



UNITED NATIONS COMMISSION ON SCIENCE
AND TECHNOLOGY FOR DEVELOPMENT



Panel on

**"Promoting the building of a people-centred, development-oriented and
inclusive information society, with a view to enhancing digital
opportunities for all people"**

Balancing Investment in People, Process and Technology
and
Building the Capacity to do so in Developing Economies

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Summary

ICMCI (The International Council of Management Consulting Institutes) the international professional body for Management Consultancy, with Member Institutes in 44 countries, is responsible for the standard and award processes for the single qualification, CMC (Certified Management Consultant), and is an NGO of UN ECOSOC.

The paper re-iterates a message known to management consultants that a successful development project in any economy, in any sector, needs to include the people and process aspects, as well as the technology aspects to be considered, designed and delivered.

The message is well known and accepted best practice, but our experience is that too often the lesson is ignored and projects fail to deliver their expected benefits because of a failure to balance the investment into all necessary aspects. The apparent simplicity of the advice is deceptive: the message is universal. Indeed the aphorism that “if you can not make the message simple, you have not really understood the problem” is very appropriate in this case.

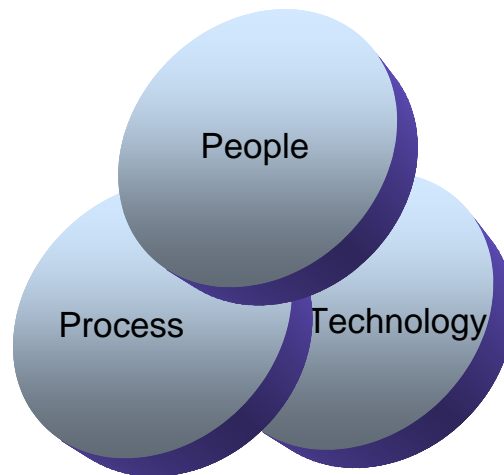
The message is presented in terms of a new investment, but applies equally to analysing existing operations or improving performance.

Apart from reminding the panel of the core message, ICMCI offers itself as part of the mechanism for ensuring the approach is followed in developing economies. It is argued that a project in developing economies covering the people and process options needs to be knowledgeable in local custom and practice. Indigenous qualified management consultants are one of several possible means of ensuring that the investment is properly balanced and attuned to local conditions. ICMCI's core competence is in establishing national professional institutes and has done so in several developing economies.

People, Process and Technology

In any development project, there will be elements of the technology being used (and this may be technologies other than information technology), people considerations and a way of working, normally referred to as the process elements. These may be explicitly addressed or be implicit or by default.

The situation is often represented as three overlapping circles, in an analogous manner to the way that the three elements of “Action centred leadership” were presented by John Adair in the 1960s.



For the avoidance of doubt, it is necessary to list some of the topics which are included under the three headings, especially the people circle as it encompasses an extensive range of considerations.

Process

Process covers the “way things are done” both in the implementation of a project and the ongoing business or operation that the investment is intended to support. As well as the overall design (sometimes referred to as the top level process design), the complete process specification should include:

- Operations, procedures
- Activities, work instructions
- Rules, roles, routing
- Process performance measure definition

A common mistake with a new project is to document in extreme detail the existing process. This can result in constraining a “mindset” of reproducing the current with technology as only automation (and thus missing considerable opportunities for technology enabled change) and produces a very large set of documentation, which some say is as useful to the project as “The ancient Egyptian Book of the Dead”.

Technology

The technology can be information technology, mechanical, chemical or biological or even a particular method or approach. Given the panel is concentrating on the role of an Information Society in people oriented use of technology, we list below some aspects of the information technology which need to be considered and delivered in a successful project:

- Applications
- Operating Systems
- Data sources
- Data management
- Data integrity
- Systems functionality
- Business architecture
- Information systems infrastructure
- User and technical documentation
- Training systems
- Sustainability and the ability to be maintained in the environment of use

An extensive list but for which expertise is often readily identifiable (if not always in plentiful supply). In addition these elements include many which are physical, are clearly capital expenditure and can be authorised separately. Most of the other two circles include investments which are not physical and often not included in the capital spend allocated to the project.

