

# Strengthen management consultancy capacity in Colombia

## - The experience of learning by doing course -

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### ABSTRACT

This paper illustrates how a learning-by-doing consultancy course at the Universidad de los Andes School of Management contributes to the dynamism of local management consultancy market in two levels: First, it gives management students and future managers the expertise to use management consultancy as a decision-making tool. Second, the program enables students to develop competences and methodologies that are valuable for consultants and managers. The research questions attended in this study are: What does a manager has to know about management consulting? What competences share management consultants and business managers? We use different methods such as descriptive statistics of feedback questionnaires filled out by students and in-depth interviews with consultants and former students to collect our research data. By documenting and analyzing the experience of consultancy practice in Colombia, this study contributes to literature about management consulting in emerging markets.

**Keywords:** Management consultancy in Colombia, learning-by-doing, business administration.

### 1. INTRODUCTION

In the last decade academic interest in management consulting has grown (Engwall and Kipping, 2002). Academics and practitioners are paying attention to the evolution of the consulting industry. The rapid development of this sector has led to a growing literature covering a wide range of issues, including consulting markets, consulting interventions and general overviews of how consultants work (see Kipping and Armbrüster, 1998). There is also an interest on how to measure and analyze the impact of consulting on organizations (Alvesson, 1993; Wrigth and Kitay, 2002) and how business schools contribute to the development of this profession (Robinson et al, 2010).

Beyond those topics, is undeniable that more and more private and public organizations are recognizing management consulting as a useful tool to solve problems, improve organizational performance, learn from others, or seize new business opportunities. At the same time, it can be treated as a *method* of assisting organizations and executives to improve management and business practices, as well as individual and organizational performance. Kubr (2002:4) point out that this "*method can be, and is, applied not only by full-time consultants, but also many other technically competent persons*". Furthermore, Block (2000: 2) emphasizes that "*you are consulting any time you are trying to change or improve a situation but you don't have direct control over the implementation (...). Most people in staff roles in organizations are really consultants even if they don't officially call themselves consultants*".

Scholars such as McKenna (2006a) even define management consultancy as "*the world's newest profession*". A dynamic profession that creates its own demand in periods of economic bonanza, offering solutions to expand, and during economic crunch, services to overcome crisis. These thoughts may be very interesting in the context of an emerging market were needs and management capacity of the complex context is a requirement for organizational success (Gómez & Dávila, 2007).

Study of the consultancy practice in an emerging market such as Colombia shows a disperse panorama. Even though the arrival of international consulting firms revitalized the practice and enforced new professional standards, most of the consultants in the country lack of methodologies and preparation. Sometimes the consultancy practice is even seen as the first alternative in case of unemployment. On the other hand, most small and medium sized enterprises, public institutions and non-governmental organizations don't recognize the value of management consulting as a way to improve the effectiveness of their organizations. The consultancy market in Colombia seems to be captured in a vicious circle: On one side, the need for management consulting is present in many organizations with precarious management practices and requires capacity to solve urgent problems. On the other hand, many organizations don't know how to select and "use" the consultancy tool. To make matters worse, a disperse consulting industry doesn't contribute to un-trap this market dilemma.

Existing research on management consultancy provides little signals on these dilemmas as it is focused mainly on experiences from the industrialized "north" (Wolf, 1978; Ferguson, 2002; Engwall & Kipping, 2002; McKenna, 2006a; McKenna, 2006b). Literature on the development and understanding of management consultancy in emerging markets is limited. Our objective is to minimize this gap.

To do so we use the case of a consultancy program developed at the School of Management of Universidad de los Andes, one of the leading private universities Bogotá. The experience consists of a learning-by-doing course in consultancy practice were students of the undergraduate and MBA programs learn about the consultancy methodology. Clients such as small and medium sized enterprises and non-profit organizations, with generally limited access to management consultancy services, obtain valuable advice, and learn how to use and value external consultancy services. From an academic perspective, the course is considered as a capstone-course that integrates functional knowledge and managerial skills acquired by the students along the interdisciplinary management program.

