

Track: Management Consulting: Roles, Issues and Concerns

**Improving the Quality of Management Consulting by Integration of Delivery Systems
A Service Delivery Model and Organizational Framework**

by

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ABSTRACT

In most areas of the U. S. A., a major obstacle to efficient and effective management consulting is the lack of clear pathways to affordable, high-quality assistance. Clients are frustrated in their attempts to obtain affordable management consulting by two common inefficiencies in the small business consulting marketplace: (1) Lack of an integrated, delivery system that can offer an appropriate and comprehensive array of affordable services tailored to the unique needs of prospective business owners and owners of smaller, high-growth businesses, and (2) Lack of networking between the various providers and clients. Nowhere, it seems, can the client easily find a gateway that leads to long-term, personal mentors who keep up to date on the inner workings of the client's business, and who are always ready to give relevant advice when the client needs it.

This paper explores the Venture Center role in the management consulting process, a pathfinder role much needed by many small business clients. It suggests a model for service delivery by a Venture Center, the Integrated Venture Pathways Service Delivery Model. Also, it proposes an organizational framework that positions the Venture Center as a broker of consulting services. Finally, the paper presents five virtues of the model and framework.

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INTRODUCTION

In most areas of the U. S. A., a major obstacle to efficient and effective management consulting is the lack of clear pathways to affordable, high-quality assistance. Small business owners, and prospective small business owners, ("Clients") face messy, real world challenges. To adequately address these challenges, Clients often require long term assistance from diverse experts. However, Clients find themselves in uncharted territory when they seek to piece together a lasting, balanced "team" of business advisors. Neither private firms, government agencies, nor university departments offer clear pathways to meaningful solutions. Integrated delivery systems are rare, especially delivery systems that attempt to meld private, government, and university solutions providers.

Private Providers – Private small business consulting providers strive to be "market driven" by Client needs. However, since they are typically small practices, they often develop niche expertise based on the backgrounds of the principals. Many small practices claim in their promotional literature that they are the exception. In reality, however, few affordable "one stop shops" or "holistic" solutions providers are

available to small business owners.

Government providers – In the government agency sector, small business consulting assistance programs such as SBDCs advertize their existence. Services are affordable, as are long lists of available consultants. However, their emphasis is on giving a little bit of help to all comers. Budget increases are based on ambitious performance targets. The most common measure of performance is number of Clients served. With providers driven by Client count, they reduce the total number of hours available per Client to a few hours. When a Client finds good consultants in this sector, the Client is unlikely to get ongoing assistance. The Client cannot even buy after-hours assistance from particularly helpful consultants due to codes of conduct that proscribe such activities.

Occasionally a government agency consulting program will invest heavily to offer specialized consulting on “hot” topics such as EDI or e-commerce. Such in-depth programs compete directly for budget dollars with general management consulting, leaving important “bread and butter” services in even shorter supply.

University providers – Universities often fragment their consulting service offerings, scattering them among academic specialties, schools, colleges, centers, institutes, and programs. Further, the services available are all but invisible to Clients outside the university. At best, the university sporadically promotes the services to narrow niches. Only the most persistent Client can build a diverse team of university advisors.

In summery, Clients are frustrated in their attempts to obtain affordable management

consulting by two common inefficiencies in the small business consulting marketplace: (1) Lack of an integrated delivery system that can offer an appropriate array of affordable, comprehensive services tailored to the unique needs of prospective business owners and owners of smaller, high-growth businesses, and (2) Lack of networking between the various providers and Clients. Nowhere, it seems, can the Client easily find long-term, personal mentors who keep up to date on the inner workings of the Client’s business and always are ready to give relevant advice when the Client needs it.

Taking a broader perspective, seven kinds of institutional groups must interact beneficially to enhance entrepreneurial development. These groups consist of the following:

- ✌ Business and community support
- ✌ Institutions of higher learning
- ✌ Large corporations
- ✌ Emerging corporations
- ✌ Federal government
- ✌ State government
- ✌ Local government

As suggested in previous paragraphs, “beneficial interaction” within and among the seven groups is not automatic. Most Clients seeking a clear pathway to development require a broker or champion to help them make the delivery system work efficiently, effectively and cooperatively.

This paper explores the Venture Center role, a pathfinder much needed by many small business Clients. It suggests a model for the Venture Center to follow, the Integrated Venture Pathways Service Delivery Model. Also, it proposes an organizational framework which positions the Venture Center as a broker of consulting services. Finally, the paper presents five main virtues

of the model and framework.

MODEL FOR SERVICE DELIVERY

This section proposes a service delivery model for the Venture Center role (“Center”). Exhibit 1 presents the Integrated Venture Pathways Service Delivery Model (“Model”).

