominant. The two consulting styles alternate with the non-directive style being critical especially in analyzing stakeholders and designing interventions. The consulting style is also related to the functional role of the consultant. For instance, enablers act in a non-directive mode, while advisers have a directive style of consulting. One interviewee brought up another perspective by stating that they were currently working in a business transformation program as an enabler, but "with a strong directive focus".

One interviewee stated that the consulting style in a transformation program is more directive than in "other strategy projects" – the consultant produces content and proposes a course of action. Another interviewee encapsulated the views of many others by stating that, in their opinion, "there ought to be a directive flair in all management consulting – the consultant should be always advising, always proposing a course of action."

4.3.5. Consulting skills in business transformations

The management consulting roles outlined in the three previous sections call for a specific set of consulting skills. The required skills are closely related to the success factors identified in section 4.2.4. Here, the skills are categorized in the same way as the success factors, i.e. into delivery related, customer relationship management related, and change management related consulting skills.

Delivery related consulting skills include subject matter expertise and program management. The interviewees pointed out that the required skills vary depending on the organizational role: for instance, industry and functional expertise are key assets of Subject Matter Experts, while project management skills are critical for the Program Director, Program Manager and Stream Leads. Analytical and mathematical competences, on the other hand, are key attributes of the Business Case Manager.

Interviewees also identified coaching as another delivery related consulting skill in transformation programs. As the consulting team and client team work in unison, situations arise where a consultant must be able to coach e.g. the steering group or the client's Program Manager.

In transformation programs, *customer relationship management related* consulting skills become highlighted. Since most of the work is carried out in direct collaboration with the client, adept social skills are required from every consultant regardless of their role. Furthermore, consultants must be mindful about the political issues at the client site and cautious not to create extra tension, as transformation programs are often received controversially in the client organization.

In order to succeed in the client organization, the consultant must be able to pace herself in relation to the client. To accomplish that, she must be familiar with the client organization's culture. Hence, an understanding of organizational culture is a critical competence area for consultants in transformation programs – "culture to the organization is the same as persona to a person," as one interviewee proclaimed. In effect, consultant's role is to make culture visible; to unveil the espoused values that govern the organizational behavior.

Finally, *change management related* skills are necessary for management consultants in transformation programs. However, as one interviewee pointed out, change management competence is especially important to those consultants that work directly with change management issues in a transformation program, most notably the Change and Communications Manager and her crew. In addition, the Program Manager must be skilled enough in change management techniques to navigate the program through the 'valley of death'.

According to one interviewee, the most critical consulting skills in transformation programs are the competences in designing and managing fundamental change, as the lack of these skills is typically the reason a client hires management consultants in the first place.

An overview of the critical consulting skills in business transformation programs is provided in figure 14 below.

