

Literature Review on Management Consulting Collaboration with Companies While Crafting Strategy

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Abstract. The literature review aims to explore how companies collaborate with management consulting service providers. Also, the review identifies collaboration impact on company's strategy and encompasses relevant theories and research results performed and developed in the field of management consulting, strategy and its development over decades as a supportive service for companies.

Literature review results are obtained with qualitative methods - by exploring insight from diverse selection of works covering management consulting and competitive strategy. Insights are analyzed by revealing patterns of how management consulting providers use their expertise to help their clients - various size companies in their path to craft the strategy or solve business related problems. Also, how management consulting firms identify their strategy-as-practice niche and create perception of value creation ability for clients.

Research results indicate a connection between management consulting services and strategy as a service and practice and need for external knowledge and experience-based expertise. Findings indicate that for small and medium-sized companies it is often hard to craft and implement a competitive strategy with limited resources and inner management solution generating and executing capacity. Struggles that companies will face on the transformative path are decision taking in solving problems, change of a business model and setting up overall strategic direction and goals.

Research limitations relate to companies that experience struggle of how to craft strategies in collaboration with management consulting services that are provided by professionals that work with various size companies and industries.

The value of this paper is a literature review that covers up-to-date knowledge of what is known and what should be more deeply explored. Review includes the indication and collaboration opportunity direction of how to create a competitive strategy for various and especially small and medium-sized enterprises in modern business world. Paper can be used further for creating a theoretical model of how

and when to efficiently use the management consulting services globally and is their actual impact.

Keywords: Management Consulting, Strategy, Competitive Strategy, Strategy as practice, Strategy-as-practice, Strategic Management.

I. INTRODUCTION

Over decades in 20th and 21st centuries Management Consulting (MC in further) services and consultants were and still are one of the most powerful tools across multiple economic sectors [1] - [2] but there is lack of research performed on collaboration issues while crafting the strategy [3] - [4].

Commercial wisdom and know-how passed over the generations within family were apprentices, employees, and management were crucial for companies to exist and perform well [5] - [7]. In the emerging digital age, it is both important for MC and their clients to stay competitive by digitizing processes and leading digital transformation advisory that goes together with strategy implementation and renewal [4], [7] - [10] While operating with limited knowledge, execution capability and resource capacity – especially the small sized companies lack experience and confidence – should they use some external help while setting their competitiveness [9], [11] - [13]. Important questions to ask and explore are about what the balance and appropriate way of is how to use the services wisely and get overall effectiveness for the company at uncertain times with different problems but similar approaches. That can be followed up in more than over the century long publications of business strategy, company cases and MC service development history in business world globally [2], [13] - [14].

Print ISSN 1691-5402
Online ISSN 2256-070X

<https://doi.org/10.17770/etr2024vol1.7950>

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II. MATERIALS AND METHODS

Literature review was performed through structured search process that included selection and qualitative analysis. Search of literature and its systematization was performed following methods suggested from Webster and Watson [15]. Search was performed in SCOPUS (Scopus in further) and Web of Science (WoS in further) databases by using indexed keyword combination “Management consulting” and “Strategy”. Additional filtering options were set as criteria:

a) Subject area limited to “Business, Management and Accounting” (Scopus) “Business” and “Management” (WoS) with document type: article that is published in English language.

b) A year range of publications was limited to the most articles published within the scope of a literature review research: 1979-2024 (see Fig. 1.).

c) No exclusion of authors, source title, affiliations, country/territory, and other related keywords in the article.

After deleting the duplicating articles – altogether 110 fitted the criteria. Initially selected literature was re-filtered in three steps:

1. Reading the titles and checking the keywords
2. Reading the abstracts.
3. Examining full article content.

Articles out of literature review scope and aim of research were de-selected. Primary research was chosen over secondary level and general relevance of the papers. Articles of strategy for MC service providing firms and their own performance and inner managerial issues were also excluded. Finally – 34 articles were chosen for literature review on the cut-off date of February 25, 2024.

III. RESULTS AND DISCUSSION

A. Descriptive statistics

As seen in Fig. 1. – most of the articles were published starting from the year 2000 with an up-keeping trendline with no particular concentration of the final version appearance.

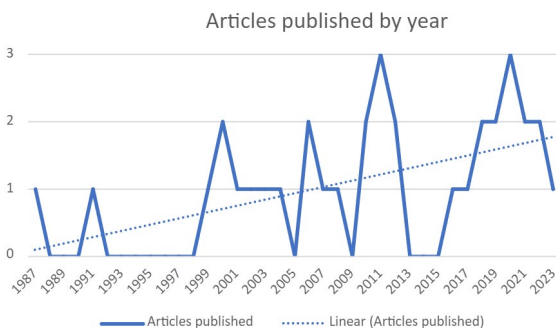


Fig. 1. Articles published by year. Source: Created by authors by combining information from Scopus and WoS.