People

Of the three circles, this is the widest ranging and often involves more sub-elements than the other two combined. “People” refers both to the individual (the person who operate the technology and the process in a defined way) but also the entire organisation and support services around that individual. Elements can include the following:-

- Roles,
- Job definitions
- Functions
- Competences required
- Initial training
- On going training
- Personnel development
- Knowledge requirements
- Skill requirements
- Structure
- Reporting mechanisms
- Career path design
- Performance assessment

- Knowledge, skills, attitudes
- Beliefs
- Values
- Behaviour
- Working conditions
- Social Environment
- Political environment
- Culture
- Legal considerations

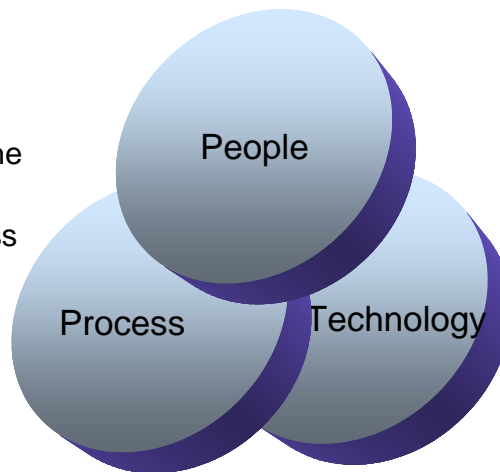
This is an extensive list. But, there should be no surprises in the list for a competent development programme manager.

The Need to Balance the Investment

Experience shows that it is necessary to have the people, process and technology aspects of a project aligned and in balance. Investing in a disproportional manner in the three areas (and we use investing to mean spending time, effort and cash whether that is classed a capital or revenue expenditure) can lead to sub-optimal result for the project. In the extreme case of ignoring one of the three normally results in a failure to gain a return from the investment in the other two. The following diagram illustrates consequences from an imbalance in each one in turn of the people, process, and technology trio.

Not enough people change

- People confused
- Unable to operate the process/technology
- Revert to old process wherever possible
- No long term gain
- Sub standard performance



Not enough technology

- Processing held up for lack of information
- Bottlenecks and backlogs
- Angry staff "without the tools for the job"
- Many paper based work-arounds
- Inefficient process
- Sub standard performance

Not enough process change

- People frustrated as they do not know what to do
- Inconsistent process
- Low quality and tasks falling between the cracks
- Sub standard performance

ICMCI recommends that, in line with accepted best practice, every development project needs to ensure that the investment is balanced.

A possible method of ensuring balance in developing economies

ICMCI contends that one method for ensuring the proper balance for projects in developing economies is to utilise indigenous qualified management consultants. We would be the first to agree that this is not the only way as indigenous competent managers with the relevant experience can also play a leading role in ensuring this balance. The key words are indigenous and qualified. This is not to decree the efforts of ex-patriot expertise, which often brings experience of differing situations and cultures aligned with best practice. Indeed many of our Member Institutes have many thousands of consultants in their own countries, who do work internationally. Rather that in some aspects, and the culture aspects of the people investment is clearly one, the use of indigenous expertise is preferable.

Also, qualified advisers allows the investor (often including funding from outside the developing country) to be aware of the competences of the advisors and this can increase confidence in their ability, especially if the qualification is both a competence based qualification and is to an internationally assessed standard.

ICMCI, as NGO to UN ECOSOC has a strategy to promote and develop professional institutes of management consultants in developing countries. The following remainder of this paper is a statement of that strategy.

ICMCI's Mission as an NGO

Our NGO mission

ICMCI will strive, with appropriate national and international support, to establish professional management consulting institutes in developing economies, and will work with other NGOs to assist them understand how the use of qualified indigenous management consultants could assist them achieve their goals for leadership, change management and development in the economy.

The role of a management consultant in developing economies

A management consultant is competent in the consulting and change management processes leading to real benefit realisation, knowledgeable in defined sectors and disciplines and acts professionally. In particular a management consultant is objective, independent and has integrity. At all times a management consultant must regard the client's best interests as paramount.

