

Working in MANAGEMENT CONSULTANCY

A SPECIAL REPORT

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Firms placing a premium on experience

Jessica Twentyman looks at the skills and aptitudes that will make a candidate attractive to the industry

It is not yet 13 years since Zahra Barololoumi joined Accenture. Still in her 30s, she has risen to manage an international team of 60 people who provide technology services to a big client in the oil and gas industry.

"What keeps me in this job? Two things: the quality of the people and the variety of the work," she says. "The opportunities just keep on coming."

She has been part of a team implementing a medical diagnostics system within the National Health Service that she says has revolutionised cancer care in the UK. She was also involved in the UK's launch of video-on-demand technology.

Ms Barololoumi also believes variety is key when looking at qualities in new additions to her team: "I like to have a good mix of 'types' – analytical, expressive, practical – who drive things forward and get things done," she says. Industry experience and technical experience are important but the role for "soft skills" should not be underestimated.

All who work for her are expected to be "organised, resourceful and be real team players with great problem-solving abilities". Empathy and self-awareness also come high on her list. "I need some with in-depth technical analysis skills, some who are 'people persons' – and some who are both, if I can find them," she says.

According to Fiona Czerniawska, co-founder of industry research organisa-

tion Sourceforconsulting.com and author of several books on the industry, about half of management consultancy firms have more than recovered from staffing cuts made during the recession and, on average, are employing 7.4 per cent more staff than in 2007.

There is huge demand for places at graduate level – but an equal hunger among the main firms to grab the best talent. Applications for 2011 graduate training places at Ernst & Young were up 135 per cent on the previous year by the end of March, according to Dan Richards, the firm's head of recruitment.

The big strategy houses – such as McKinsey, Booz Allen Hamilton, Bain and AT Kearney – tend to look at graduates with first class honours degrees from top universities and A and A* grades at A-level.

At other large firms the requirements are slightly lower. At Ernst & Young, for example, recruiters generally look for graduates with a 2:1 and 300 Ucas points, says Mr Richards.

But Ms Czerniawska's research suggests the recession has changed management consultancy firms' organisational priorities at a more fundamental level, with a growing emphasis on hiring senior, experienced staff.

"The battle to recruit the best senior people isn't just a sign consulting firms are trying to recoup recent losses, but reflects clients' increasing desire to work with – and willingness to pay for – more experienced people, and pointedly not junior consultants," she says.

That trend, she adds, has the potential to change the structure of many firms, making the "pyramid model", in which project teams are dominated by juniors led by a handful of senior



Experience required: recruitment is increasingly geared towards hiring senior staff rather than fresh graduates

dreamstime

staff, appear less viable. It could also change the way large management consultancies compete "because smaller firms have often differentiated themselves through the seniority of their people".

Kevin Power is an example. He was chief technology officer at United Utilities, the water company, and made the shift to management consultancy in September when he joined Xantus, a small firm that helps large organisations with IT strategies.

He has escaped the "coal face" of in-house IT departments and now focuses solely on strategic thinking. In his first seven months he has been involved in planning the Asia-Pacific technology for a multinational pharmaceutical company, as well as guiding a large government department on an "efficient IT" project.

In addition to strategic thinking, however, experienced candidates looking to enter the world of management consultancy will be expected to display commercial savvy, says Adam

Lindley, a recruitment specialist at Harvey Nash.

Most firms are looking for "360-degree consulting skills", including an element of sales where consultants are expected to be able to increase the footprint of a current project or to spot opportunities for follow-up projects and convince clients of their merits. At manager level or above these sales skills are considered essential, he adds.

Candidates from outside the consultancy industry also need to prepare themselves for a cultural change and be prepared to work extremely hard, warns Don Leslie, one of the founder-directors of Beament Leslie Thomas, a recruitment firm which specialises in hiring on behalf of management consultancy firms.

Management consultancy and investment banking, he highlights, are the "two top career choices for mid-career changers", but the average spell in a consultancy role lasts no longer than three to five years

because the pace of working life is so extreme.