This paper analyzes results of this learning-by-doing consultancy practice using evidence collected in the period 2008 - 2011. It evaluates the impact of this course in relation to the perceptions of the students about the consultancy profession and the competences related. The research questions that guide our study are: What does a manager has to know about management consulting? What competences do management consultants and business managers' share?

The latter of the article is organized as follows. The second section develops our conceptual framework based on a literature review of the competences of management consultants and the pillars of the management education of the Universidad de los Andes School of Management. The third section describes the details of the learning-by-doing experience. Section four provides a description of the data base and methodology used for its analysis. Section five presents the results and section six provides a discussion of these. Section seven concludes.

## 2. CONCEPTUAL FRAMEWORK

### Management consulting as a decision making tool

Decision makers hire management consultancy for different reasons. Firstly, consults are hired when an external point of view is needed on topics that influence business success. This is especially valuable when the business dilemma is specific and complex. Here the expertise of an experimented "counselor" -who has tackled similar situations-, generates value (Kubr, 2002). Another reason to hire management consultants can be found in their need to develop specific management tools such as information systems, market analysis, organizational structures, among others. "Outsourcing" the development of these tools complements the organizational capacity on a temporary basis (Kipping and Wright, 2009).

The history of the management consultancy profession is closely related to the management professionalization (Kipping, 1999). In 1965 Business Week remarked that there was one consultant for every hundred managers. By 1995 the ratio grew to one consultant for every thirteen managers (McKenna, 2006a). By 2008 the global management consultancy market generated total revenues of \$315.3 billion, representing a compound annual growth rate of 7.3% for the period 2004-2008 (Datamonitor, 2009). Also Colombia's management consulting had a significant growth in recent years. In the period 2007-2010 the total sales in the industry increased 26% (Barnes, 2010). By 2010 the industry sells where nearly 2800 million dollars, representing a 12% rise compared to the 2009 amount (Barnes, 2010).

Much of the literature with regards to management consultancy has focused on the development of consultancy in the United States (Wolf, 1978; McKenna, 2006a), the expansion of American consultancy (Kipping, 1999), and the development in the UK (Ferguson, 1999). This seems related to the fact that consulting has developed early in those countries (Engwall & Kipping, 2002). Little research has been done about consultancy in others regions and countries. That is especially true in Colombia, a developing country with lack of academic research in this area. Only some journalist articles and State statistics have been published in recent years (Dinero, 1999; Sena, 2006; Dinero, 2009).

Although some foreign management consultants visited Colombia in the fifties and sixties, the consultancy industry only took off after the opening of new international trade opportunities during the first half of the nineties. This encouraged the arrival of

international consulting firms<sup>1</sup> and a significant growth in consultants: at the end of the decade Colombia had about 1500 consultants, a number three times higher than before 1990 (Dinero, 1999). The increase of consultants and international firms also brought better methodologies. A consultant with wide experience in Colombia's market affirms that "*the professional consultancy arrived in the 90's with companies like McKinsey, Booz Allen, and Arthur D. Little. Those firms revolutionized the standards and the perception of consultancy in Colombia*".

At that time it was clear that management consultancy was gaining importance in large Colombian companies. A leading business journal highlighted that situation: "*The consultancy industry, which lives on the transformation of businesses and the complexity of markets, is rapidly increasing its presence in companies' board of directors*" (Dinero, 1999). But in 1999 Colombia suffered one of the most difficult crises of the century. The Gross Domestic Product decreased 4.3% and the consultancy industry passed through rough times until 2001 where, after reorganization, the provision of professional services had a positive trend in recent years. Parker (2005) classified Colombia in 6<sup>th</sup> place of market potential of management consulting services in the Americas with a latent demand of 2,014 million dollars, above countries like Chile, Venezuela and Peru.