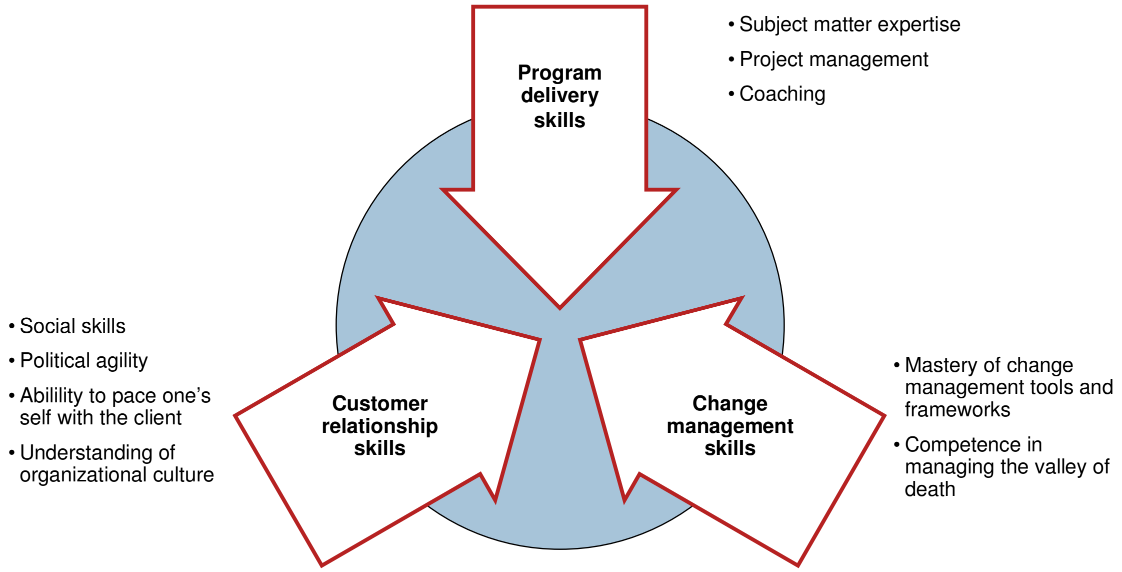

Figure 14 Consulting skills needed in business transformations

The dual nature of transformation programs incorporates the challenge of supplying consultants with the skills needed in such programs: as transformation programs are divided into design and delivery phases, the skills needed in each phase are pronouncedly different. In the analysis and design phase, subject matter and strategy competences are highlighted. In the results delivery phase, competences in change management and customer relationship management become amplified.

Hence, it can be deducted that the training and development of well-rounded and versatile professionals is a critical skill to any management consultancy wishing to be a successful partner in business transformations.

5. Conclusions

This research set out to identify and describe different roles management consultants at Capgemini Consulting have in business transformation programs. In so doing, the research brought forth a definition of business transformation, provided versatile perspectives to management consultants' roles in transformation programs, and outlined consulting skills that business transformations most prominently call for.

In light of this research, business transformations emerge as strategic, multidimensional and extensive change programs. They are rooted in the organization's strategy, and they are often found amongst the CEO's top priorities. They are cross-organizational and stretch across multiple processes. In effect, they change the organization profoundly and take relatively long to carry out. The definition, outlined in the empirical research of the study, is closely in concert with definitions outlined in literature (see e.g. Kosonen 1994 and Kilmann et al. 1989).

Business transformation programs are binary in the sense that they consist of two distinct yet overlapping and seamlessly connected phases – analysis and design followed by results delivery. The relative importance of the two phases is determined by the strategic level of the transformation program in question. Identity level transformations are rooted in the corporate strategy, positioning level transformations spring from the business or competitive strategy, and operative transformations arise primarily from operational or functional strategies. The higher the strategic level of the transformation, the more elemental the role of analysis and design compared to results delivery, and *vice versa*.

The research unveiled that, individual consultants at Capgemini Consulting express difficulties in defining business transformation. On that note, it is to some extent surprising how the different definitions form a cohesive and consistent whole. Hence, it would seem that there is a high degree of implicit and intuitive understanding of what is meant by business transformation, but the explicit communication and definition of the concept is somewhat undeveloped. As a conclusion, the case organization could benefit from developing an explicitly shared terminology and clear definitions for discussions regarding business transformations.

Based on this research, management consultants are hired in business transformations for two reasons: either the client organization is lacking the analytical competence needed to design the transformation, or it is lacking the change management competence needed to execute the transformation program. To be a credible partner in business transformation, a management consultancy must have the relevant competences to match the client's needs. In addition, the consultancy must be a trusted collaborator of the client organization and have a deep and wide competence pool to draw from. Hence, management consultancies that support business transformation programs are large, multinational organizations that have built a shared history with the client organization through smaller engagements.

From the viewpoint of an individual consultant, business transformation programs are in many ways a unique breed of consulting. For one, their duration is measured in months or years instead of weeks, and the consultant teams that support them are significantly larger than in other types of consulting engagements. They have a program management office and a war room, both of which are organizational aspects that are hardly ever found in other types of consulting engagements. They are hypothesis driven and planned according to an explicit description of the target end state. Their implementation adheres to the framework of time-boxed delivery, in which the results delivery is planned in detail only as far as to the next milestone or time box.

