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THE ROLE OF CONSULTING FIRMS IN CONDUCTING OF
MANAGEMENT CLINICS AND SUBSEQUENT ACTIVITIES ✓

by

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THE ROLE OF CONSULTING FIRMS IN CONDUCTING OF
MANAGEMENT CLINICS AND SUBSEQUENT ACTIVITIES.

INTRODUCTION

It may be useful to recall that the Concise Oxford Dictionary defines a Clinic with these words: "Teaching of Medicine or Surgery at The Hospital Bed-side".

If everyone had a clear understanding of what a Management Clinic is and what a Management Consulting Firm can provide, it might be possible to explain the latter's role in conducting such clinics in a few words, as for example: "It is to supply the substantive professional content of a Clinic".

Now UNIDO has asked a representative of a Management Consulting Firm to explain this role - and thereby asked a potential supplier of Management Clinic Teams: "What would companies like yours do if asked to conduct a Clinic?" So one has to be more specific.

Before answering the question it might be useful to review the aim or aims as well as the scope of Industrial Management Clinics whose full programme title is "Advisory and Problem Solving Missions to assist Top Management of Industry".

CLINIC BASIC AIMS

The aid-memoire (10 June 1970) sent out with the invitation to attend this Panel indicates two distinct aims:

1. To assist and advise top managers in their factories in solving selected organizational, financial, technological, manufacturing and marketing problems,
2. To have top managers change their attitude towards ways and means of solving immediate and long-term problems.

This is very much like what management consulting firms attempt to accomplish for their clients. Consequently consulting firms should be ideally suited for conducting Industrial Management Clinics.

ADDITIONAL CLINIC AIMS

When studying carefully the aid-memoire and the report of the Indonesian Clinic, and having conditions in developing countries in mind, it becomes possible to elaborate on the aims and the following is a suggestion for additional Clinic aims:

3. To illustrate the need for constructive cooperation between industry and Government to assure efficient industrial operations,
4. To demonstrate to other top managers within the industrial community the usefulness of applying sound management principles (using samples from 1, 2 and 3),
5. To encourage domestic attempts in the field of industrial management consulting,

6. To help local efforts improving the image of industrial management,
7. To suggest domestic schemes to strengthen local endeavours in the field of industrial management,
8. To develop long-term plans for outside assistance in the field of industrial management.

The first and major aim of a Clinic seems to be to produce tangible results in order to prove the importance of using sound management methods and techniques. This is then used in a number of subsequent aims of a promotional, educational and developmental nature.

The more significant results that can be accomplished within the selected enterprises, the simpler it will be to attain the subsequent aims and thereby accelerate the entire process that will contribute to make domestic industry more efficient and competitive.

CLINIC SCOPE AND SCHEDULE

With respect to scope, the aid-memoire gives the following guidelines:

1. Enterprises: Selected from within a particular branch (sector) of industry.
2. Participants: Top managers.
3. Services required:
 - a) Industrial organization/management.
 - b) Cost reduction/increase of profits.
 - c) Product development/marketing.
 - d) Branch technology.
4. Clinic Team: Four specialists.
5. Duration: Six weeks.
6. Specialists involvement: 24 consultant weeks.

The aid-memoire gives the following direction for the scheduling of a six weeks clinic:

Week number	Activity
1	Briefing in Vienna
2	Assist top managers in direct problem solving in their companies.
3-4	Full-time meetings between top managers and UNIDO team - advice and problem solving through group-discussions.
5	Direct practical assistance and advice to top industrialists.
6	Debriefing in Vienna and drafting final report.

The Clinic thus calls for 16 consultant weeks in the developing countries and 8 (4 + 4) at the UNIDO Headquarters.

WHY USE CONSULTING FIRMS ?

Because large international management consulting firms have already proved their ability to disseminate management know-how and experience. Another reason is that such firms are really the only sources that can supply four individuals who can cover the entire spectre of management and work together as a well coordinated team with a common approach.