A Center that follows the Model will be a gateway to services, providing a clear pathway to affordable, high quality assistance. The service delivery model depicted in Exhibit 1 helps the Client find a pathway to success. Further, it helps the Client stay on the path. It revisits Client needs and adjusts services at key points in the Client’s entrepreneurial development.

A Center following the model will also be a Gatekeeper. It will screen Client inquiries and assess preparedness for growth. Also, it will promptly refer Clients elsewhere when they are in need of basic assistance or have obvious, specific needs. The model emphasizes the gate keeping function to assure an efficient and effective match between Client need, and service level. Not all Clients are ready, when they first apply, to pass further through the Center’s gateway to advanced services.

To best understand the Model in Exhibit 1, think of the Center as a small broker and not as a large consulting firm. The Center’s role is to facilitate beneficial interactions among the members of a large entrepreneurial development network. The network reaches employees, advisors, appointees and elected officials in all seven institutional groups described in the introduction. The justification for the existence of the Center is that it’s assessment and matching functions increase market efficiency. In

effect, the well run Center becomes a “trading hub” or “exchange” for entrepreneurial development services.

ORGANIZATIONAL FRAMEWORK

The activity based Model presented in the previous section leaves important organizational questions unanswered. How should a Center be organized? How should its organization relate to the organizations of other service providers? This section of the paper proposes an integrated organization chart (“Framework”). Exhibit 2 presents the Framework.

The intent of the Framework is to show how a Center might be positioned to efficiently and effectively broker services. Most USASBE/SBIDA members are affiliated with institutions of higher learning. Accordingly, to clarify positioning possibilities and present them in a context familiar to the reader, Exhibit 2 elaborates on the connections between Center and University. Exhibit 2 does not detail the connections with SBDCs or individual members of the Community Network. In practice, the connections will be extensive. Also, one should not imply from Exhibit 2 that a Center is ideally affiliated with a University. Depending on conditions in the service area, it might best be affiliated with an SBDC, a business community support group, or a for-profit corporation.

The Framework depicted in Exhibit 2 integrates the Center, University, SBDC and Community Network. In this University-oriented version of the Framework, network linkages are reinforced by liaison positions staffed by University employees. The relationship with the Center provides the University with an important outreach vehicle. Benefits include technology

transfer, faculty/student research and professional development, and closer ties with potential donors.

Although the dollar value of services delivered can be large, the Center itself is a small business unit. Center staff includes a director, administrators and clerical support. The Center's staff is focused on its brokerage role: promotion of the brokerage service, client assessment, network development, matching Clients to service providers, and tracking service quality and Client progress. Advisory board chairs and members are drawn from the University and the Community Network. Client training and advisory services are provided under the terms of cooperative and participation agreements. They are not provided by Center staff.

Following the Model in Exhibit 1, the Center has long term relationships with its Clients. Conceptually, in Exhibit 2, the consulting services provided to the Client flow into the Center along the dotted network linkage lines and up the Liaison/Advisory Column. The Center brings network members into service delivery roles as needed to serve evolving Client needs. Once accepted as a Center client, Clients remain at the heart of the Framework as clients of the Center. Clients are not passed around from one service provider to another. Hence, they experience a continuity of service. The Center, via its advisory boards, keeps up to date on the inner workings of the Client's business and is always ready to provide relevant advice when the Client needs it.

In a University context, funding for the Center would come via gift, grant or contract. The top part of the Framework in Exhibit 2 illustrates University entities that

may be involved in seeking and administering funds.

SUMMARY AND FIVE VIRTUES

This paper has explored the Venture Center role. It has suggested a model for service delivery to be followed by the Venture Center. Also, it proposed an organizational framework which well positions the Venture Center to broker consulting services.

The model and framework in this paper have five main virtues. The model and framework:

