Skills Integration: An Unworkable Model?

Integrated working was one of the ‘discoveries’ of the consulting industry in the late 1990s. After decades in which consulting firms – large and small – had divided themselves into functional or industry-related business units, there was a recognition that more value was to be created by enabling people with different skill sets to work more closely together. This value took many forms. Integrated working meant faster working, as tasks which previously had to be done in sequence – the strategy, then the technology – could be done in tandem. It also meant more innovation, as people combined their different perspectives to create new solutions.

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‘We always ensure that any team – client or internal – has a representative of each of our three core skill sets on it: strategy, marketing and technology’, said one e-consulting firm, interviewed in 1999. ‘Our “communities” tend to develop strong senses of identity’, commented another. ‘There’s a lot of trust, but at the same time everyone tends to know what’s going on. If you’re not pulling your weight, everyone will know about it. That doesn’t mean that you can take a completely hands-off approach: problems will inevitably arise, but the key thing is knowing when and where to intervene, rather than relying on ongoing intervention.’ Integrated working was a pattern that was replicated by almost every substantial new entrant to the consulting industry, and adopted by many of the incumbents as well. As one senior partner in an established firm acknowledged: ‘now that the dust is beginning to settle, integrated working is looking like an idea that’s here to stay’. That’s not surprising, given clients’ evident enthusiasm for it. Many people I’ve talked to have said how refreshing it has been to brainstorm strategic ideas with the people involved in designing the technology to realise them and the marketing campaigns to sell them. ‘I’m in no doubt’, said one, ‘that the strategy we developed was far better – and easier to implement – than if we had gone through the conventional process of working out what we wanted to do, working out how to get our customers to buy it, and then working out how to make it happen’.

The irony is that this may not be a legacy the consulting industry wants. An HR director, who left one of the struggling e-consultancies in mid-2001, explained the issue: ‘The trouble is, it’s a very tough model, and I have to say, on the evidence to date, I don’t think it’s going to work. We were trying to combine four skills, the accepted triumvirate of strategy, marketing and technical skills, plus project management. But the more we positioned ourselves as an end-to-end services provider, the more people with different skills we had to recruit, often for very specific pieces of work, and the harder it became to keep everyone occupied. I like to think that we did crack integration on a project by project basis: we got people to work together very effectively at the micro level. What we didn’t manage to do was apply the same principle on the macro scale – firm-wide – and utilisation rates fell as a direct result. If we were to start all over again, we wouldn’t try to have all the skills internally: we’d form far more relationships with other specialist firms and let them – and the market – sort out utilisation.’

We’ll probably never know how much the ideal of integrated working contributed to the demise of the e-consulting firms, but it’s