Four consultants from a management consulting firm will instantly and instinctively work as a team. They have a common basic philosophy and method of work. They are used to develop and promote ideas and plans. They are used to work with and through people. Their entire lives are concerned with analyzing and solving problems in order to create results. In short consulting firms and their staff are professional "problem solvers" and "result creators".

An Industrial Management Clinic has certain similarities with a comprehensive multi-plant corporation survey. No immediate results from such a survey are, however, assured or expected although practice has shown that the contact between experienced consultants and the management of a corporation, the many questions asked, the exchange of views and ideas and the long-range plans that has been developed etc. serve as an eye-opener to the company staff and inspires it to better management. In most cases it arouses the interests in long-term assistance in depth in specific areas.

A Clinic calling for 20-24 consultant weeks, and involving four different consultants covering most managerial and operational functions within several factories, would by most consulting firms hardly be classified as more than a comprehensive survey aiming at identifying problems, assessing their importance and inter-relationship, establishing priorities and suggesting a detailed plan for long-range action in depth.

But in the Clinic one must solve some of the problems immediately in order to use the results as demonstrations to an audience who is not so familiar with or appreciative of the application of scientific management methods.

A Clinic must thus be an entity in its own right, just as well as it may serve as an introduction to much more extensive programmes, including Special Fund projects. The audience's desire for continuation will depend on the quality of the "overture".

There is a natural role for industrial management consulting firms in the conducting of Clinics - but it is an extremely difficult one. And there is most probably no one best way the role can be played. The stage of industrial development, conditions within the enterprises, local environments and the cultural heritage are all elements that may control the performance.

PREPARATIONS FOR A CLINIC

The interpretation of the first aim is a key issue in the whole Clinic project. How much should be read into "assistance" and "advice" on "solving selected problems?" What kind of organizational, financial, technological, manufacturing and marketing problems can be solved within several enterprises and within the time allotted to a Clinic?

Perhaps one should not interpretate the paragraph too literally. Perhaps the terminology allows for a large amount of flexibility. A management consulting firm will ordinarily prefer to specify the aim, the scope, the approach and the expected results of a project in as great details as possible.

The companies requesting assistance in the form of a Clinic are supposed to submit, in advance, information concerning their performance as well as information about the problems to be solved. This material is discussed as a part of the teams briefing in Vienna en route to the field. Statistics are also collected and studied while at the UNIDO Headquarters.

This kind of preparation for an important consulting assignment is feasible, but it puts a heavy demand on the quality of the material to be submitted from the companies, on the individuals in the field who collect the material, as well as on the staff at UNIDO who present and interprets it to the team from the consulting firm. It leaves very little time for the team members to digest the material and, the team is away from its normal resources: colleagues, reference library, and reports on related management problems from assignments in similar kind of enterprises. The team is also away from resources that can prepare descriptive presentation material such as slides, flip-over charts, over-head projector graphs, flanel-board strips etc. Much useful material could probably have been traced in the files of the consulting firm.

One can not help asking this question:

"Would it be better to associate the consulting firm with the Clinic Project already from the stage when information about the performance of the requesting companies and their problems is collected?"

Or, in other words:

"Would it further increase the efficiency of the Clinic if a pre-Clinic survey on-the-spot by the consulting firm was made an integrated part of Clinic projects?"

It is at least an interesting proposition, and worth while looking into. It can hardly be argued that the better prepared the team arrives for the Clinic, the better results it will achieve.

When the team arrives at the Clinic location, it must bring with it different suggestions on how to solve the specific problems pre-selected for "treatment", preferably supported by reference cases and material.

Upon arrival the team can quickly test the suggestions in order to recommend the solution that is most applicable to the prevailing conditions and local environments.

HOW TO USE CONSULTING FIRMS

Based on the preceding comments and remarks one can envisage the following approach to a Clinic project:

1. A request for a Clinic is submitted to, and approved by UNIDO.
2. UNIDO awards the Clinic contract to a consulting firm.
3. The consulting firm sends a mission to make a pre-Clinic survey.
4. The mission head reports to UNIDO and the clinic programme is finalized in detail.
5. The consulting firm appoints the complete team.
6. The team assembles at its home base to coordinate efforts and plan preparatory work.
7. The team conducts the clinic.
8. The team leader reports to UNIDO, and completes the draft final report.