Colombia's consultancy industry has about 15 well-developed professional firms such as Deloitte Consulting, Price Water House Consulting, KPMG Advisory, McKinsey, Ernst & Young Consulting, Stratco, Accenture, Booz Allen, Remolina & Estrada and Estrategias Corporativas. In addition the market is overwhelmed by a large group of small formal and informal consultancies. By 2008, 95% of the 1500 registered consulting firms were micro (had less than 10 employees) and near 70% of the consultants in the country were independent (Misión PYME, 2008). Colombia still has a strong backlog in the professionalization of consulting practice. Almost 75% of consultancy total sells are made by informal consultants, many of them with little training and methodologies. An associate director of KPMG Colombia affirms that "*Colombia is in the middle of a specialization process that countries like the United States or Spain had gone through*".

One explanation of the situation described above is the limited experience of managers to evaluate and hire good consulting projects. Despite the fact that large Colombian companies have experience with consultancy, know how to design and follow up projects, and have incorporated consulting as a decision making tool; medium and small companies lack of this knowledge. Like many developing countries, about 99% of all companies are small and medium sized enterprises -SME- (Zevallos, 2003). Aside of having less employees and financial capacity than larger firms, the professional ability of employees and managers is also limited (Correa et al, 2010). It is common that a General Manager of an SME seldom has received formal training in business education including management consultancy concepts. Therefore, many managers in Colombia don't have elements to appraise good consultants. If the demand of management consultancy is not challenging consultants, there are no incentives for those micro firms to develop or improve their methodologies and specific knowledge.

### Management consultancy competences

The main assets of a management consultant are the use of specific methodologies and specific personal competences. As

<sup>1</sup> Andersen Consulting arrived in 1989; Booz Allen & Hamilton in 1992; McKinsey & Company in 1994; and Arthur D. Little in 1994.

described earlier, management consulting can be seen as a *method* to provide practical advice and help (Stroh and Johnson, 2006). Greiner and Metzger (1983: 7) describe that method or process: “*Management consulting is an advisory service contracted for and provided to organizations by specially trained and qualified persons to help, in an objective and independent manner, the client organization to identify management problems, analyze such problems, recommend solutions to these problems, and help, when requested, in the implementation of solutions*”. But to be effective, a consultant “*need to master consulting tools, skills, and observe the fundamental behavioral rules of professional consulting*” (Kubr, 2002: 4).

This leads us to analyze the consulting process and the competences related to this practice. Even though each consultancy project has a different nature and objectives, it is possible to identify steps in the consulting process. Some authors (Bruckman and Iman, 1980; Kubr, 2002; Stroh and Johnson, 2006) identify –with some differences in the formulation – a “standard” structure to address a management consulting project. For this analysis we divided the process in five stages: i) Identification of client’s needs and proposal development and presentation; ii) comprehensive analysis of the client’s needs; iii) research of alternatives or scenarios; iv) solution definition and client’s appropriation; and v) implementation assist.

On the subject of competences associated to management consulting process we identify three. The first one is *teamwork*. This is the capacity to work with others committed; cooperative and coordinated towards the achievement of a common goal (see Heyse and Erpenbeck, 2004). It also involves effective and productive *communication* and *relations* with clients and colleagues. Table 1 summarizes the competences associated to successful management consultants.

**Table 1:** Management consulting competences

Competence	Abilities to:
Teamwork and relations	<ul style="list-style-type: none"> <li>• Work with others in a committed, cooperative and coordinated manner.</li> <li>• Have effective and productive relation and communication with clients and colleagues.</li> </ul>
Comprehensive approach toward problems	<ul style="list-style-type: none"> <li>• Analyze organizations beyond functional areas and departments.</li> <li>• Make critical approximation to complex problems.</li> </ul>
Decision making	<ul style="list-style-type: none"> <li>• Construct a viable set of alternatives and to establish a system for judging or evaluating them.</li> <li>• Evaluate decisions based on incomplete information.</li> <li>• Apply analytical frameworks and models.</li> </ul>

The second capacity is to have a *comprehensive approach toward problems* beyond the limits of functional areas, departments within an organization, paradigms, or specific knowledge (Uniandes, 2009). This includes the ability to make a critical integration of information and analysis of complex problems.