As much as business transformation programs consist of unique features, they are equally conspicuous in how they combine standard aspects and frameworks from other types of consulting engagements. For one, they are coupled with a business case calculation – an aspect that can be found in numerous other types of consulting engagements, as well. Similarly, their implementation is supported by change management tools and frameworks that are used in stand-alone change support engagements. Furthermore, the case organization utilizes its signature methodologies of Phase 1 and hothousing in many of its business transformation engagements – methodologies that are also stand-alone offerings in the case organization’s portfolio.

While business transformation programs constitute a unique brand of management consulting, it is to some extent arguable whether they should be considered actual consulting engagements in the first place. The research unveiled that, in the case organization, business transformation programs are formed by a series of individual consulting engagements instead of being formed holistically as a single instance. Some business transformation programs have even been identified only after the fact, as the participated consultants have realized that their individual consulting engagements combine to form a holistic transformation of the client organization's business. Nonetheless, the aforementioned aspects regarding business transformations' uniqueness as consulting engagements provide adequate weight for business transformations to be considered stand-alone and definite consulting engagements.

The research exposed three perspectives for studying the different roles management consultants have in business transformations. First, management consultants are seen to occupy a set of organizational roles that constitute the setup of a typical program team in a business transformation program. Such a team consists of a Program Director, a Program Management Office with a Program Manager and a Change and Communications Manager, a Business Case Manager, and a set of Stream Leads and Subject Matter Experts. Especially noteworthy aspects of the organizational roles were the division of program management roles into delivery focused management (i.e. Program Manager) and client focused management (i.e. Program Director), as well as the tendency to pair up senior consultants with junior consultants to form subject specific work pairs. Here, a development proposal for the case organization could entail the devising of explicit descriptions of the responsibilities, tasks and other relevant attributes of each organizational role. Such descriptions could potentially accelerate the forming of a functional team where each consultant knows her own role as well as the roles of everyone else each time a transformation program team is staffed.

Second, management consultants were found to enact different functional roles in business transformations. The four archetypes identified were an advisor, a doer, an enabler, and a coach. A noteworthy finding regarding the roles was that, a consultant can have more than one role in any given transformation program and at any given time. For instance, a program director can simultaneously enact the directive role of an advisor as well as the nondirective role of a coach. The functional roles, although singled out in empirical research, were found to have notable connection points to the reviewed literature. For instance, the roles of advisor and coach outlined by the interviewees were found to closely resemble the roles of advocate and process counselor outlined in the literature (see Lippitt & Lippitt 1986).

Third, the roles of management consultants in business transformations emerged as specific consulting styles. The organizational roles outlined above were found to disseminate into different combinations of consulting styles on the following dimensions extracted from the reviewed literature: positioning on the continuum of expert versus process consulting, degree of customization of solutions, level of client contact, and degree of directive flair of consulting. Apart from the high level of client contact that proved characteristic to all identified roles, the other dimensions combined into various recipes of consulting styles as illustrated in table 6 below.

Table 6 also portrays the consulting skills that the research singled out as key in business transformation programs. From the plethora of identified skills, political agility and social skills emerged as the most critical attributes of management consultants in business transformations. In terms of the consulting skills, two recommendations can be given to the case organization. Firstly, that the skill areas are kept in mind when supporting the professional development of individual consultants via performance reviews, trainings, and staffing decisions. Secondly, that the skill areas are incorporated into the aforementioned role descriptions to ensure a successful staffing of a program team as well as a thorough understanding by individual consultants of what is expected from them in the given role.