A pre-Clinic survey mission may not involve the entire team. One or two of the future team would probably be enough. The work on-the-spot may take 2-3 weeks or a total involvement of 3 to 4 consultant weeks in Phase 3.

The finalization of the Clinic plan at UNIDO Headquarters should be completed in 2-3 days with efficient work, thus involving $\frac{1}{2}$ consultant week for Phase 4.

Based on the findings during the pre-Clinic survey it will be possible for the consulting firm to specify very exactly who the additional team members should be in order to compose a well balanced group that will meet the Clinic needs most comprehensively.

Phase 6 involves all 4 consultants for a full week (or perhaps two times one half week) or a total of 4 consultant weeks.

Phase 7 involves again all 4 consultants for a period of 3 weeks or a total of 12 consultant weeks. The interval between phase 3 and 7 should not exceed 2 months.

Phase 8 may be accomplished by the teamleader alone and one week should be enough or an involvement of one consultant week.

The Grand Total for the involvement of the consulting firm is approximately 21 consulting weeks and thus well within the estimated use of specialist time.

A PRE-CLINIC SURVEY

The Clinic request and the UNIDO project description will contain some basic facts regarding the branch of industry, and a brief and general explanation of problem areas to be at.

Based on this material, the consulting firm can staff the pre-Clinic survey mission and prepare the field work which will consist of the following main elements:

- A. Meeting with Clinic initiators.
- B. Selection of enterprises for on-the-spot advice.
- C. Analysis of desired problem areas.
- D. Selection of counterpart-teams.
- E. Appointment of a Clinic committee.
- F. Selection of counterpart-teams.
- G. Assignment of tasks to counterpart-teams.

- N. Location of Clinic facilities and logistics.
- J. Collection of basic facts regarding:
 - 1. The country and its people.
 - 2. Economic and social conditions.
 - 3. Industry in general.
 - 4. The selected industrial branch.
 - 5. The selected enterprises.
 - a. Location and size.
 - b. Organizational structure.
 - c. Main products
 - d. Major equipment.
 - e. Labor-management relations.
- K. Prepare draft master-plan for Clinic
- L. Confer with Clinic committee.
- M. Confer with UNDP and Government officials.

It is extremely important to pull in top managers and managerial staff of the selected enterprises as early as possible in the preparatory work for the Clinic. This will be of mutual benefit and help to create a spirit of team-work and feeling of uniting efforts for a common and precious purpose.

The principle of setting up project committees and forming "client" counter-part teams is practiced by most well organized consulting firms. The number of enterprises to be selected for on-the-spot problem solving should preferably be limited to three, and only one or two major problem areas should be picked for detailed analysis in order to work in depth rather than spreading resources too thin.

In addition to the analysis made by the mission, certain tasks should be assigned to the counter-part teams, as for example describing certain procedures, or collecting detailed statistical information etc.

When the mission leaves, it must carry with it all relevant information required to prepare the team in depth as well as a draft master-plan for the Clinic itself.

THE MANAGEMENT CLINIC

This part of the project is the major part of the Clinic and consists of the following main elements:

1. Advice and assistance in selected enterprises.
 - a. review work of counter-part team(s)
 - b. exchange views and ideas with top management
 - c. test utility of potential solutions
2. Joint group meetings and panel discussions.
 - a. external problems
 - b. internal problems
3. Final on-the-spot advisory sessions
4. Consider long-range assistance
 - a. through domestic resources
 - b. from foreign sources.
5. Promotional performances
 - a. lectures to professional groups
 - b. public performances (Radio, TV)
 - c. interviews and press articles
6. Consideration of elements for the final report

The duration of these elements may vary depending on conditions like Clinic emphasis, number of enterprises involved and stage of industrial development. A total duration of three weeks should suffice in most cases.