"Expect to spend around 70 per cent of your working year away from home. That means three nights in a hotel and four days on the client site, which may be five hours journey time from home. The working week averages 50 hours, and towards the end of a project 70 hours a week is not uncommon," he says.

"It is an extremely demanding industry, in the sense that standards are high and people are expected to work hard," agrees Alan Leaman, chief executive of the Management Consultancies Association. "But it's also an immensely rewarding environment in which to work."

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Jessica Twentyman asks Don Leslie, director of Beament Leslie Thomas, for his tips on attaining a consulting role
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Group's biggest ever recruitment drive

While some management consultancies are talking of recruiting tens of thousands more people over the next few years, PA Consulting Group's target for new hires this year is a more modest 300-400, writes

Andrew Baxter.

That is still a big number, however, for a firm with only 2,000 employees worldwide, of which 1,500 are consultants. The new people will all be consultants, too, and the increase of at least 20 per cent in their number represents the London-based firm's biggest ever recruiting drive.

The push is "a response to the market and our attempt to get an increased share of that market", according to Jonathon Hogg, head of PA's business transformation group. Key client sectors such as financial services have stabilised after the credit crisis and are showing signs of growth, he says, so clients' appetite for consulting has reappeared.

Other industries such as life sciences have been less affected by the recession and the dynamics and pressures are very different, says Mr Hogg. But they still need consultants as they tackle issues such as the end of important patents and competition from generic producers.

In overall charge of finding those 300-plus new people is Kate Wood, PA's global head of HR, who cut her commercial teeth during 17 years at Marks and Spencer, and then worked as an HR professional in real estate before joining the consultancy four years ago.

Ms Wood says PA is open to all the different techniques that are used to find new talent, but she sees her in-house recruitment team as the core source.

While this team is vital to PA's staffing needs, Ms Wood is happy to admit that a big part of the task of identifying possible new recruits is done for her. "I think more than 35 per cent of our new joiners come from referrals," she says. "We try hard to ensure our own people know what kind of people, and where, we are recruiting."

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Do 'up or out' policies still spread fear?

Career management

Charles Batchelor reports on the pressure to make progress – or risk being shown the door

Up or out, the policy of requiring employees to race up the promotion ladder or face being eased out, is commonly regarded as a sign of the consulting industry's hard-nosed approach to doing business.

But how widespread is this practice? And is it still relevant in an age when human capital management has become more sophisticated at dealing with diversity – of background and aspiration?

Although management consultancy is frequently associated with this policy of requiring staff to move up or move out, this approach is employed in other sectors including law, the military and universities – where academic staff who fail to attain tenure can be required to leave.

Among consultants "that approach has been most closely associated with strategy houses", says Alan Leaman, chief executive of the Management Consultancies Association. "There are aspects other firms employ but they are not so out and proud about it. But even there I am sure it is changing since they are more concerned about growing people and giving them career options."

"It makes a lot of sense for firms to be clear about what they are doing," says Fiona Czerniawska, a director of Sourceforconsulting.com, a research organisation. "Up or out may seem draconian but people do move in and out. Staff turnover in consulting is between 15 and 20 per cent a year so people stay on average five to six years."

"We don't have an explicit 'up or out' policy or way of thinking," explains Russ Hagey, senior partner and chief talent officer at Bain & Co, the strategy consultancy that, along with McKinsey, has been most closely associated with this robust approach to managing human relations.

"That would be short-sighted. Instead we take a view of the life-cycle of our talent pipeline. It starts with how we think about professional development and training. We focus on helping people build the skills to be successful at Bain and post-Bain." Consultancy, in particular, faces the



Shamus Rae: 'It's definitely a high-energy lifestyle'

challenge of constructing careers for people who, having devised management strategies for other businesses, want to apply their skills to running a business of their own. This means the consultancy firms can expect a constant leakage of their best people into senior jobs in the corporate sector.

John Donahoe, chief executive officer at eBay, is a former Bain consultant, as is Kenneth Chenault, chairman and chief executive of American Express. Former McKinsey consultants include James McNerney, chairman and chief executive of Boeing, and Vittorio Calao, chief executive at Vodafone.