In developing economies, we have found a marked shortage of competent indigenous management consultants. This is especially true for funded projects (or proposals for these) where the funding agencies (often fellow NGOs) need assurance that they can rely on the professionalism and integrity of advisors. An increase of only a few percentage points in the effectiveness of aid projects, through proper use of qualified management consultants, would be a worthwhile goal for the profession. The ICMCI NGO mission is targeted at making this happen.

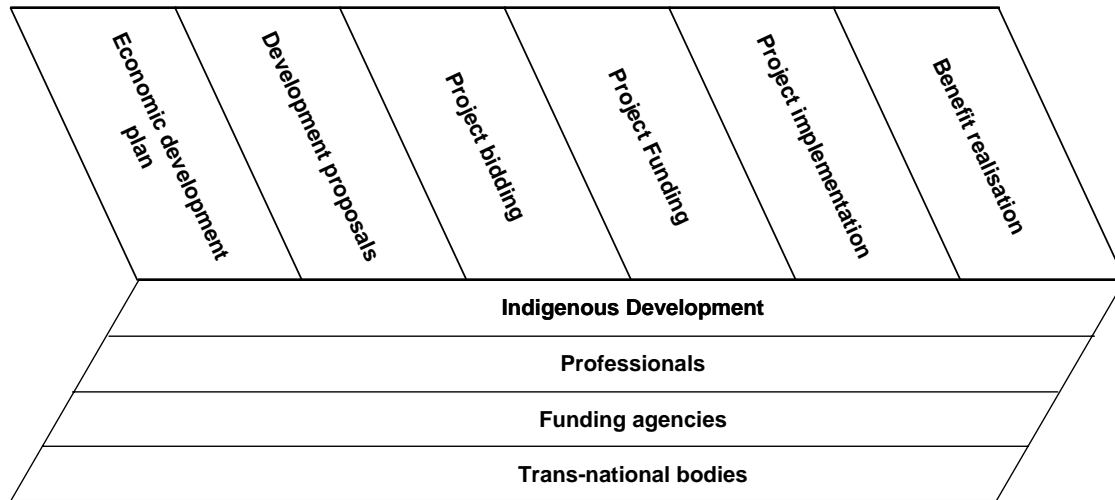
The overall need

Developing economies have ambitions and desires for faster, more effective development. A considerable proportion of the mechanisms for achieving these aims are funded or supported by other countries, funding agencies, NGOs and even individuals. The scope of the achievement and the degree of support available is limited by many factors but one significant variable is the effectiveness of the programmes and projects to achieve the aims. It is a value-creating circle. More effective use of support creates more wealth and capacity in the developing economies, and also increases the return on external support (and thus justifying further support). These both lead to more support and more effective development.

The management consultancy profession and, in particular, the singular international organisation, ICMCI, wishes to assist in this significant value creation and proposes a mechanism to do so.

The Value Chain

In developing economies with external support (through development banks, loans or even NGO's using their own funds) it is helpful to identify a value chain that extends from planning to achievement of improvement goals as depicted below:



In principle, each step in the chain (from economic development plan to benefit realisation) should be taken and completed expertly in order to optimize use of the development funding. A poorly undertaken stage can put at risk the scope of the eventual benefit of the funded investment. The range of stakeholders is shown across components of the value chain.

The value chain for a particular development will be supported, to some extent, by the infrastructure already in the country (be this financial institutions, political will, facilities already established to enable other developments to proceed or, indeed, a pool of talented individuals). In particular, certain professionals (such as engineers, bankers, accountants, project managers) will need to be involved to a greater or lesser degree at different points throughout the programme. These professionals may come from supporting funding agencies, trans-national bodies, and international pools of expertise or from indigenous practitioners.

ICMCI contends that involving professional qualified management consultants, with experience working and living in the particular country or region, can improve the effectiveness of each step of the value chain. Thus the management consultants can play a key role in increasing the efficiencies within each set of actions and the effectiveness of desired actions to reduce the overall cost of the effort and to usefully stretch the use of funds and resources obtained from development aid and financing.