The first element should allow two days for each selected enterprise or a total of six working days when three units are chosen for on-the-spot advice and assistance.

With the field work having reached the stage where one has almost, if not completely, selected the most suitable solutions to the selected management and operational problems, it should be possible to accomplish the group meetings and panel discussions in five days.

Final on-the-spot advisory sessions should not require more than one day for each enterprise, or a total of three days.

Element 4, 5 and 6 do not require any whole day. They will be interwoven with the three first elements. The promotional performances can be fitted in throughout the period while element 4 and 6 will be dealt with mainly during the latter half.

Three weeks should be enough for this part of the Clinic under the condition that as much as possible is pre-planned and pre-scheduled in connection with the pre-Clinic survey.

ACTIVITIES SUBSEQUENT TO THE CLINIC

Any management Clinic, irrespective of country, branch of industry, stage of industrial development or quality of management will disclose needs for improvements in certain areas.

The real question is to define the needs, establish priorities, make plans and locate resources for their further treatment. The first three are clearly what should be stated in the final report which may even contribute suggestions as to locating resources, in particular domestic resources.

The objective of subsequent assistance should be to provide a maximum of catalytic and multiplying effect, and to make itself redundant as soon as possible.

A consulting firm's role in subsequent assistance to further management development within the industrial branch concerned to the Clinic can be

both direct and indirect. The firm may provide services directly to the involved industries more or less in the same way as to ordinary clients, or it may work with and through local resources geared to provide assistance but not yet being sophisticated enough to be fully accepted by domestic industry, e.g. industrial associations, productivity and/or management development centers as well as local consulting firms.

What is often lacking in developing countries is scheduling and control of actions. In most cases theoretical knowledge is very high - the difficulty is to turn theory into practical and profitable use.

Training, team-work and close supervision of projects and actions is A and O in the organization and administration of a consulting firm's activities. This practice has the advantage that client personnel are upgraded on-the-job and becomes capable to maintain and continue improvement when the consultant assistance comes to an end. It motivates the client personnel and draws it into a strong cooperative effort to solve the problems.

An efficient control system is also an integrated part of a management consulting firm's administration of projects. Based on realistic planning and scheduling of each step of a project, regular progress reports are introduced and actual performance is compared with the planned schedule. This will make it possible to detect at an early stage delaying factors or problems which threaten to affect program time or results.

For larger projects it is common practice to establish special high-level committees to follow and control progress. This group will receive regular progress reports, will make decisions about recommendations made to change methods, systems, personnel, organization, equipment etc. which may come up as a part of the consulting program. It is also the group which will hear proposals to invest money in new equipment, machinery and the like, as well as the group that will assign responsibility for installation of accepted recommendations and check that actual results correspond to expectations. The staff of a consulting firm is used to being members of such committees together with high-level management of the client.

The staff of a large management consulting firm brings with it the knowledge and experience of "managing management development". This is an indirect benefit that is brought to a Clinic and its subsequent activities together with the direct benefits involved in the transfer of new and better industrial management methods and techniques.

SUMMARY

From the point of view of content and duration, there is much similarity between an Industrial Management Clinic sponsored by UNIDO and a comprehensive Survey requested by a multinational corporation from a management consulting firm.

The Clinic seems in some respects to be more demanding than a Survey as it expects selected management problems to be solved on-the-spot during the Clinic.

On the other hand, conditions within industrial enterprises in developing countries often lend themselves to management problems that are easily detected and quickly corrected.

