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PLANNING OF NATIONAL INDUSTRIAL MANAGEMENT CLINICS AND CONSULTING 1/

A contribution paper prepared for UNIDO.

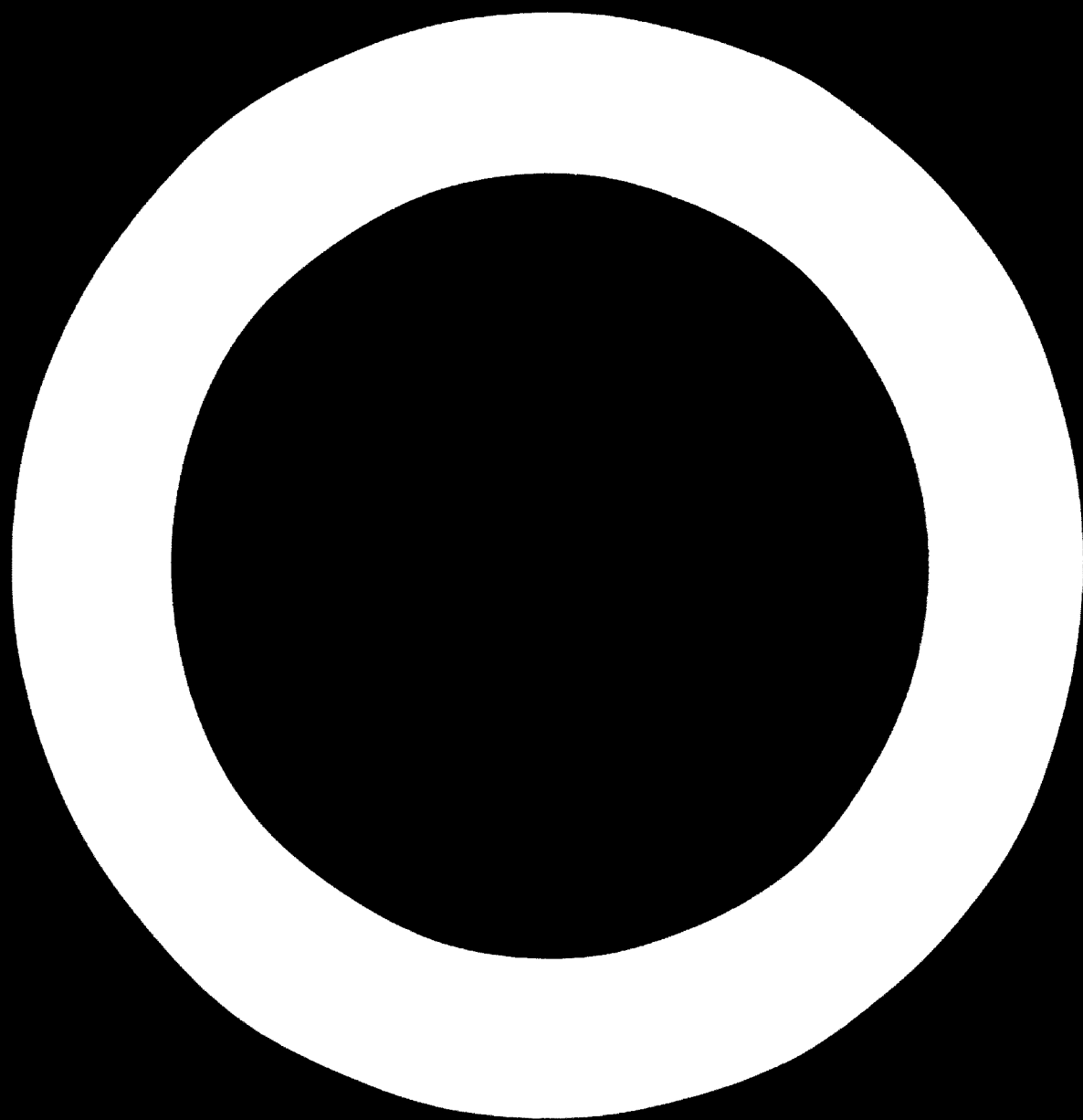
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Note: This paper presents some basic thoughts on setting up a national consultancy group and using the benefits of a management clinic approach. The elaboration of the various points is left specifically for the discussion period which follows.