*Decision making* is another capacity of great importance on management consulting. This refers to the capability to construct a viable set of alternatives and to establish a system for judging or evaluating them. This entails the capacity to evaluate decisions based on incomplete information (assuming the consequences of the decision made), and be able to appropriately apply analytical frameworks and models (Heyse and Erpenbeck, 2004).

If you explore the skills and competencies related to management consulting, you will realize that those are valid and valuable also for managers. In this way Block’s (2000) appreciation when he observes that many managers have fulfilled functions of “consultants” on their own organizations makes sense. Furthermore, many of those competences are central pieces in Business Schools programs around the world. At Universidad de los Andes School of Management, for example, those abilities are incorporated in the Undergraduate and MBA learning goals (Uniandes, 2009). The course that inspired this paper is, in fact, a capstone in which students integrate and articulate the programs learning goals. At this time it becomes significant to observe how we have approached the development of these competences from a management consulting course.

### 3. THE LEARNING-BY-DOING COURSE CASE

The presented context and challenges of Colombian management consultancy promoted the development of a sixteen week course in Universidad de los Andes School of Management for both undergraduates and MBA students. In this course students carry out management consultancy projects for real clients within a professional context of a consultancy firm: ConsultAndes.

The ConsultAndes program is designed to develop the competences and skills described above (teamwork, comprehensive analysis of business and decision making). These competences fit in the profile of management. The consultancy course also integrates functional knowledge obtained during the academic program and, therefore, is considered a “capstone”<sup>2</sup> course.

The course is immersed in a management consulting methodology which allows students to: a) Expand their understanding of functional tools and concepts in finance, marketing, logistics, organizations and strategy; b) understand the importance of the overall strategic framework of the organization and its stakeholders; c) identify opportunities, evaluate courses of action and propose innovative solutions to organizational situations; and d) develop teamwork, communication and relationship skills.

Exposure to practical projects is a central mechanism to provide students a critical approach to management learning, inviting them to reflect on the strengths, weaknesses and interdependences between theory and practice (Kenworthy –U’Ren, 2005). This process allows participants to deepen their functional knowledge in management, and understanding its importance within the overall strategic framework of the organization (Godfrey et al., 2005).

The consulting projects in this course are carried out in teams of four students. In this model, the teacher’s role is different from regular courses. Instead of being an ‘information provider’, he or she supervises and guides each team through discussions of best consulting practices and methodologies through four stages of the project: i) project definition; ii) comprehensive analysis of the organization, the project context and its stakeholders; iii) evaluation and courses of action; and iv) final results presentation. Each part of the project is implemented by the students and the teacher transfers the leadership of the learning process from the classroom to them. By doing so, students empower themselves of their own learning process (Robinson et al, 2010).

<sup>2</sup> A capstone course is an opportunity for students to demonstrate that they have achieved the goals for learning established by their educational institution and major department (Moore, N.D)

Consequently, the learning process is cyclical. Students gain experience during the project, enabling them to conceptualize through academic discussions and feedback (Kolb, 2005). In the learning-by-doing methodology the student constructs professionally useful knowledge, develops self-directed learning strategies, increase motivation and becomes an effective team member (Sherwood, 2004). Table 2 illustrates the different roles of “stakeholders” within the learning-by-doing methodology.

**Table 2:** Learning-by-doing characteristics of ConsultAndes

<b>Role / Characteristic</b>	
Student	<ul style="list-style-type: none"> <li>• Leadership of his/her learning process.</li> <li>• Knowledge construction through experiences.</li> <li>• Knowledge integration and skill development.</li> </ul>
Teacher	<ul style="list-style-type: none"> <li>• Learning process coordinator.</li> <li>• Facilitator, supporter.</li> <li>• Guide, counselor.</li> <li>• Feedback and information provider.</li> </ul>
Team members	<ul style="list-style-type: none"> <li>• Learning source.</li> <li>• Feedback providers.</li> </ul>
Client	<ul style="list-style-type: none"> <li>• Learning source.</li> <li>• Feedback providers.</li> </ul>
Academic dynamics	<ul style="list-style-type: none"> <li>• Cyclical and cumulative learning process.</li> <li>• Errors and conflicts as learning moments.</li> <li>• Actual process (not a simulation).</li> <li>• Comprehensive evaluation process (teacher, client and colleagues.)</li> </ul>

High professional standards are fundamental to achieve effective learning process and high impact on clients. To ensure the quality of the consulting projects, each team has expert advice on particular issues and a close supervision from the teacher and experts. In addition, every four weeks, each team has a ‘board of directors’ meeting with the client, the teacher and other four colleges -who are working in similar projects-, to track the project. In these formal meetings the teams present the results and receive feedback from the board.