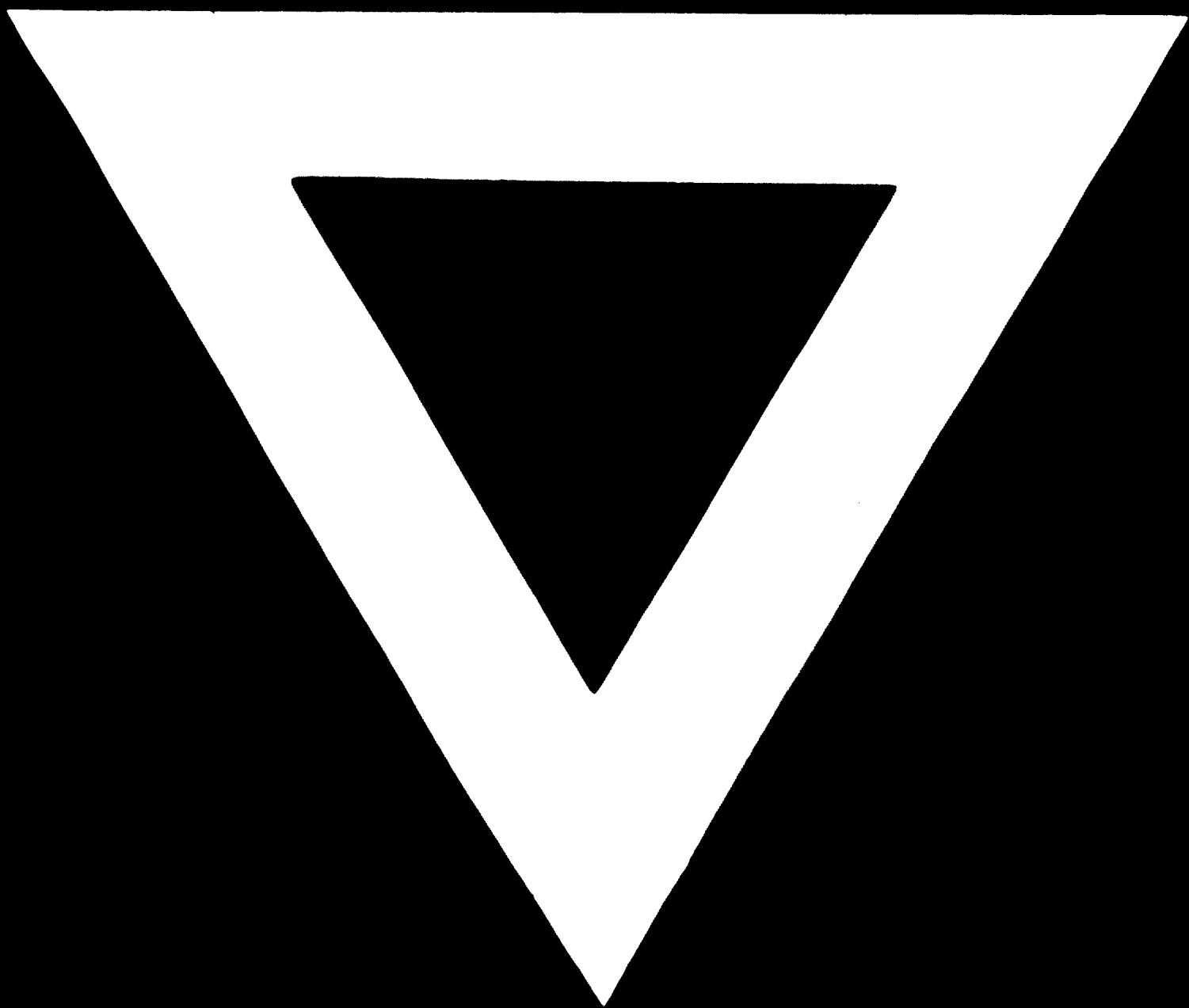
A large management consulting firm is normally started in such a way that it can supply valuable services for the role to be played by a Clinic.

The close objectives of work of a management consulting firm together with the training and experience of its staff makes it well suited to assume responsibility for a Clinic.

In order to assure optimal results from a Clinic it may be an advantage to consider a slight restructuring in the organization for a Clinic by letting the consulting firm do a pre-clinic survey.

As a complementary Survey in most cases results in a number of different projects, a Clinic is also likely to initiate a number of subsequent activities aiming at going further into details with complicated management problems.

This leads directly into programmes and projects for which the management consulting firm is ideally suited to provide experience, knowledge and expertise.



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