



Consulting projects: types, classification, and cost of providing services

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Introduction



Goals

The main goal of this article is:

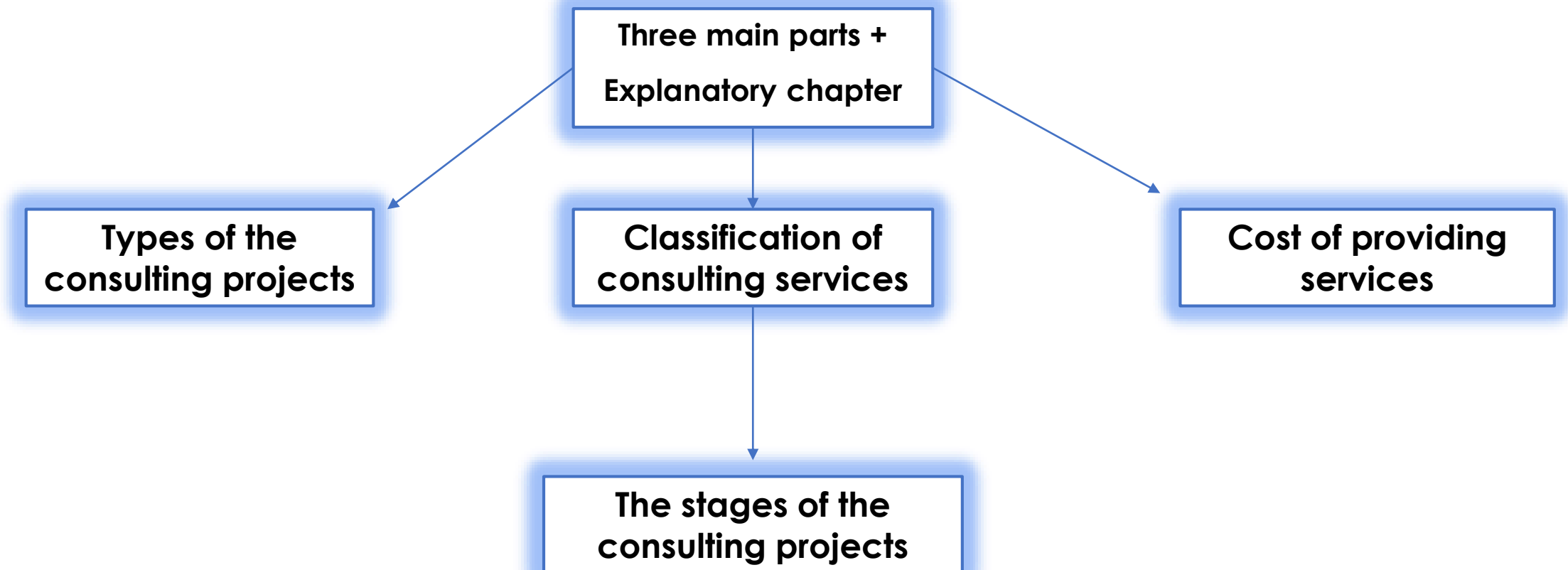
- ▶ **to provide** an overview of all areas of work of consulting companies and **to characterize** their activity, an approximate cost for their services. The author would like **to contribute** to the studying of professional standards and practices in management consulting and to provide fundamental information and guidance to individuals and organizations wishing to start, improve or retrain consulting activities.

Tasks

Established tasks of this article are:

1. To present general information about the professional consulting for newcomers, that can give a piece of general knowledge about the consulting industry: its nature, organizational principles, behaviors and development practices.
2. To present the relevant ranking of consulting companies and to analyze shortly all areas of their work.
3. To analyze the cost for certain services in the most successful companies in this area

Research process



Types of the consulting projects

There are different types of consulting, **the main** of which are (Newton, 2010, 11-12):

- strategic consulting;
- operational consulting;
- legal consulting;
- marketing consulting;
- financial advisory;
- HR consulting;
- IT consulting.

Top 10 Vault Consulting 2020 (Vault Rankings, 2020)

Ranking number	Name of consulting company	Number of working consultants, people
1	McKinsey & Company	27000
2	Boston Consulting Group	19000
3	Bain & Company	10500
4	Deloitte Consulting LLP	16000
5	Oliver Wyman	5000
6	Booz Allen Hamilton	22500
7	EY-Parthenon	3000
8	PricewaterhouseCoopers Advisory Services LLC (PwC)	250000
9	A.T. Kearney	3500
10	GE Healthcare Partners	12000

Classification of consulting services

Consulting services	Areas of services	List of companies specializing in this field (Yarmish, 2000, Consulting. An overview of the industry and the services provided, n.d.)
Administration	<ul style="list-style-type: none"> • Planning: placement and equipping of workplaces; • Organization and management methods; • Risk management and security. 	<ol style="list-style-type: none"> 1. Arthur D. Little 2. A. T. Kearney 3. Bain & Company 4. Booz-Allen & Hamilton 5. The Boston Consulting Group
General management	<ul style="list-style-type: none"> • Assessment: of management efficiency, business, competitiveness, diversification; • Audit of management, mergers, and acquisitions; • Strategic planning. 	<ol style="list-style-type: none"> 1. Accenture 2. A. T. Kearney 3. Bain & Company 4. Braxton Associates 5. Booz-Allen & Hamilton
Special Services	<ul style="list-style-type: none"> • Training consultancy from trainers; • Special property management consultancy; • Consultancy on special issues. 	<ol style="list-style-type: none"> 1. Accenture 2. Price Waterhouse Coopers 3. Ernst & Young 4. Deloitte Consulting 5. KPMG