#### Program indicators

Since 2007 we have had 1042 participants (52% were male and 48% female). Of the total, 16% were last semester MBA students and the rest were senior management undergraduate students.

We have done consultancy projects with 208 clients. An important part of them have been SME –under 100 employees- (63% of the total); 23% were large –more than 100 employees-; 9% were non-governmental organizations; and 5% where State agencies. In regard of clients’ sectors and industries, 16% of them were in the food industry; 9% were social enterprises; 8% worked in technology and informatics; 8% were related to manufacturing; and 7% provided health and beauty services. The functional areas of the projects concern standard management topics in Marketing (48%) and Strategy (27%); followed by Finance (12%), Logistics (8%), and Organizations (5%).

This practice generates added value to organizations that would not have access or simply haven’t recognized specialized consulting services (such as small companies, NGOs or family enterprises); and it gives them the opportunity to experience a professional consultancy providing managers elements to identify, evaluate and contract management consultancy projects. By doing so, this course is contributing to qualify the demand of

consultancy; an important factor in Colombia’s consulting market professionalization.

#### 4. METHODOLOGY AND DATA BASE

We use the program database and its descriptive statistics to provide evidence for our research questions. This includes (i) intake questionnaires about students’ learning, (ii) documents of consultancy projects and grades, (iv) students’ final essay’s on learning experiences, (iii) interviews with professional consultants, and (iv) workshops with former students.

To answer our first question, *what does a manager has to know about management consultancy?* We used a variety of sources. First, we carried out a feedback inquiry that measured students change of perceptions about management consultancy as a decision making tool. To avoid bias, the instrument was structured with open questions regarding the students experience, learning and expectations. We considered that providing multiple choice questions would limit the critical opinions and “pigeonholed” the student’s answers. Open questions allow each participant to give his/her opinion freely and without boundaries (Schuman and Presser, 1979). The questions we asked to address this element were:

- Has the program contributed to change your perception on management consultancy? If so, which are the changes in perception and why?
- Will you continue deepening on management consulting topics (with other projects, additional courses or as professional consultant)?

The inquiry was filled out by 366 students once they finished the consulting project in the last two years. For data collection we used internet-based survey software and handed out paper surveys, which were answered by students in the classroom.

The analysis and tabulation of open questions it’s more difficult than multiple choice questions. To get valid results, we reviewed all responses and grouped by representative topics. Most of the responses could be classified into five major themes that we analyzed statistically. We also identified representative quotes to describe the findings.

Secondly, we carried out semi-structured in-depth interviews with 13 senior professional consultants from the most important consulting firms to observe their perspective on management consultancy and its relevance as a managerial decision making tool. Each interview lasted an average of two hours. All were recorded, transcribed and examined using the qualitative data analysis software AtlasTi. Results from this interviews were used to contrast experts positions with the students perceptions about the management consultancy as a decision making tool.

Third, we had two workshops of four hours with 21 former students to compare their experiences with the results of students and experts. Most of them were working in middle management levels, some in family business and two were working as consultants. The information resulted from these workshops helped us to interpret and confirm the contributions of ConsultAndes in their managerial skills.

We also took into account the number of former students that have used ConsultAndes services in their own companies. This is an indicator of how now they use consultancy as a decision making tool.

Our second research question, *what competences share management consultants and business managers?* was approached analyzing three elements. First, an additional question of the feedback inquiry described earlier was studied. The question related to competences was:

- What is/are the most pronounced learning acquired after your participation in this program?

We analyzed the responses, categorized them into seven major competences and took analyzed them.