Keeping on good terms with these people requires HR policies that leave them with a good impression of their former employer, so that it is strongly placed to win future consulting jobs or to win friends and influence from

former employees who have gone into the public sector. In some cases former employees have returned to Bain after a spell in the outside world, enabling the firm to broaden the range of experience offered to clients.

Graduate and MBA recruits to Bain are presented with "a vision of terrific professional development involving an extensive global training programme and an on-the-job learning environment," says Mr Hagey. "We talk about the prospects of being a partner. But more importantly we talk about building general management skills." With 500 employees making partner from a total head count of 3,500, clearly not everyone can make it to the top.

To build long-term relationships with staff, Bain maintains an internal jobs bank, posting vacancies within the firm and at clients while also

A day in the life of...

Shamus Rae, a partner at KPMG, is a management consultant providing outsourcing, shared services, and offshoring advice. He tells Gill Plimmer about his day:

6am If I'm in the UK I try and see my kids at least two mornings a week but unfortunately today isn't one of them. It's definitely a high-energy lifestyle. I have my iPad next to my bed so I can check for client e-mails and updates to my calendar.

My secretary runs my life while my team co-ordinates what my priorities should be. About 70 per cent of my life is spent outside the office, either in delivery or sales mode.

I'm a cyclist and try to ride 120km a week but this morning I don't have time. I live in Islington and am catching the train to Gatwick Airport for an 8am meeting – hardly a salubrious place for a meeting. I get all the good jobs.

I am meeting a representative from a pharmaceutical company who's flown in from Milan. No, I can't tell you who – most of my work tends to deal with cost-cutting so it's highly confidential.

8am I grab breakfast at an airport coffee shop. The company I am meeting is looking at how its operations should be structured so I'll be seeing this contact perhaps once a month.

I have a lot of experience in how to organise operations: I've worked with investment banks, which are very good at organising their middle and back operations on a global basis, so I'll be

imparting some of the lessons from them to this pharmaceutical company.

11am I catch up with e-mails on the train back to London: I get around 200 or 300 a day so I filter out the ones I have to react to quickly, I answer client and then team e-mails, then internal e-mails. If I can't sleep at night I get up and work through them. This morning I was in the kitchen at 3am and my wife was already working.

12 noon I'm going to be doing work for an investment bank that wants to cut middle and back office staff, so I am trying to coach a new recruit there. I'm preparing him so that if the bank has an opportunity to restructure, he'll know what to do. This particular job isn't ours yet but the bank is a client so we're hoping we'll get the work.

1.30pm A sandwich, and back to the office. I spend an hour or so with some of our new management consultants who haven't worked in a partnership before. It's quite different for them; they were used to a hierarchical structure. Historically, they would have approached the client on their own but we don't encourage or reward sole trading. We are teaching them a more collaborative way of working.

2.30pm I'm pitching to a retail bank client. The bank has requested proposals to restructure its middle and back office operations so we are competing with other management

consultants. Like most banks, it wants to reduce costs but it's thinking harder about how it is doing it than during the last recession. Banks are thinking much more strategically.

The growth of my team sums this up. Two and a half years ago we had 10 people in the UK and five in the Netherlands; now we have 150 and are turning work away. There are more people wanting advice on cost savings.

4.30/5pm I am going back to the office and working through more e-mails. The pricing negotiation for the retail banking client is due at 6pm over the phone.

7pm I'm taking someone I want to hire to the Plateau for dinner. I often go to the Hospital Club in Covent Garden because it is outside the consulting and City world. I have dinners three or four nights a week, so although I love red meat I try to eat soup and fish. My wife is an environmentalist so I ask for sustainable fish; if it's a weekend I'll succumb to steak.

9/9.30pm I'm catching a cab home and picking up voice messages on the way. I'm a news junkie so I might turn on the TV when I get home – or watch something like "House" to wind down. This is a business for going grey early. The people I encourage to move on are those who can't give clients the same energy in the last working hour as they did in the first. We charge by the hour so we have to deliver.

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