

Get started in management consulting!

FabJob Guide to
**Become a
Management
Consultant**



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1. Introduction

Welcome to the **FabJob Guide to Become a Management Consultant**. This guide will introduce you to the exciting and prestigious world of management consulting. Hundreds of hours of research went into this guide, to give you the most up-to-date insider information on becoming a management consultant.

You may have heard about the big names in management consulting – companies like **Deloitte Consulting, Capgemini, Ernst & Young** and **PricewaterhouseCoopers Consulting** – and you may know some of the consultants who work for them. They are smart, business savvy, confident, earn big paychecks and enjoy a lifestyle that many of us would love to have.

You may also know some consultants who are self-employed. They operate their own firms, work their own hours and find their own clients. They are as smart, as business savvy, as confident and earn as much as their colleagues employed by multinational consulting firms.



You don't have to wait any longer to start enjoying a lifestyle like theirs. This guide will explain how **you** can become a management consultant.

1.1 What is Management Consulting?

Definition

First things first. Let's find out what management consulting really is. An excellent definition of management consulting is:

providing guidance and solutions in critical management issues to ensure that business gets done efficiently through managing people and other resources.

“Business” can be carried out in an organization such as a company, government department, or non-profit agency. Business activities include planning, production, sales, marketing, finance, and human resources. As a management consultant, your job is to find out what’s wrong in a business by examining the elements of a problem, then suggest solutions.

Let’s take a physician as an analogy. Physicians use their expertise in medicine to find out what’s wrong with a patient. To reach a diagnosis, physicians sometimes use additional tools such as X-rays and lab tests. These tests function as analytical tools. The same also applies to a management consultant. He or she uses his or her expertise, and various analytical tools such as interviews and surveys, to solve business problems.

The United States Department of Labor has this to say about the work done by management consultants:

Their work is quite varied, depending on the nature of the project and the client’s needs. In general, consultants study and analyze business-related problems, synthesizing information from many sources, and recommend solutions. Suggested solutions can range from overhauling a client’s computer systems to offering early retirement incentives to middle managers, switching health plans, improving just-in-time inventory systems, hiring public relations firms, or selling troublesome parts of businesses.

Because of the varied nature of organizations’ needs, firms hire management consultants from a wide variety of backgrounds, including: business, engineering, finance, marketing, law, human resources, political science, and many other fields.

Brief History

Management consulting is a relatively new occupation. In the 1970s, small consulting firms with specific areas of expertise started to emerge. In the 1980s, generalist management consulting firms began to introduce themselves to the business world and enjoyed wide acceptance.

Among the pioneers in the field of management consulting are **James McKinsey**, a University of Chicago professor, with his “framework analysis” and **The Boston Consulting Group** with its “growth share matrix.” (The resources provided later in this guide explain how to learn more about these approaches.)

In the 21st century, management consulting has evolved into a prestigious and growing profession. As new opportunities and challenges arise in the business world, management consultants are needed to help companies adapt to those changes. For example, management consultants are now needed to help companies with IT (information technology) and e-commerce matters. After the tragic events of 9/11, more consultants have been hired to work on security-related projects.

Career Profile

According to the *U.S. Department of Labor Occupational Outlook Handbook*, management consultants held 746,900 jobs in 2008. Of these, 26 percent were **self-employed**, which is about one and a half times the average of other management, business and financial occupations. So, if entrepreneurship is your forte, this is a good field to plunge into.

The same source also noted that most management consultants work in management consulting and computer and data processing firms, as well as for the government. The majority of those who work for the U.S. federal government are in the U.S. Department of Defense.

According to research from the Harvard Business School, the management consulting business generates about **\$100 billion in annual revenues worldwide**. Over half of that comes from U.S. consultants and another quarter from Europe. The latest trends in the early 21st century include **super specialization** and **e-commerce consulting**.

Employment in this field is expected to grow faster than the average of all occupations through 2012, as industry and government increasingly rely on outside expertise to improve their performance. Both large and small management consulting firms – with specializations in international business, biotechnology, healthcare, information technology, human resources, engineering and marketing – are expected to continue growing to meet the high demand.

This growth is expected no matter what happens in the economy. In a slow economy, companies need consultants to help them increase revenues and cut costs.

The majority of management consultants are self-employed and work in firms of ten or fewer people, but the highest paid ones usually do a significant stint at a large company, making professional contacts and building a solid reputation.

1.2 Myths and Realities

Management consulting is probably one of the most misunderstood professions. Here are some myths and reality checks about this profession.

Myth 1 **To become a management consultant, you need to have an MBA or a business degree.**

Reality Having an MBA (Masters of Business Administration) degree is helpful, but it is not an absolute prerequisite. As mentioned above, because of the varied nature of the job, consultants may come from a wide variety of backgrounds. However, while many successful management consultants do not have MBAs, most do have college degrees or some university-level education.

Myth 2 **Management consulting is a good career choice only if you have strong quantitative skills.**

Reality I personally know some management consultants whose educational backgrounds are not numbers-oriented. They may have average quantitative skills, but they do possess good analytical and problem-solving skills.

Myth 3 **Management consultants need to do a lot of bluffing.**

Reality To bluff means “to impress, deter, or intimidate by a false display of confidence” (source: *American Heritage Dictionary*). This is definitely a no-no. Consulting is not a card game; it’s a serious business that requires genuine expertise.

Myth 4 **To break into management consulting you need to find a job with a large firm.**

Reality Basically, there are two types of management consulting firms: large and “boutique” (small in size and specialized). Depending on your interests and expertise, working in a boutique firm can be as rewarding as working in a large multinational firm. In many cases, breaking into a small firm is easier as well.