Second, we use the grades obtained by students in their consultancy projects as a measure of the consultancy capacities improvement. The methodologies used to grade students allow the measure the learning objectives, which are constructed on the basis of the competences described above. This information was contrasted and complemented with the analysis of the final essays written by students at the end of the course. Table 3 summarizes the methodology components used to answer the research questions. The third column identifies the instruments used to measure variables (second column) that lead us to answer the questions.

**Table 3: Methodology**

Question Research	Variables	Methodology
What does a manager has to know about management consultancy?	<ul style="list-style-type: none"> <li>- Contributions from consultancy to the organizational world.</li> <li>- Management consultancy as a Decision making tool.</li> <li>- The consulting process.</li> </ul>	<ul style="list-style-type: none"> <li>- 366 feedback inquiries.</li> <li>- 13 in-depth interviews with professional consultants.</li> <li>- 4 workshops with former students and ConsultAndes clients.</li> </ul>
What competences share management consultants and business managers?	<ul style="list-style-type: none"> <li>- Competences learned during the program</li> </ul>	<ul style="list-style-type: none"> <li>- 366 feedback inquiry.</li> <li>- Course grades</li> <li>- Final essay's on students learning experiences.</li> </ul>

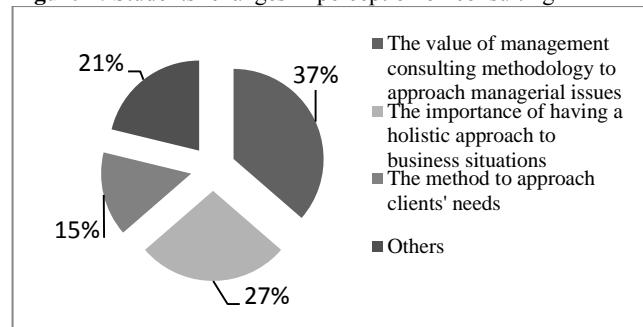
The combination of the methodologies used to address the two research questions (survey, in-depth interviews, workshops, grades and essays analysis) allowed us to compare and validate the information recollected. This “constant contrasting” involved going back and forth between data and the existing literature in an effort to find relevant elements for our research (see Glasser and Strauss, 1967; and Locke, 2001).

## 5. RESULTS

### What does a manager has to know about management consultancy?

Management consultancy as a structured method to approach and solve problems is very valuable on the organizational world. This appreciation was confirmed by ConsultAndes students in their responses to the inquiry. To the question “*Has the program contributed to change your perception on management consultancy?*” 66% confirmed that it did. The results for the question “*If so, what are the changes in perception?*” are presented in the figure 1.

**Figure 1: Students' changes in perception on consulting**



As the figure 1 show, 37% of the students are valuing more the management consulting methodology as a tool to approach complex situations than before the program. A former student that now is working in a multinational firm confirmed that appreciation: “*I think that you have to apply the consulting practice as a method to evaluate alternatives for projects that occur in everyday life*”. In the same direction, another said: “*I plan to run my family business under the management consulting methodology*”.

Complementary, 27% of the survey respondents recognize the importance of comprehensive understanding of business situations and 15% changed their perception of how to identify the organizational problems and needs: “*I thought a consultancy was based only on external advising. Now I realize that it comes from understanding the whole enterprise reality and finding practical solutions to their problems*”.

Consultancy approach also provides tools and elements to bring the companies' vision into reality, a useful component for managerial activity. This perception was confirmed by all the consultants interviewed. A McKinsey consultant said that the consulting methodology “*helps clients to set goals and achieve them. The emphasis is on: How do I translate this strategy into something applicable that generates value for the company?*”