Table 6 Synthesis of management consultant roles in business transformation programs

Organizational role	*Functional role(s)*	*Expert vs. process consulting*	*Standard vs. tailored solutions*	*High vs. low level of client contact*	*Directive vs. non-directive consulting style*	*Consulting skills*
Program Director	Advisor, coach	Process	Tailored	High	Both	Strategy, political, social
Program Manager	Enabler	Process	Both	High	Directive	Strategy and change management, project management, social
Business Case Manager	Doer	Process	Standard	High	Non-directive	Analytical and mathematical, social
Change & Comm's Manager	Enabler, coach	Process	Standard	High	Both	Change management, social
Stream Lead	Enabler, doer	Both	Both	High	Directive	Project management, industry/process expertise, social
SME (senior)	Advisor	Expert	Both	High	Directive	Industry/process expertise, social
SME (junior)	Doer	Expert	Standard	High	Directive	Industry/process expertise, social

The practical value of the research is expected to lie in the perspectives it provides for management consultants, change practitioners in diverse organizations, and buyers of management consulting services. Although the explicit recommendations of the research are directed solely to Capgemini Consulting, other organizations – not restricted to management consultancies – can potentially benefit from the various vistas the research provides on business transformation: its aspects and characteristics, typical program team, potential roles for consultants, and key competences needed in the program. Furthermore, the discussions on key attributes of transformation consultancies as well as on management consultant roles may benefit organizations in their buying of management consulting services.

The academic value of the research is mainly in its coupling of select existing research with the explicit context of business transformation programs. Hierarchically, the research is positioned in a void that has existed between generic research on management consultant roles (see e.g. Maister 2008 and 1993, Lundberg 2004, Schein 2000, and Lippitt & Lippitt 1986) and excessively situational research on management consultant roles in specific types of consulting assignments (see e.g. Hellgren et al. 2004). As a result, the research touches on an area that has thus far been overlooked by scientific research on management consulting.

Finally, the research has opened perspectives on further research on the theme of management consultants in business transformations. Firstly, the generic applicability of the findings remains to be tested beyond the organizational and geographic context of the research. The research findings are tied to the context of Capgemini Consulting and its organization in Finland. Expanding the research into other regions of Capgemini Consulting, into other management consultancies in Finland, and into other management consultancies elsewhere in the world would test the universality of the findings. Secondly, a similar study but from the point of view of the transforming organization (here, the client organization) would reveal whether the management consultants at Capgemini Consulting have realistic views of themselves and their role in supporting their clients' business transformations. Third, there is room for further research in comparing and contrasting transformation consulting with alternative forms of change consulting. For instance, the roles of management consultants in supporting client organizations' strategic agility and continuous, incremental change could be compared and contrasted to the roles of management consultants in business transformation programs.

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INTERVIEWS

Finne, Sami. Principal, Consulting Services, Capgemini Finland Oy. Interview on June 16, 2009.

Hätönen, Jussi. Consultant, Consulting Services, Capgemini Finland Oy. Interview on June 12, 2009.

Kärki, Markus. Principal, Consulting Services, Capgemini Finland Oy. Interview on June 16, 2009.

Leinikka, Laura. Senior Consultant, Consulting Services, Capgemini Finland Oy. Interview on August 31, 2009.

Linnapuomi, Riitta. Principal, Consulting Services, Capgemini Finland Oy. Interview on March 13, 2009.

Nurmio, Aarne. Principal, Consulting Services, Capgemini Finland Oy. Interview on March 3, 2009.

Poutanen, Anssi. Senior Consultant, Consulting Services, Capgemini Finland Oy. Interview on April 17, 2009.

Puustinen, Jukka. Principal, BS – PS – RS Support, Capgemini Finland Oy. Interview on June 30, 2009.

Valorinta, Mikko. Unit Director, SAP ADM, Capgemini Finland Oy. Interview on March 16, 2009.

Veranen, Jyrki. Vice President, Consulting Services, Capgemini Finland Oy. Interview on June 15, 2009.

