

## **Developing a Management Consulting Concentration within an MBA Program using SEAM<sup>1</sup> Approach**

By

Mahmood Bahae, Kevin G. Love, and Debra McGilsky  
Central Michigan University

### **Abstract**

A Socio-Economic Approach to Management (SEAM) has been used for developing a Management Consulting concentration within the MBA program at Central Michigan University. This paper presents the origin, principles and benefits of SEAM and the process of developing the Management consulting concentration at CMU.

**KEYWORDS: MANAGEMENT CONSULTING PROGRAM, EDUCATION PROGRAM**

### **Introduction**

In recent years the business environment has become more complex, exceedingly uncertain, and extremely competitive. Technological advances, globalization of the marketplace, and a growing sophistication on the part of the consumer are forcing organizations to be innovative and responsive. As a result, with the help of consultants, many organizations have engaged in a variety of change processes such as *Total Quality Management*, *process re-engineering*, *right-sizing*, *down-sizing*, etc., in order to improve their operations and maintain competitiveness. This trend has produced significant growth in the consulting industry for the last few decades. According to Poulfelt, Greiner, and Bhambri (2005) the total revenue of the global consulting industry is approaching \$150 billion, with the growth rate of between 15 to 20 percent for the last three decades, resulting about one million consultants. This growth is a reflection of supposedly positive impacts that consulting firms have on organizations of all forms around the world. Despite this phenomenal market growth, the effectiveness of consulting activities are mixed and in most cases based on anecdotal claims of both the consulting firms and the clients. In most cases these attempts have been only moderately successful, a temporary fix at best for a small number of firms (Frits & MacDuffie, 1996; Hoogervorst, Koopman, & Van der Flier; Pfeffer, 1998.) or have produced conflicting results (Prajogo and Sohal, 2001). Most of these changes have produced unintended negative consequences with significant hidden costs. For example, sweeping changes in job requirements and duties (i.e., re-engineering) have led to job dissatisfaction (Pfeffer, 1998, 2000.) Layoffs and reassignments associated with right-sizing and down-sizing have caused decreased organization commitment, manifested in high turnover as soon as economic conditions and job opportunities improve. (Mann, 1998; Ricketts, 1994; Zell, 1997.) Anticipating, calculating, and avoiding the unintended negative consequences of organization change is the basis of the Socio-Economic Approach to Management based organization change program. This method is the foundation of the Management Consulting concentration in the MBA program at Central Michigan University.

Through a collaborative effort between CMU and the Socio-Economic Institute of Firms and Organizations (ISEOR) located in Lyon, France, an interdisciplinary team of CMU faculty attended

---

<sup>1</sup> Socio Economic Approach to Management

several workshops and training sessions on the SEAM methodology. Based on the SEAM approach, an extensive review of change management literature, and other existing consulting programs in the United

States the team developed an innovative four-course curriculum in Management Consulting. The program was launched in the Fall of 2003 and so far has received an excellent review from students, the client organizations that are participating in the program, and the consultant practitioners.

### **SEAM: Origin, Principles and Processes**

SEAM is an integrative socio-economic approach to change management developed by ISEOR (Savall, Zardet, & Bonnet, 2000). SEAM emerged through a reevaluation of the diverse contributions made by the scientific management theorists (e.g., Taylor, 1911), administrative management researchers (e.g., Fayol, 1966), and human relations experts (e.g., Mayo, 1933). According to Savall, et al. (2000), these perspectives reflect the boundaries from which techniques for managing organizations have emerged. Current organization change techniques either put weight on the economic or technological rationality to enhance performance, or they focus on the individual's needs and feelings. SEAM recognizes and appreciates all of these contributions by combining the tenets of each through a series of ordered diagnostic and change techniques/strategies.

There are the following four primary stages within SEAM:

- **Socio-economic diagnosis**
- **Experts' opinion**
- **Priority action plans**
- **Assessment of results**

### **Socio-Economic Diagnosis**

Central to the diagnostic phase is the concept of hidden costs of dysfunctions. In SEAM it is not sufficient to only identify the problems and dysfunctions. It is also necessary to quantify the hidden costs associated with such dysfunctions. This quantification of the hidden costs becomes the base upon which the effectiveness of any intervention is assessed. For example, if turnover seems to be the problem, a consultant using the SEAM method would investigate and calculate all the hidden costs that are associated with the turnover, convincing management as to the potential savings if the problem is resolved. The method then searches for the real cause of the turnover and provides intervention strategies. If the turnover rate improves, the hidden costs associated with it decreases.