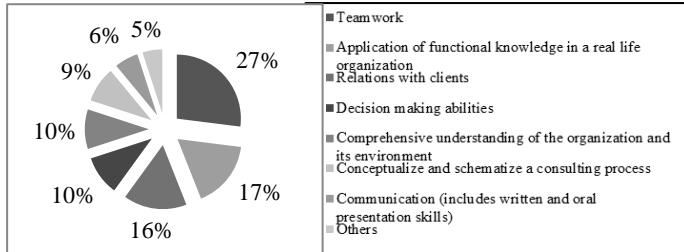
Another essential component of management consultancy is the opportunity to access specialized knowledge. A senior consultant from Heinsohn Colombia affirmed: “*The client seeks to have an extension of the internal capacity. The daily operation does not give managers enough time to acquire relevant know-how. So managers rely on consultants to access specialized knowledge quickly*”. A PricewaterhouseCoopers partner sustained that “*what sells today is applied knowledge. From his own experience the consultant brings his understanding of what is applicable in an organization at any given time*”. Nevertheless, the mentioned lack of experience of most managers in Colombia regarding consultancy is a challenge in this market. Regarding this, all former students agreed that the course gave them elements to evaluate and use consultancy services: “*Now I know what to expect and how to hire consulting services*”, a student said. In fact, 25 former students returned to ConsultAndes as clients within three years after taken the course.

An additional fact to view the impact of the course on students' perception on consulting was presented are presented in the last question of the inquiry: “*Will you continue deepening on management consulting topics?*” 55% of them affirmed that they planned to continue deepening on the subject in the future (as consultants and clients).

## What competences share management consultants and business managers?

The findings show that all the consultancy competences described in the conceptual framework were developed in the ConsultAndes experience. The figure 2 presents the result of students' principal learning during the course.

**Figure 2: Student's principal learning**



Teamwork and relations had 28% of the responses. Most of them even identified this element as one more complex components of the experience, but after the process they feel better team members.

The second most frequently mentioned learning was a deeper understanding of functional tools and concepts in management. 17% percent of the students affirmed that this experience was an opportunity to integrate and use previously acquired functional knowledge in finance, marketing, logistics, organizations and strategy. It also allowed them to contrast and analyze the difference between theory and practice. One student quote: “*The most valuable learning was to understand that although the theory you learn in the University is important, it becomes a challenge to know how to implement in a real environment*”.

The third learning, with 16% of the responses, was related to the creation and management of good relations with the client. This involves communication skills and the ability to work closely with the client, adapting the project to his/her real needs. One student affirmed in her survey that “*one of the main lessons came from the interaction with the client. We learned to understand in a very short time his needs and make a project based on their requirements and business reality*”.

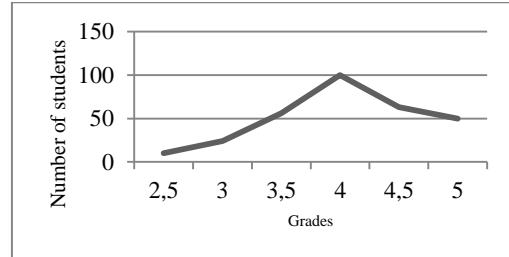
The capability to construct a viable set of alternatives and decide a viable course of action had 10% of the answers. A student concluded: “*Learning focused on the elements, procedures and use of methodological tools that allow us to propose solutions in uncertain scenarios*”.

The comprehensive approach toward problems and the importance of the overall strategic framework of the organization obtained 10% of the answers. A student declared: “*The biggest learning was how to approach the customer's problem. Before taking the course I thought this was easy, but after seeing all the elements affecting the performance of the companies I realized that this was not so simple*”.

The conceptualization of a management consultancy methodology represented 9%. A student said: “*I learned how to work with a structured methodology to see a problem, analyze it and provide possible ways to solve it*”.

As mentioned before, another element to measure the competence developing is by analyzing the students' grades. Figure 3 shows the final results from the 2010.

**Figure 3: Grades distribution in 2010.**



According to these data, only 3% of the students didn't achieve the learning goals (had 2.5 in their final grade<sup>3</sup>). On the contrary, 37% had outstanding grades (4.5 and 5.0) and 33% received 4.0 as final grade. In accordance to this, students reached the learning objectives proposed by the course.