APPENDIX 1

INTERVIEW OUTLINE *(DURATION APPROX. 1 HR)*

1. Purpose of interview and interviewee's consulting experience *(5-10 minutes)*

- The interviewee is given a short explanation of what the interview is about and why it is done
- The interviewees consulting experience is outlined with the following questions
  - *"For how long and in which companies/organizations have you worked as a management consultant?"*
  - *"What (if any) management consulting field(s) have you focused in? (e.g. strategy, transformation, HR, CRM, SCM, IT…)"*
  - *"What (if any) industries have you focused in?"*

2. Consulting roles *(20 minutes)*

- The interview is asked to identify and describe different roles management consultants have in business transformation programs
- For food of thought, the interviewee is presented with three dimensions of consulting styles
  - Technical expert vs. process consultant
  - Directive vs. non-directive roles
  - Amount of client contact and degree of customization
- Supporting questions
  - *"Which consulting roles characterize your own work?"*
  - *"Which roles characterize the work of your team or organization as a whole?"*

- *"What other thoughts do you have regarding consulting roles: how they change, how they are determined, how they evolve over time, how your team is different from the others in your organization, how your company is different from competitors, etc.?"*
- *"How much of your (and your organization's) work is process or expert consulting?"*
- *"What is the typical level of client contact and customization in your (and your organization's) work?"*
- *"Which of these directive/non-directive roles are most relevant to your (and your organization's) work?" (see picture for guidance)*
- *"Are the roles clear-cut and static (e.g. "always in a process consulting mode, high interaction with client, high level of customization, non-directive interaction") or vague and dependent on the situation at hand (i.e. the client/the project etc.)?"*
- *"What factors contribute to the "selection" of the role(s) in different situations?"*
- *"Do the roles shift over time?" Consider different time frames:*
    - *interviewee's entire work history (has the interviewee's role(s) shifted as he/she has evolved e.g. from a consultant to a principal)*
    - *within a client account (is the role different going into the account vs. as the account matures)*
    - *within a project (is the consultant's role different e.g. in the beginning of a project vs. the closing of a project)*

3. Business transformation *(10 minutes)*

- The interviewee is asked to define business transformation
- Supporting questions
    - *"Based on your experience, how would you elaborate the given (Kosonen's) definition?"*

- *"Based on your organization's or team's offering, how does the consultant support the client in a business transformation?"*
- *"How is a transformation project different from other consulting engagements?"*
- *"What is the typical entry point*
- *"Is it meaningful to talk about business transformations as such, or are the transformations too different depending on their content?"*
- *"What are the key fundamentals of business transformation?" (What should always be noted when planning/carrying out business transformations)*
- *"What kind of transformations have you participated in, and what has been the consultant's role/task in those projects?"*

4. Consulting roles in business transformations *(20 minutes)*

- In light of the previous topics, the interviewee is asked to discuss his/her (and the organization's/team's) roles in business transformations
- Supporting questions:
  - *"What is the consultant's role in planning AND/OR implementing a business transformation in terms of e.g.*
    - *process/expert consulting*
    - *customer engagement and service customization*
    - *directive/non-directive interacting?"*
  - *"How is the role different from other consulting engagements?"*
  - *"Does the level of the transformation affect the consultant's role(s)?" The profoundness refers to the strategy hierarchy:*
  - *"Are the consultant's roles different in different phases of a transformation? (i.e. planning phase and execution phase) If so, how?"*
  - *"Is the role different depending on the entry point?"*

- *"Are the roles affected by the tasks/the formal role of the consultant?" (E.g. consultant as a project manager, stream leader, stream support etc.) If so, how?*
- *"Is there something to be said about consulting roles and the consultant being awarded business transformation engagements in the first place?" (e.g. does the consultant need to have a particular interaction mode or type of relationship with the customer to be accepted as a potential partner in business transformations?)*

5. Closing and identifying other interviewees *(0-5 minutes)*

- Asking the interviewee to identify other potential interviewees
- Thanking for the interview