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We regret that some of the pages of the minutes have
been lost and it may not be possible to recover
them. It is hoped that the minutes for the year
1914 will be prepared in the near future.



1. WHAT IS A "NATIONAL CONSULTANCY"?

A "national consultancy" as used in the context of this paper means that there is available to the nation a trained manpower pool to effectively assist managers in a broad spectrum of their tasks. It would not be easy to list them, for there are hundreds of specialities required, ranging from agriculture - like animal husbandry, veterinary services, development of arid lands etc. - to standard industrial applications like the development of cheese industry or the assembly of typewriters, automobiles, computers - to the most scientific production of isotopes for peaceful purposes.

We are witness to a dramatic change in the thinking of a large segment of mankind. Nations and people who were suppliers of raw materials for centuries to the industrialized nations have now decided to force industrialization in their own countries.

Quite aside from the deeper philosophical questions which are posed here - such as "Is this really the best way to go for everybody?" - it certainly throws a great challenge to each government as to how to bridge not only the pure technological gap, but the far more elusive and difficult gap of managerial infrastructure which is required to support the imported technology.

While the buying of a machine, or, say - a canning factory - is not problematical, the staffing, training and providing the correct management of the investment is very difficult indeed. And let it be stressed that this is not only a problem in the developing nations, but in the most developed nations as well.

(A case study or two will demonstrate this point during the discussion period.)

The hope to have sufficient trained manpower within ones own country is: laudable, and the reasoning runs something like this:

- a) Use our own people instead of "outsiders" - since "our" people understand "our own mentality" etc.
- b) Save our funds. The money stays in the country - we don't have to spend hard currency for questionable "know how" purchases.
- c) Build up our own self confidence - rely on our own pride - develop our own systems.
- d) Once we have sufficient people, we can ever send them abroad to earn money for us. It can be a good source of service income for the State.

At first reading these reasons all sound solid, but closer examination during the discussion period will reveal certain flaws. We will not dispute the premise that there is a real justification to develop a reliable national consulting capability, but there are certain limitations. Both the flaws and limitations must be faced if we want to arrive at a workable solution for the needs of the developing countries.

2. SOME PRACTICAL STEPS TO DEVELOP NATIONAL MANPOWER RESOURCES WHICH CAN LEAD TO A NATIONAL CONSULTANCY

How many top managers in a medium sized firm (2000 employees) have a good idea of the wealth of human resources which are at their disposal? Very, very few!

This same holds true if we step up to a large corporation, a government Ministry or the government of a large city. Yet people - good people - are the key to success of every undertaking.

Before we embark on any organizational adventure - be it setting up a football team, a school, a new factory or a consulting group - we have to define the working environment and the people who will fit our needs, e.g.:

- a) What are the tasks which will have to be carried out by the new organization?
- b) What organization structure forms the basis of communication?
- c) What quality level (or performance) is expected of each member of the enterprise?
- d) What qualities do our potential candidates possess?
- e) How can we improve the level of our candidates to attain the required qualities we need?

We need to know these facts before we can staff the new operation. What we are doing is taking an inventory of our requirements and matching these to the people and talents which are available. Such an inventory is basic to our thinking to establish a national consultancy effort.

Obviously it is impossible to develop first class experts in all fields at once, so it follows that there must first be agreement on the list of national

development priorities and a reasonable time frame (plus of course the funding) in which to accomplish this plan. Such a plan forms the basis for point 2a above.

While point 2a is being clarified, points 2b through 2e can be worked on concurrently. No pat solution in method is given here since each country has a different level of capability to plan and carry out the stated requirements.

To what extent data processing can be employed to assist in the evaluation of personnel depends on the types of records kept by universities and Ministries of Labor, or perhaps the police. (Point for discussion.)