In summary, the statistical results show that the seven abilities related to the competencies described in the conceptual framework were highlighted by students in their open responses the inquiry. It is interesting that teamwork and the ability to use functional frameworks obtained high responses rates (27% and 17%, respectively). The first may be due to the special emphasis that, throughout the project, we made on the importance of cooperative and coordinated behavior. The second item is explained by the fact that the ConsultAndes program was designed as a capstone course. In this regard, this was the first opportunity for students to apply previous knowledge in a real life situation.

## 6. DISCUSSION

Our study illustrates some specific characteristics of management consultancy in an emerging market such as Colombia. In first place, it shows that “*the world newest profession*” (McKenna, 2006a) still is an incognita for most of the potential decision makers in the country (such as management students and possible clients, including SME). Moreover, the demand for high-qualified management consultancy services is limited to large multinationals firms with operations in Colombia.

The experience of ConsultAndes illustrates how it's possible to increase the recognition of management consultancy services in a developing country. Many organizations need to improve their management capacity mainly through standard administrative applications and simple organizational models. These pragmatic management consultancy services differ from the more specialized and sophisticated ones offered by large multinational consulting firms.

The need for smaller organizational consultancy services represents a potential scope for the development of management consultancy profession in an emerging market. This progress generates various benefits for business and society. In first place, business increases its competitiveness by improving their management capacity. Second, a dynamic management consultancy market provides employment options to young ambiguous management school graduates in a context where unemployment and low quality jobs are very common. Third, the availability of a high quality management consultancy infrastructure is a key ingredient for competitive clusters and regional development (Enright, 1998; Nachum & Keeble, 2001).

<sup>3</sup> We use a scale in which 5.0 is the highest grade and 1.5 is the lowest. Students pass with 3.0.

In this manner, consultancy programs developed in Universities have high potential to interrupt the vicious circle of management consultancy demand and supply mentioned before. They can impulse the market demand by enabling small and medium sized companies' access to consultancy services as a management decision making tool. The same programs also equip potential management consultants with qualified methods and competences.

Despite these potential strengths of consultancy programs offered by universities, it's also important to consider that student-programs also can distort the consultancy market. By offering "cheap high quality service", they may compete with small consultancy firms and even their own graduates. Strong policies that subscribe the academic character of consultancy practicums such as ConsultAndes are necessary to assure high turnover of clients.

## 7. CONCLUSIONS

Our study is one of the first academic explorations of the management consultancy practice in Colombia. Its results indicate trends and challenges that differ clearly from the conditions in more industrialized economies. Aside the international consultancy firms that offer, since various decades, their services to a small group of exclusive companies, management consultancy seems to be in the early stage in the country. Certified capacity building and professionalization of a dynamic and high quality consultancy infrastructure is needed.

The sustained economic growth and foreign investment in the country will boost the consultancy market perspectives. This progress will influence the evolution of sophisticated management consultancy services. However, this will also promote management consultancy services for local small and medium sized organizations.

The ConsultAndes experience shows that it's possible to develop managerial capacities through consultancy projects. The results illustrate that all relevant abilities for consultants and managers were developed by students during the course. We also had found that this experience contributed to strengthen management consultancy capacity in Colombia by providing elements to professionalize the consultancy practice. Within this respect, a consultant with wide experience affirmed: *"In Colombia we have a challenge on the professionalization of the industry. The efforts to close the gap must also come from the universities, training students in consulting, like ConsultAndes does"*. In addition, this learning-by-doing course gives management students and future managers the expertise to evaluate and contract management consultancy as a decision-making tool, improving market sophistication.

One limitation of our study was our focus on the specific case of a consultancy program at a leading management school in Bogotá. Although we interviewed a significant group of consultants and companies, our main evidence was based on the experience of management students of a particular program.

Our recommendations for further research go in two directions. First, focuses on expanding the study of the ConsultAndes case. We plan measure the impact of the consultancy projects on clients. With this research we expect to obtain valuable feedback to adjust and improve the methodology of the program. Second, we suggest the exploration of the consultancy market in Colombia, its structure and operation. It is important to expand the limited existing academic research on the subject. This

includes a deeper understanding of the challenges organizations face to receive successful consultancies.

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