



MCA outlook:

# Where projects come from

You may understand why a client needed some consultancy, but do you really know why they chose you? **Fiona Czerniawska**, director of the think tank at the Management Consultancies Association, finds out

## The MCA has carried out a variety of

surveys in recent years aimed at understanding why clients hire consultants. However, we still haven't understood much about the underlying causes of demand. Where do new projects and initiatives in organisations come from? What determines why some ideas get implemented when others don't? Is there anything consulting firms can do to stimulate demand?

With these questions in mind, we carried out a survey in conjunction with *Management Today* of 100 senior managers in large organisations. We discovered that perhaps one in 20 potential consulting projects actually become consulting projects. If we can reduce this rate of attrition, then we'll increase the total size of the consulting market.

The acorns from which consulting projects grow may be very small indeed – a niggling issue, a conversation with a colleague, an opportunity to be seized. Only very rarely do projects come from consultants peddling grandiose new schemes. This isn't surprising if we look at what attracts a client's attention. The single most important factor is practical relevance to an immediate issue they face in their organisations.

How do ideas evolve into projects? Clients with the germ of an idea tend to do two things: consult their colleagues or search around (usually on the internet) for evidence to show that this is something worth thinking about. What they don't do at this stage is act.

Fewer than half of the ideas people originally have make it through this stage. There may be a good reason for this as 26% of people said it was because they realised the idea was unlikely to deliver the anticipated benefits and 12% of people said it was because the project wasn't relevant. However, 27% of projects are abandoned because organisations don't have the skills to do them, 14% because people are too busy on other things and 12% because senior people aren't

committed to the idea.

Consulting firms can counter this in a variety of ways. Clients appear to be generally positive about the thought leadership produced by consulting firms. Almost half of those surveyed said they found some of the ideas interesting and helpful. However, clients are only interested in material that is practical and directly relevant to the issues they face.

Asked what would make them more likely to use consultants on a project, around 80% of respondents wanted feedback from their peers about the work done by a consulting firm elsewhere in their organisation and to see case studies of past projects. For consulting firms the message from this is clear: clients are much more likely to make a project a consulting project if they can see examples of



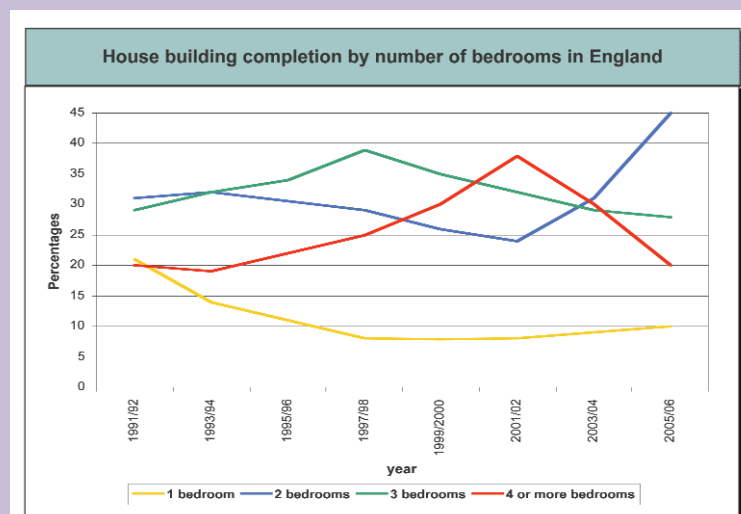
other similar, successful projects.

The key point here is transparency. Clients want to know what consulting firms think and do, and where they've been successful, but they want this information on their terms. **CR**

## Vital statistics:

# Building boom

Between 2001 and 2006, the proportion of newly built homes with two bedrooms rose from 25% to 45%



Source: www.statistics.gov.uk