What we mean by qualified Management Consultants

ICMCI is proud to be the custodian of the international standard of the only internationally recognised management consulting qualification in the world today: there are few other professions with such a unified international qualification, as the CMC or Certified Management Consultant designation. This certification has been adopted as a benchmark by many of the larger practices and is often used as a criterion for selecting management consultants for a particular assignment.

Certified Management Consultants are expected to be competent in the consulting process, to be proficient in understanding the sector or industry in which they consult. They are also competent in at least one discipline or skill (be it strategy, management, finance, programme management, change management, coaching, logistics, IT, etc.). The qualification ensures that they can demonstrate through client references that they have combined all these together in successful assignments.

In addition to their professional competence, all qualified consultants must adhere to a strict code of conduct. Amongst other requirements, the code insists that 1) the client interests come first; 2) A consultant must have integrity, objectivity and independence and 3) Shall not behave in a way to undermine the profession as a whole, or any individual parts of the profession. This code of conduct is reinforced within a code of ethics.

The benefits available from qualified management consultants in each step of the value chain

ICMCI has little doubt benefits will arise in each step of the value chain through exercising:

- Professionalism: The skills and competences of the consultant can be applied to the appropriate stage of the value chain. For instance at the overall planning stage, having a review of the governance arrangements, the feasibility of the projects, the estimated benefits and the risk profiles are all valuable exercises
- Due process: The consultant will use due (often best) practice in undertaking the assignment and support to the project. Again improving the confidence in the plans and its future projections.
- Focus: The consultant will be focussed on the outcomes from the project through not having a stake in the mere undertaking itself
- Integrity and independence: Having an outside review, instead of relying on the views of those proposing the project, is valuable for a project funder

ICMCI feels that the benefits can be substantial with the use of independent management consultants. We illustrate the possibilities by taking each step in the value chain and demonstrate the impact available from using experienced professionals.

Economic development plan

Situation/Challenge: Understanding of resource availability and the competence levels of the professionals and managers to be used provide a reality check to a plan. Expertise in particular industries, markets and trends globally should enable the plan to be more robust. Even with a clear international nature of the business environment, national plans still ignore what global counterparts are doing. For instance, many countries and regions state that the introduction of a modern information technology infrastructure and the increased competence of their people to effectively use this technology will give them a competitive advantage and enable them to rise up the economic league standings. In reality, technology today is less a competitive advantage than it is a fundamental necessity, a basic tool for operational success.

Solution/Resolution: Qualified management consultants in partnership with indigenous management consultants should be able to contribute to obtaining an understanding of these constraints. The ability to question and examine the assumptions, risks and logic of a plan are key attributes for a management consultant in this field.

Impact/Value Enhancement: The developed plan will be realistic, supported by current information and managed with an understanding of local and global constraints.

Development proposals

Situation/Challenge: It has been stated that a development project that over spends and is late is often a project that was poorly planned in the first place. While it is expected that the proponents of a proposal present their ideas in a favourable light, the presence of additional expertise and experiences from other professionals will enhance a proposal.

Solution/Resolution: Engaging professionals with a broad range of experiences and expertise that includes integrity and independence can add real value at this stage of the process.

Impact/Value Enhancement: The participation of qualified management consultants with broad local and international experiences improves the confidence of funders/investors (especially those from outside the country).

Project bidding and funding

Situation/Challenge: Budgeting a project and then offering a bid is both an objective and subjective exercise. With experience, this process becomes easier. Nevertheless, the impact of having an independent review and confirmation of the estimates and the logic of a proposal to the chances of obtaining funding can be dramatic.

Solution/Resolution: Engaging Certified Management Consultants to augment indigenous consultants will optimise the chance for winning bids. Not only will the requested budget be aligned with reality, but also the quality of the proposal in every aspect will be improved.

Impact/Value Enhancement: The use of Certified Management Consultants will improve the effectiveness of all development projects, thus increasing overall success and benefit realisation from what are necessarily limited funding resources.