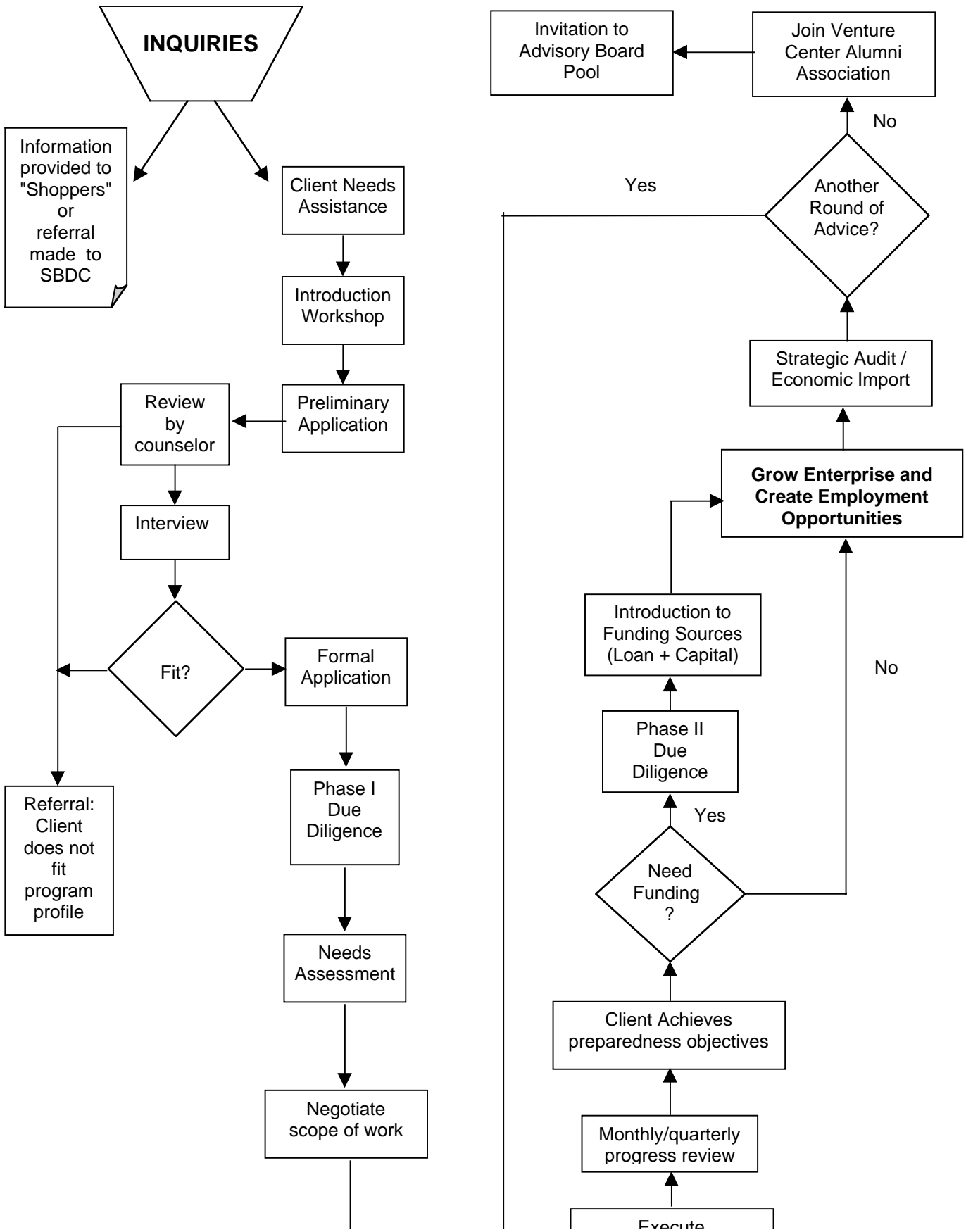
- (1) Lay out an efficient and effective service delivery process,
- (2) Clarify and focus the role of the Venture Center as a broker. The broker's purpose is to build the infrastructure of free enterprise by acting as a gateway for service inquiries, facilitating service delivery and increasing market efficiency.
- (3) Position the Venture Center as the "trading hub" or "exchange" for an integrated entrepreneurial development network. The trading hub or exchange analogy is particularly useful in that it suggests many excellent organizations to use as procedural benchmarks (New York Stock Exchange, SEC, etc.)
- (4) Provide the Client with a clear pathway to affordable, high-quality assistance, beginning at the gateway offered by the Venture Center, and
- (5) Define a gatekeeper/gateway that, with adequate seed funding, can become a viable, self-supporting business unit (profit or non-profit). The branding objective for the Venture Center is to provide Clients with an integrated delivery system that offers an appropriate and comprehensive array of affordable services tailored to the unique needs of prospective business owners and owners of smaller, high-growth businesses.

To achieve the branding objective, the network must attract and retain good Clients and strong service providers. Also the network must function smoothly. Market efficiency cannot be achieved unless three things happen. First, the services delivered must be a good value to the Client. Second, service providers must receive reasonable compensation. Third, the gateway/gatekeeper that provides the trading hub or exchange must earn sufficient transaction fees to support the network's smooth operation.

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Exhibit 1 Integrated Venture Pathways Service Delivery Model



Venture Center/University/SBDC/Community Integrated Organization Chart