Myth 5 **Clients who hire management consultants don't really want to hear that their business has any problems.**

Reality Most clients would not have hired management consultants if they only wanted to hear the good stuff about themselves. A management consultant is hired to help clients see what they have overlooked, and make suggestions to fix whatever problems there are.

1.3 Career Benefits

Good management consultants are always in demand (even in a slow economy) providing a stable income and benefits. Also, more than ever before, this profession has become a symbol of success and intellect. The following list describes the many other benefits of being a management consultant.

Opportunity to Learn

As a management consultant you will have the opportunity to learn about a variety of industries and business practices. You could literally learn something new every day.

Intellectual Challenge

Management consulting requires enormous intellectual ability to perform analytical activities and draw conclusions. Because every problem is unique, a management consultant must find ways to solve it creatively.

Helping Others Succeed

By finding solutions to business problems, management consultants can help their clients to achieve greater success, such as higher profits and growth. The people who can benefit from a more successful company include employees (especially if new jobs are created), shareholders (who need reassurance now more than ever), suppliers, and the community at large.

Financially Rewarding

Management consultants are among the highest paid professionals in America. According to the U.S. Department of Labor, the median annual earning in 2009 was \$75,250. A survey conducted by Association of Management Consulting Firms revealed that, on average, entry-level consultants earned \$61,496 annually while senior partners earned \$254,817 (including bonuses and profit sharing). The U.S. and Canadian independent consultants I interviewed earn anywhere from \$100 to \$350 per hour.

Prestige

Consultants are experts in providing management solutions. Therefore, CEOs and boards of directors (and many others in the organization) naturally listen to what the consultant says.



Self-Satisfaction

Listen to what these management consultants (listed alphabetically) say about their job satisfaction:

“Seeing the difference that I make in people’s lives by sharing my skills with them gives the most satisfaction to me. My key business strategy is to give my skills to others so that they can branch out after I teach them. When my students (clients) have mastered these special management skills, they look at me with the greatest level of confidence and say ‘I can do this. I love it.’”

– Tony Dottino, president of Dottino Consulting
Hartsdale, New York

<http://www.dottinoconsulting.com>

“I love the feel of helping people make a memorable difference in the world. I also enjoy helping great organizations that need re-energizing and refocusing. It is a privilege helping those transformations take place.”

– Martha R.A. Fields, founder and CEO of Fields Associates, Inc.
Cambridge, Massachusetts

“My greatest satisfaction is being able to come up with the right strategy and executing it flawlessly. The money is great, but doing a great job, not just a good job, puts a smile on my face and an extra lift to my walk.”

– Robert Gelpman, founder of Gelpman Associates
San Jose, California

“I gain satisfaction in assisting those who need a fresh look at things, so that they are blinded by the forest, but can see all the trees.”

– Henry H. Goldman, Ph.D, founder and managing director of
Goldman-Nelson Group Global Consulting
Huntington Beach, California

“It gives me the most satisfaction when I see something I can do there. I do it and I finally see how to make sense of this.”

– Lin Kroeger, president of PWD Consulting
New York, New York
<http://www.pwdconsulting.com>

“There is incredible satisfaction in helping clients finding solutions to problems, expanding their thinking, or challenging them to see new ways in approaching issues. The relationship with my clients has been very rewarding. It is gratifying to earn the trust and respect from clients who have become friends. Helping others to see, what to them may be too close to see for themselves, is also very satisfying.”

– Bette Price, founder and CEO of The Price Group
Dallas, Texas
<http://www.pricegroupleadership.com>

“My job gives me satisfaction through helping clients identifying and solving problems. Seeing recommendations accepted and being able to measure a client’s success also satisfies me.”

– Ian K.P. Ross, president of KIR Resources, Inc.
Willowdale, Ontario

1.4 Inside this Guide

This guide will provide you with the answers to many questions such as:

- What does a management consultant **do**?
- What **knowledge, skills** and **personal attributes** are needed to break into this career?
- How much **money** will I make as a management consultant? What are the **perks**?
- What types of **employers** does a management consultant work with?
- Where can I find **desirable** employers?
- How can I get **trained** to become a management consultant?
- How can I **get hired** as a management consultant?
- What should I include in my **resume**?
- What will my **job interview** be like?
- How can I start **my own firm**?
- How can I be **successful** as a management consultant?

In **Chapter 2, Getting Ready**, we'll explain the knowledge, skills and personal attributes employers expect management consultants to have. You'll find out where to get training and how to succeed in this career even if you don't have a management degree.

Chapter 3, What to Expect on the Job, gives you an insider's view of the industry. You'll get information about titles, job descriptions, and specializations, discover what happens during each stage of a typical consulting project, and learn how to prepare a proposal.

Chapter 4 focuses on **Getting Hired**. It gives information about the types of employers management consultants work for, and how to approach them. It explains how to obtain experience, prepare an effective resume and cover letter, hunt for jobs like a pro, make a lasting first impression, and breeze through interviews. A pool of experienced consultants offer valuable advice for an aspiring consultant.



Chapter 5, Starting Your Own Firm, covers what it takes to start your own management consulting firm. It gives the “truth” about working solo and explains how to assess your entrepreneurship qualities. You will learn where to find free and almost free resources to get you started, the nuts and bolts of writing a business plan, how to set up the business, and ways to creatively promote your firm on a shoestring budget. Once again expert experienced consultants contribute their wisdom and practical tips.

Chapter 6 is a compilation of **resources** and includes links to websites of many professional associations, industry publications and must-read books and magazines as well as lesser-known online resources.

Whichever pathway you choose (working for a firm or self-employment) I am sure you will find management consulting extremely gratifying and continuously challenging. Read on to learn how to get ready for this exciting career.