Project implementation

Situation/Challenge: Implementation success assumes project management knowledge and skill. Doing the project “right” and doing the “right” things are not a given quality. This requires skills and capabilities that are gained through working experience.

Solution/Resolution: Using a Certified Management Consultant to lead, train, or coach, and to provide external reviews, knowledge of best practices and experience in similar situations, can reduce the risk of underachievement or even lead to achievements over and beyond expectations.

Impact/Value Enhancement: Qualified consultants provide a discipline to keep a project on track, on task, and on budget. They are trained to anticipate problems and challenges presented within a project and excel in considering implications when considering alternative pathways. Project success is enhanced.

Benefit realisation

Situation/Challenge: Certified Management Consultants are intimately aware of the need to measure success along the way in performing a project. These measures are the only means to determine whether the project is on task, on time, and ultimately, successful.

Solution/Resolution: “If you don’t know where you are going, then any path will do.” All efforts need guideline and milestones. These need to be defined in the planning steps and reiterated at each step along the way. These guides (somewhat like ‘constraints’) within the project will aid in making mid-course corrections and in reaching desired outcomes.

Impact/Value Enhancement: It is not enough to produce results. Results are steps to a desired impact of a project. The question is: “Does completion of this project create the key changes client wants?” Completion is a good aim but the real achievement of benefits is where the project realises the desired impact.

Beyond the Value Chain: The benefits obtainable

In our presentation of the Project Value Chain above, we did not mention the aspect of an ongoing effort, i.e., that the project is only one aspect of a larger effort to establishing a program or new organizational entity. In that case, there is the ongoing operation of a facility or organisation to be managed. We should note that the same trained Certified Management Consultants (hopefully now from the developing country) are versed in building organizations, in improving efficiency, effectiveness and economy of operations. Without doubt, a qualified management consultant can add value to each step of the value chain and more.

Current practice for the largest development projects is to use management consultants from developed countries. However, we would strongly encourage the simultaneous development of indigenous Certified Management Consultants to work alongside outside professionals. The former would be aware of local business practices, cultural norms (such as human resource practices) and resource availability (for instance the supply of competent managers). ICMCI is aware that many funding bodies recognize the benefits

and would wish to use indigenous consultants but they are not often present in sufficient numbers. ICMCI can help change the deficiency.

Build on ICMCI's core strength

ICMCI admits to membership National Institutes of Management Consultancy who satisfy a rigorous evaluation that they are fit to be both the national representative of ICMCI and to be the awardee of the Certified Management Consultant qualification (CMC). This qualification is a single international standard and provides assurance to the international community of the competence and professionalism of a particular consultant.

ICMCI has itself developed a track record of establishing new National Institutes which meet the rigorous requirements. Recent examples include: Russia, Bulgaria, Romania, Bangladesh, Korea and Brazil. Work is currently in progress in Thailand, and The People's Republic of China and Chinese Taipei were both accepted into Provisional Membership of ICMCI on 25 June 2004.

ICMCI's key activities in support of the NGO mission

ICMCI will act as the focal point for all national management consulting institutes and their members assisting in the development of new institutes. The assistance could include, but not be limited to, a direct project funded by an Institute, obtaining funding for such activities from other bodies (e.g. The British Council, The European Commission, The Asia Pacific Development Bank, multinational companies, The World Bank), seeking volunteers from the membership to assist the development work, mentoring an emergent new national institute through to full membership of ICMCI, and promoting to the grant giving and project leading agencies the value of independent indigenous management consultants for the successful realisation of their projects.

Naturally, this does not preclude individual national institutes working directly with an NGO to achieve their goals, nor individuals undertaking supportive assignments. It is only that ICMCI will concentrate on using its unique competences and skills directly in support of establishing new national institutes.

Conclusion

ICMCI intends this paper to remind the CSTD Panel of accepted best practice in support of their initiative in discussing the people oriented aspect of technology enabled development projects.

ICMCI believes that indigenous qualified management consultants have a role to achieve improved project performance in developing economies.

Finally, ICMCI contends that its mission to develop the national professional bodies will be viewed as a positive contribution both for assisting the improvement in performance of the development projects, but also in building capacity and capability in the developing economies.