After analyzing journals and sources where the most articles were published – 33 of 34 were rooted in the field of management and business. Three journals stood out as repetitive (2 articles each):

- “Management Decision” [12], [16].
- “International Journal of Learning and Intellectual Capital” [24], [27].
- “Strategic Management” [4], [8].

When analyzing articles by country (Fig. 2.) – most published are United Kingdom, Portugal, United States and Australia. It means that MC is relevant and practiced internationally and there are few specific articles that focus on country or territory related cases and research [4], [13], [16] - [17].

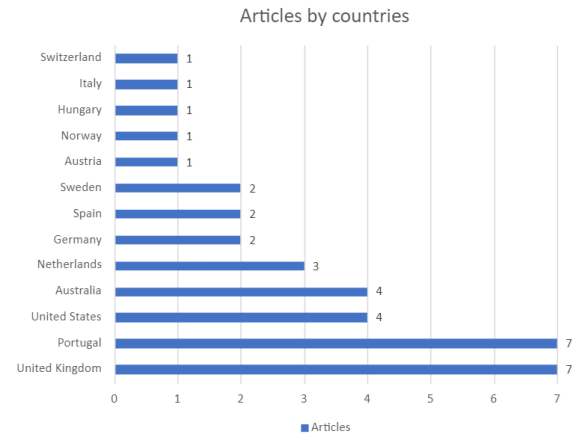


Fig. 2. Articles by country. Source: Created by authors by combining information from Scopus and WoS.

Leading authors in the field within the scope of literature review are seen in Fig. 3. With equal role of contribution to the knowledge in the field.

Authors with publication count of 3-5 were published in in the range of 2019-2023 years and are not yet cited more than 10 times each [1], [18].



Fig. 3. Articles by author. Source: Created by authors by combining information from Scopus and WoS.

Most cited publications are from authors M.T. Hansen N. Nohria, T. Tierney (2912 times in Scopus) [5] and S.E. Sampson, C.M. Froehle (502 times in Scopus) [19].

B. What we understand with management consulting?

MC as a service was discussed and widely used as a practice from 1980’s and up to today [13], [20] – [21]. Strong evidence and often reference from articles published comes to 20th century – P.F. Drucker’s article “Why management consultants?” that was published in 1979 [32] where author emphasizes that MC is a practice rather than science or art and it is becoming influential on

institutions (especially commercial organizations) [2], [13], [18].

The first appearance and historical affiliation to business strategy and the concept plus actual terminology of the modern management consulting comes from contributing author McKenna C to whom many articles reference. The author dates the starting point decade already from the year 1910. More significant growth was spotted in the 1930 and up [2], [13], [20] where MC are in a business to give advice for a firm to operate.

MC are often referred as consultants, business consultants and advisors. Original intension was aimed towards executive-level advice to strengthen corporate strategies but there was also a focus on single shop and small business issues [4], [13], [21]. MC is a process where a firm as a client is assisted by a consultant [1], [17] because of the independent knowledge-expert status and ability to help solve a problem [3], [16], [22].

Individual consultant experiences can accumulate knowledge that can be systematized and delivered as strategy implementation projects [8], [10], [23] - [24]. Therefore, a clear benefit from MC is indicated as a better price and faster solutions because dealing with similar problems and cases that repeat for many clients.

Authors indicate that knowledge management as way how to store and access exclusive knowledge develop after especially after 1990 and was widely used by MC companies with intention to aim for competitive strategy which is desirable outcome for clients [1], [3], [14], [24] - [25]. Collaboration with companies was discussed and explored in any other further decade from various perspectives. Similar meaning of client as a company was enterprise and firm [20], [24].

MC in literature is often referred to or directly used as other similar meaning term. Various terms used by authors also explain the same or sometimes similar operations and services. Widely used are terms as PSF Professional Service Firms, KIF Knowledge Intensive Firms, KIBS Knowledge-Intensive Business [9], [14], [26] - [28] and some other less common slight variations when involved in system building, strategy rafting and project-based collaboration forms [7], [22] - [23], [29] In few sources MC service company are indicated as Management Consulting Firm (MCF) which can clearly be used as a synonym because of external interaction [3], [7].

To sum up the findings from articles – authors created content analysis (TABLE 1) for providing visualization which demonstrates aspect criteria within 34 main subject articles.

TABLE 1 ARTICLE CONTENT ANALYSIS

No. of criteria	Article content (34 = 100%)		
	Management consulting explained as a service across the selected articles	Number of articles, count out of 34	Number of articles, percent out of 100%
1.	Consultant role as important factor in solving a problem	9	26%

No. of criteria	Article content (34 = 100%)		
	Management consulting explained as a service across the selected articles	Number of articles, count out of 34	Number of articles, percent out of 100%
2.	Management consulting explained as a service	18	56%
3.	Specific aspects of management consulting services and cases related to territory or country	8	24%
4.	Consultant role in crafting strategy (in general)	9	26%
5.	MC collaboration with SME (in general)	8	24%
6.	MC collaboration with SME for strategy creation purpose	6	18%
7.	Challenges related with buying and using MC services	5	15%
8.	Result measurement of a company on service performance while collaborating with MC	3	9%
9.	Knowledge management explained	7	21%

Source: Created by authors based on analysis of selected 34 articles from Scopus and WoS.