The individuals responsible to set up a national consultancy must answer all the five questions in written form because this work forms the long range plan for professional excellence of the group.

Just as important as the plan is the capability to put it into practice, and this is where the so-called "Management Clinic" approach can be highly beneficial.

3.

WHAT IS THE "MANAGEMENT CLINIC" APPROACH?

Years of experience in working in UN projects in Africa, Asia, Europe helped to crystallise certain techniques which have proven to be beneficial. One such technique is to send a team of experts (usually interdisciplinary as e.g. an Industrial Engineer, Marketing expert, Production or Civil Engineer, EDP expert) to the requesting country to investigate specific problems. This team must be very well organized for its mission is to get the facts quickly (4 to 6 weeks) so that the government concerned can base its decisions on reliable advice. This basically operations research approach is termed a "Management Clinic". The difference between a usual "fact finding" consultancy and the clinic approach is that in the latter case the specialists take time to discuss the problems and their findings with different levels of management to ensure understanding of principles and instigate - where possible - immediate remedial aids.

The aspect of informal, friendly communication at the various management levels has won the "clinic" approach a very positive reputation in best dealing with problems in the field.

4. HOW CAN THE "CONSULTANCY CORE" UTILIZE THE CLINIC APPROACH?

Once the "consultancy core" for the nation has been established - in a restricted but professionally reliable manner - it remains to systematically broaden the scope of the "core team" to encompass more and more of the target activities set out in the long range plan.

Time now becomes a critical factor, for there are dozens of cases where help is needed in various fields but the national consultancy group will certainly not be able to handle all the assignments alone. So help will have to be recruited from "outside".

These "inputs" can be handled either on normal contract basis with foreign suppliers, or via UN agencies such as UNIDO.

If the "management clinic" approach is used, the core team of the national consultancy group has to do an especially good job in preparation. The better the terms of reference sent in advance to the members of the visiting team, the better the utilization of their know-how when they come into the field. The on-the-spot briefings for the clinic team should be clear and to the point. Specific objectives should be put in writing for the team as a whole, and where appropriate, for some of the individual experts.

Field trips should be prepared well in advance, with problem statements (perhaps even case studies) prepared by local management. Not only problems should be discussed but solutions and local innovations which have proven to be especially beneficial in certain situations.

Scheduled meetings with government officials should be so arranged that the officials concerned are aware of the agenda of the clinic from the outset, are informed of the aims and are briefed by the local liaison officer the day prior to the meeting with the clinic team. All too often these meetings are not sufficiently

prepared so that the meeting with the government representatives is more often a courtesy call instead of the productive working session it should be. Thus, all too often, after the meeting the government official has the feeling that once again he has thrown his money away on some foreigners who fooled around for 6 weeks and accomplished nothing, while the consultant team remarks that the official is another typical case of an incompetent bureaucrat who didn't seem to know why they were in the country and did not ask one penetrating question. Such a negative confrontation can seriously discount the good work done in the field.

Given proper briefing and kept informed of what is going on by the liaison officer of the national consulting group, the competent government official will take a keen interest to participate and ask some stimulating questions. The desired result is a maximum interchange of valuable information which benefits both sides.

For all such surveys, a standardized documentation procedure should be used throughout the study. There should be one standard for the sort of clinic study, and another standard for the full scale project documentation. The project documentation is far more than just a set of forms which have to be filled in and filed, but is more an art in efficient leadership of people with reliable feed back loops in the information from the field. These are techniques which are computer supported in many cases, but the computer is not essential to the proper functioning of the system.