Classification of consulting services

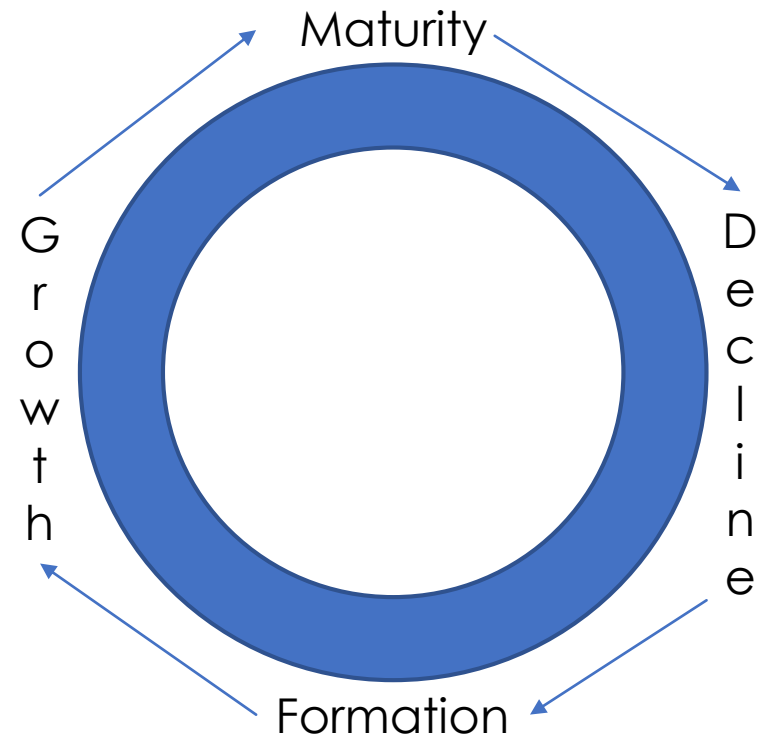
Information Technology	<ul style="list-style-type: none"> • Design and installation of the systems; • Computer audit; • Information management systems. 	<ol style="list-style-type: none"> 1. IBM Global Services 2. Accenture 3. Mercer Consulting Group 4. Cap Gemini Ernst & Young 5. Electronic Data Systems (EDS) Corporation
Manufacturing	<ul style="list-style-type: none"> • Scheme of work organization; • Processing of all types of resources; • Production management, planning, and control. 	<ol style="list-style-type: none"> 1. Bonifacio Consulting Services 2. CMTC 3. EMS Consulting Group 4. Haskell 5. Manex
Financial management	<ul style="list-style-type: none"> • Systems of accounting, assessment of capital investments, turnover; • Cost reduction; • Profitability, income, financial reserves; • Insolvency; • Taxes. 	<ol style="list-style-type: none"> 1. Arthur Anderson; 2. Boston Consulting Group; 3. Deloitte & Touche; 4. Ernst & Young; 5. The Hackett Group.
HR Management	<ul style="list-style-type: none"> • Workforce planning; • Staff assessment; • Motivation; • Corporate and social culture; • Skills development. 	<ol style="list-style-type: none"> 1. Alexander Consulting Group 2. Automated Concepts 3. Cambria Consulting 4. Godwins International 5. Hewitt Associates LLC
Marketing	<ul style="list-style-type: none"> • Market research; • Marketing strategy; • Promotion of goods on the market; • Sale and dealership; • Sales management. 	<ol style="list-style-type: none"> 1. Accenture 2. Deloitte Consulting 3. Cap Gemini Ernst & Young 4. JLA Consulting International 5. PricewaterhouseCoopers

The stages of the consulting projects

Often **the stages** of consulting projects are:

- ▶ identification of problems
- ▶ development of solutions
- ▶ implementation of solutions.

Companies can face problems at any stage of **the organization's life cycle**:



Cost of providing services

The current practice of pricing in the consulting services market allows us to identify

the main types of prices:

- ▶ fixed prices
- ▶ payment by the amount of time spent
- ▶ percentage of the project cost
- ▶ compensation of costs
- ▶ special prices.

Three main points of the consulting pricing

- Fixed price contracts take place only if the project is small and the project parameters are clearly defined
- The contract is concluded on the basis of the estimated cost, indicating the time when the final price will be determined
- The key factor in pricing is the determination of the cost of consultants - project participants, the adequacy of payment to the market value of skills and experience.

The main conclusions

1. Consulting, being a full-fledged business infrastructure, in crisis situations, acts as a management assistant in the formation of a concept of behaviour, becoming an actual component of anti-crisis management
2. The main types of consulting are: strategic consulting, operational consulting, legal consulting, marketing consulting, financial consulting, HR consulting, IT consulting.
3. The study of pricing practice allowed us to determine that when building a cost model for a consulting project, the following factors should be noted:
 - a) the nature of the service performed
 - b) the specifics of the customer's activities
 - c) the goal of the project, including business development, streamlining processes and bringing to certain standards, assistance in overcoming the crisis
 - d) the specifics of consulting require the organization of such a pricing system that would have the necessary adaptability to each consulting project, while ensuring the planned result.

Proposals

In the future, the author would like to:

1. To continue working with consulting projects
2. To learn more about each type of consulting work
3. To focus on the most popular consulting areas in recent years
4. To compare the success of consulting companies in several countries.



Q&A