I INTRODUCTION

The literature offers a wide selection of studies into firm knowledge management (Abrahamson, 1996) and management consulting (Whittle, 2006).[1] Management consulting firms are often discussed as being the archetypes of knowledge-intensive firms (e.g., Alvesson, 1995; Crucini, 2002; Heller, 2002; Werr, 2002), or as the firms whose core product is knowledge itself (Sarvary, 1999). Consulting firms are generally aware of the value of knowledge for their own organizations and for their clients.[2] However, the subject of knowledge creation potential that can be activated through the concrete implementation of management consulting interventions still remains a largely unexplored research area (see Ciampi, 2007). This book adopts a knowledge perspective for interpreting management consulting and proposes a general conceptual framework for investigating and interpreting that potential.

The book proposes two perspectives for interpreting management consulting: the *defining* perspective (conceptual delimitation) and the *synchronic* perspective (consulting models), emphasizing that the latter when compared to the *diachronic* interpretation (consulting process), better enables identification of the explanatory variables of the cognitive dynamics characterizing the consulting relationship. The interpretative framework developed in the last section is an original application of the theories that interpret knowledge creation processes as knowledge *conversion* processes (Nonaka & Takeuchi, 1995) to the specific context of management consulting relationships. Aside from criticisms (e.g., Gourlay & Nurse, 2005), Nonaka and Takeuchi's (1995) conceptual model remains a very powerful tool for interpreting knowledge creation entrepreneurial processes. The proposed framework aims at examining the cognitive pathways through which the potential of entrepreneurial knowledge creation of management consulting interventions (and of the consultant-client relational dynamics triggered therein) can be expressed.

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It highlights the fact that in advanced (i.e., "meta-") consultancy contexts this potential lies in the possibility that it can generate not only explicit knowledge but also (even, mainly) new tacit entrepreneurial knowledge, such as new interpretative skills (vision of the firm's structure and of the competitive environment) and new experience-based diagnostic capabilities. The value of this knowledge for both the client and consultant goes far beyond the solution of the specific problem for which the consultant was engaged.

The design of the conceptual framework proposed in this book is mainly grounded on the reasoning and consulting experience of the author, though it is corroborated by revealing (albeit short) anecdotal evidence.[3] It appears that a better understanding of the knowledge creation paths that can be activated by implementing management consulting projects conducted following the meta-consulting approach will allow both clients and consulting firms to more consciously define knowledge creation goals for their consulting projects, and hence to more effectively design and manage the ensuing consultant-client relationship.

II. THE CHANGING ROLES OF MANAGEMENT CONSULTANTS[4]

Frequent environmental discontinuity[5], and intense changes in the competitive dynamics and logics of client business areas[6], are transforming the physiology of the management consulting industry. This turmoil is generating uncertainty about the direction of the future structural evolution of the industry, but may also present interesting development opportunities for consulting companies with proactive attitudes toward change.

The consulting business is, despite everything, still growing. According to Kennedy Information's 2007 annual survey on the global consulting market, the aggregate turnover in this industry reached about 285 billion dollars in 2006 (with an increase of 10% from 2005) and in the next four years it is expected to see an annual growth rate of higher than 7% (aggregate turnover is expected to reach 375 billion dollars in 2010).[7]

Meanwhile, the complexity and the articulation of the consulting demand is also growing. The value chain of client firms is being reconfigured. On the one hand, both material activities (e.g., the production and assembly of components) and low-value added immaterial ones (e.g., the management of technological infrastructure, and back office activities) are being increasingly outsourced. On the other hand, knowledge-intensive activities (hard to imitate and reproduce), such as product and process R&D, customer service, the creation, development, and protection of critical strategic and organizational knowledge and competences, are being increasingly internalized.

The client firm’s tendency to internalize intellectual activities (intellectual in-sourcing[8]), such as strategic planning, competitive analysis, human resources selection and development, and marketing planning impacts on the consulting industry boundaries; and it also makes the needs of the client evolve. Intellectual in-sourcing enhances the client firm’s capability to consciously select, design, and control the value-creation dynamics which can be activated through the consulting relationship[9]. This internalization tendency consequently acts as a strong stimulus for management consulting firms to go beyond their traditional intervention models[10].

The economy is now in large part globalized, and founded on the widespread use of modern Information and Telecommunications Technologies. Today’s “market-space” competition (that is “...competition completely unconstrained by physical geographical boundaries...” where “...space becomes a competition factor..." in itself), at the appropriate time ("time-based competition") and of the immaterial ("…dominated by intangible supply features and by virtual spatial coordinates...") is turning the competitive logics and dynamics of the firm upside down (Brondoni, 2002a; 2002b; 2007). Traditional strategic reactions (temporary downsizing, restructuring, outsourcing, consolidations by means of mergers and acquisitions, etc.) may turn out to be inadequate.

Whether or not consulting firms will successfully compete in the market will depend in large part on their capacity to undertake new and diverse strategic pathways, which will change their business boundaries, their organizational profiles, and many features of the consulting practices and the consulting models that have traditionally been the basis of their competitive success.

We already have some examples of proactive strategic behaviors toward environmental change, such as:

- the diversification of services offered: outsourcing providing is added to traditional consulting activities. Nowadays a considerable amount of the turnover of some of the major consulting firms (among others IBM, Accenture, and Deloitte Consulting) comes from the direct management of activities that their clients have decided to outsource (from supplier management, to IT infrastructure management, to routine human resources management, to back office management);
- the development of networks and alliances with both internal and external players in the consultancy industry, thus progressively overcoming the traditional model of "stand alone" consulting firms. This development path was initially undertaken by the IT consultancies (think of the alliances between Accenture and Hewlett-Packard, between

SAP and numerous IT consultancies) and I think we will see it progressively spread among the more "proactive" players of other sectors of the industry. The imperatives of globalization are leading an increasing number of consulting firms (specialist or generalist) to consider strategic partnerships, especially with different sized players and with consultancies operating in different geographical markets. For small consulting firms, alliances with bigger and internationalized companies mean that they will be able to assist clients in the planning and implementation of their international development processes. For large consulting firms, small consulting boutiques that operate on a national or regional basis can be ideal partners for alliances aimed at achieving service adaptation/personalization (to cultural and competitive local contexts) for both traditional clients (big and medium-sized firms that are implementing strategic paths of redefinition of their value chains and markets for a global and, therefore, multi-localized base), and for new clients that are a natural target of their international development (typically medium-sized firms with high growth potential and bases in emerging markets)[11];

- the orientation toward long term consulting relationships that exceed implementation times of a single project. It is estimated that nowadays more than two thirds of the annual turnover of consulting firms in leadership positions in the various sectors of the industry originate from clients they had already acquired in previous years (Poulfelt, Greiner, & Bhambri, 2005). One of the advantages of this type of relationship is that there are lower marketing costs and lower investments (also for the client). And it is easier and