



INDUSTRY OVERVIEW: CONSULTING

Overview

The term “consulting” broadly refers to any arrangement in which companies or organizations hire individuals to advise them. Consultants assist with a wide variety of business problems and try to provide solutions for their clients. Those problems can range from researching a potential new product, to re-organizing the employee structure, to completely re-thinking a company’s strategy. They might advise a client on an acquisition or suggest it reduce its workforce, or any number of other recommendations. There are various consulting specialties such as management (or strategy), IT, and human resources. Consulting is fiercely competitive as it’s high-paying, a great way to learn all aspects of business, and many who work in the field find it engaging and interesting. However, the hours are demanding, travel is often frequent, and the interview process grueling.

Career Tracks

Management Consultant: Generally considered the most competitive and broadest in scope, management consulting firms advise businesses across a range of sectors on any of their business needs. Consultants are staffed on client engagements, which can last from a few weeks to several months, focused on a particular strategic and core operational issue the client has identified. The client may be in the same city or somewhere far away, in which case those staffed on the project will have to travel frequently. Clients could be corporations in any industry (finance, fashion, technology, consumer products, airlines, etc.) and can also be nonprofit organizations or educational institutions. Some firms have reputations of specializing in particular sectors, while others have divisions servicing all areas. Firms hire employees directly out of undergraduate institutions as well as MBA programs. Top firms include McKinsey & Company, Bain & Company, Boston Consulting Group (BCG), Deloitte Consulting and Accenture.

Human Resource / Human Capital Consulting: These firms assist clients with any problem related to their employees – the organizational structure of the departments, compensation, employee evaluation systems, retirement plans, re-organization following mergers or acquisitions, and the like. Like management consulting, the clients can range across industry and location and engagements can be short or long term. Many higher-level employees at these firms have direct experience in Human Resources as well as academic degrees in industrial/organizational (“I/O”) psychology, human resources management, or business. Some notable firms known for their HR consulting practices include Mercer, Accenture, Towers Watson, and Aon Hewitt.

Technology and Systems Consulting: These firms typically take on large projects to design, implement, and manage their clients' information and computer systems. For example, a fashion company might want to change the entire system the company uses to enter their sales data – a major undertaking. Often these consultants work in large teams and the engagements can last longer than other types of consulting (sometimes up to a year or more). There tend to be more opportunities undergraduate schools within tech consulting, and a background in technology is not necessarily required. However, the day-to-day work itself tends to have less diversity than management consulting and is more limited in scope. Firms known in this area include Accenture, Capgemini, IBM Global Services, Oracle, and SAP, among many others.

Public Sector Consulting: Those working in public sector consulting have projects related to the government, either federal or state/local. Numerous government agencies hire consulting firms to assist with an array of problems, from adjusting to budgetary changes, new legislation, administration changes and political events. The Department of Defense is historically one of the largest employers of consulting firms, but hundreds of other governmental agencies contract these firms as well. For example, in 2013 the Department of Health & Human Services hired consultants for help with the Patient Protection & Affordable HealthCare Act's troubled website. Top firms include Booz Allen, Deloitte, McKinsey, The Advisory Board, PwC, EY, Navigant Consulting, The Bridgespan Group, Huron Consulting, and many others.

Requirements / Skills

Consulting firms help organizations solve problems, and therefore problem-solving ability is the top trait that firms look for when recruiting new employees. They also seek out those who are creative, strong communicators, have quantitative abilities, and can think “outside the box.” Generally a student can have any major to enter the field, though an understanding of business and common issues that companies face are critical to succeeding in the demanding interview process. Excel and PowerPoint are used extensively in many consulting firms, so proficiency in these programs is important as well.

Interviewing

Consulting interviews differ from all other industries, and are often considered the most demanding. They generally involve two components: behavioral questions and a case. Behavioral questions are more standard, asking about applicants' resumes, skills, experience, etc. The case is a simulated exercise, sometimes even based on a real project, in which the interviewer provides a limited amount of information to the candidate, who then must ask probing questions to have sufficient data to draw some conclusions and make recommendations. There are many websites and books which teach students how to prepare for case interviews, and much preparation is indeed necessary to do well. Often the firms' own websites have practice questions and study guides.

Salary

Consulting is a well-paying field, with entry-level positions ranging from \$60,000-\$75,000 depending on the firm and the group. Salaries rise with experience and advanced degrees, with MBA-level employees starting at over \$100K. Experienced consultants and partners can make several hundreds of thousands of dollars.

Professional Associations

Association of Management Consulting Firms, www.amcf.org

Institute of Management Consultants, www.imcusa.org

American Society of Management Consulting, www.asmcconsulting.org

Websites

www.amcf.org

www.acethecase.com

www.wetfeet.com/articles/career-overview-management-consulting

www.casequestions.com

Vault's Guide to Consulting (log in through yu.edu/career-center)

www.princetonreview.com/careers.aspx?cid=90

www.careers-in-business.com/consulting/mc.htm