Articles explain the essence of MC consulting services and indicate the important role of a consultant in business. Little less explored (15% - 24%) is collaboration of MC services with small and medium sized companies while in general 26% of the content confirms contribution to strategy when used.

Phenomena of MC lacks studies that explore relations of managers and consultants in their daily interactions and effectiveness what a service can bring for a company [1], [3], [17] – especially for SME sectors. [18], [24].

C. Strategy as a service and practice

Authors in articles agree that strategy creation is and can be strongly associated with MC services [2], [20], [29] - [30]. Capabilities and core competencies as a skill to perform activities are crucial in strategy crafting process and is identified as consulting success [12] - [13], [16], [31]. Support can be given for a company in local territory or operating worldwide and by also using same consulting company experiences in global markets with offering wide services within a field of business [6], [8] - [9], [21]. Main unified criteria of success in collaborating with MC are mentioned success which is in general understood with profitability, growth, value creation and long-term balanced goal reach [3], [13], [16], [19], [21], [26]. SMEs while collaborating with MC services provider indicates them being as reactive rather than proactive [9], [17] - which means that push and support from a MC can often lead to growth.

Authors describe that “Strategy-as-practice“ gained the attention to consulting field in period from 2007 and there is little exploration made especially in relations with Small and Medium sized enterprises [1] - [3], [17], [22], [24] - [25], [30] - [31]. Most relation in keywords “Management consulting” and “Strategy-as-practice” within this research are published by R.L. da Costa et al.

which explores and describes consultant roles [2] – [3], [17] - [18], [24] - [25] with publications issued from 2019-2023 and being one of few recent studies of MC collaboration with SMEs in strategy crafting and role identification.

Retention of capacity and human capital was stressed out in a well cited article from Vaiman V. (20 times cited in Scopus) [27] and Perner, F. Werr. A (52 in Scopus) [33]. High level importance for strategic purposes is to keep the knowledge within the firm and is challenging for MC – because of high performer demand in knowledge-intensive industries and is a reason for insufficient skills and expertise within a company [14], [22], [28]. Quantitative research on small and medium sized enterprise performance while collaborating with MC services are identified in several articles [3] – [4], [6], [9], [13], [16] - [18], [24], [29], [34]. Results indicate positive role relation of an input from consultants either adding value, solving problem, or helping to strengthen an overall direction and strategy.

In the articles most relevant theories mentioned were Unified Services Theory practice is noticeably cited (502 Scopus) and explains MC service characteristics that should be considered by consultants [6], [19], [33] and explains MC and other similar services from a perspective of value creation. Also, appearance of Ambidexterity theory, Capacity and capabilities [28] and Information-based imitation theory [34].

Porter's five forces model [35] is frequently mentioned because the newly discussed concept in 1980's of entry barriers is also addressed to consulting business as similar group of competitors or substitutes who can offer MC services (for example – law, accounting firms and other) [13], [16], [19].

Skills and values of successful consultants according to research were integrity, discipline, communication, and value creation ability [13], [16], [36] with tendency for a customer to choose the ones with highest reputation and recognition [6], [22], [31], [33].

A few articles collected evidence of opinions that MC often can be seen as challenging and sometimes even in more negative light because often selling fashion ideas or already established processes at MC service convenience [3], skepticism and power positions from existing management [7], [37]. Also, there can be confusion for an existing or potential client when MC firms gain more publicity. The MC gaining the attention can be seen more positive and seemingly because of brand recognition and credit of trust that may not be objective. When developing MC services – importance of recognition often can be a cause of imitating each other within the industry or trying to differentiate the offerings for a purpose to stand out towards meeting expectations of clients [6], [8] - [9], [34], [37].

IV. CONCLUSIONS

Management consulting services can be used as external help that supports executive level managers in taking strategic action in various company sizes and the role with actual impact while crafting and during strategy execution should be measured and well analyzed.

Continuation of exploration about the today's business world situations worldwide can be a clear research direction where outcome can be a contribution from a practical perspective - in the form of guidelines or framework – how to balance the use of services and internal managing and decision taking capacity depending on size, repetitive problem or challenge-based cases and capabilities of a company.

The role of consulting companies as knowledge and know-how providers for companies is within a path of digitization that overall creates positive effects (decrease of costs, increased efficiencies). Following the article publication trendline growth it is expected to see new relevant publications and research to appear in 2024 and up.

Further research on “Strategy as Practice” should be done in combination of digital transformation. Scientific literature published in the last 5 years would show clearer insights into how the management services can and are utilized nowadays.

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