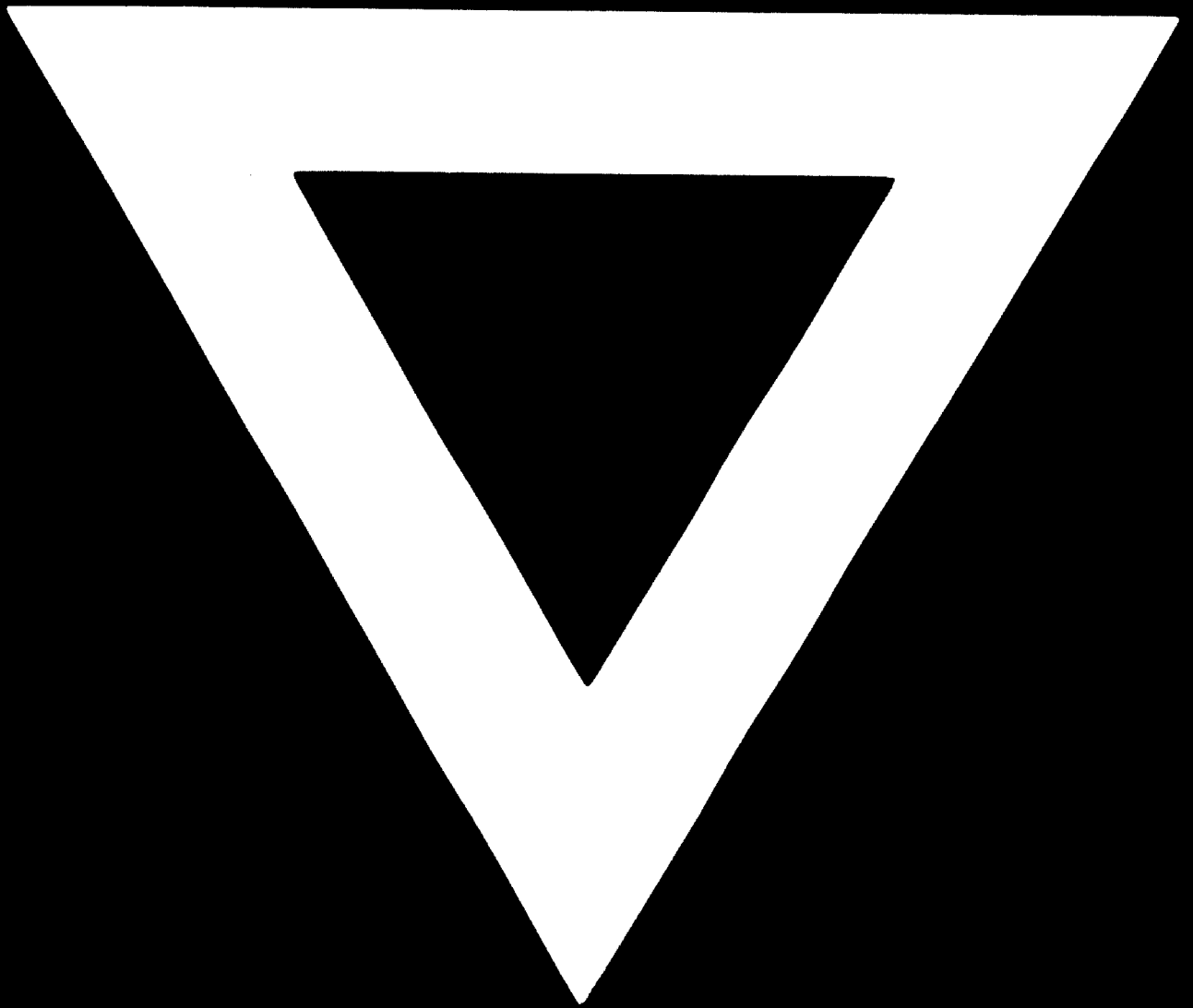
Correct, precise and reliable documentation is absolutely vital to the systematic long range development of the national consultancy team.

5. CONCLUSION

A national management consultancy is a worthwhile effort, provided the scope is very realistic and the prime goal - to render dependable professional service to clients - is not lost in the rush to try to do too much too quickly.

All consultancy work requires systematic preparation, including the use of foreign experts. Government officials should be well briefed and pulled into the active circle more often to improve communications between all those concerned with the project. Standardized project procedures and documentation are an essential part of running an efficient national consulting operation.





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