The *hidden costs*, in a broadest sense, can reflect poor quality anywhere in the organization, be it the products, structure, strategy, job design, compensation system, or behavioral aspects of workforce both as individuals and as teams. Some of the costs of poor quality are obvious and can be easily calculated, but most of them are not so obvious, hence, the term hidden cost. It takes special skills and proficiency to calculate the hidden costs and so our consulting program is designed to provide the students such skills.

## **Experts' Opinion**

Based on calculation of hidden costs by the consultant using the data collected during the diagnosis phase, and top management reaction to the data, the consultant will develop an Expert Opinion document which identifies and describes areas that may be targeted for improvement. Thus begins the change component.

## **Priority Action Plans (PAP)**

Management considers the experts' opinion and develops a priority action plan of changes that will be initiated through careful consideration and planning by project teams. It is important to note that all change efforts are coordinated by teams of managers and employees, not individual managerial directives. A table of skills identifying the strengths and weaknesses of personnel is also prepared. This information will assist in tailoring PAPs with associated personnel and expectations results. All details of implementation, including actions and schedules, are usually coordinated among the teams.

## **Assessment of Results**

Performance targets set by the teams through their respective PAPs are identified and results evaluated through comparison. SEAM considers both immediate results of any change effort, as well as the long-term performance of the organization.

SEAM as a unique approach to consulting can be distinguished from the traditional approach used by management or organization change consultants in the United States through the following key features:

- **It is comprehensive and integrative**
- **It includes both structural and behavioral changes**
- **It utilizes economic assessment**

## **It is Comprehensive and Integrative.**

SEAM incorporates a variety of data collection, analysis, feedback, and change strategies. It combines both qualitative and quantitative analyses of interview, organization system, and economic data. SEAM uses a coordinated multi-faceted approach to organizational change rather than relying on a single framework or intervention strategy. In the SEAM method of consulting, the consultant does not unilaterally offer solutions or courses of actions. Rather, it is through the collaborative efforts between the consultants and the organization members that the problems are identified and the suggestions for improvements are derived. This is markedly different from the practices of other consulting firms in that the SEAM method provides significant learning opportunities for client organizations through their organization development activities.

### **Inclusion of both Structural and Behavioral Change**

SEAM does not distinguish between an organization theory vs. an organizational behavior approach. It combines both macro and micro approaches to organization change.

### **It utilizes Economic Assessment.**

SEAM incorporates the hidden costs of organization dysfunctions, thereby establishing a baseline for outcome assessment. The quantification of the impact of the change introduced to an organization is emphasized in SEAM, hence facilitating the evaluation of that change, whether or not it has been effective.

It is important to note, however, that although the general frame work of the SEAM approach (diagnosis, intervention, assessment) is similar to other change management methods (i.e., Lewin, 1951), comparing the details of various consulting approaches is rather difficult. This is due to the fact that management consulting methods remain, to a large extent, secrets within private partnerships, client confidentialities, and proprietary techniques developed by various consulting firms. Thus it is difficult to perform any meaningful comparative analysis of their effectiveness. Each consulting firm formulates its unique way of tackling the problems, from data collection, data analysis to intervention techniques and implementation. In short, we know little about the effectiveness of various consulting methods used by consulting firms except the anecdotal claims by both the consulting firms and the clients. To overcome this lack of comparative data, we've used consulting practitioners in our advisory council to provide their perspectives and inputs to supplement the SEAM tool kits.

### **Management Consulting Programs in U.S. Universities**

This study revealed that several universities in the U.S. have a one semester course in management consulting within their undergraduate programs, while others offer a second-year elective course within an MBA program. These course typically do not have prerequisites. The courses are designed to provide a student with (1) a description of consulting techniques and (2) a practicum where students undertake a consulting project with a local company or organization. One faculty member normally teaches the course and oversees the practicum.

This traditional approach has several limitations. Serious consulting engagements typically address problems that cross the functional boundaries within clients' organizations. Consulting companies normally form teams composed of individuals with a range of backgrounds to undertake these engagements. A stand-alone course will have trouble exemplifying this process. It will be difficult for the instructor not to teach the course solely from the perspective of his or her functional area. Moreover, the instructor will find it difficult to undertake engagements that are not within the instructor's area of competence. The result is a consulting course that will be less than successful at reflecting the types and range of activities that consultants engage in on a daily basis.

On the contrary, the team approach can address those limitations when the team members are chosen from a range of functional areas with the understanding that most of them would be teaching a course which involves supervising consulting engagements. This heterogeneous composition mirrors the professional philosophy that the curriculum is designed to foster, because consultants have to address

issues that stretch across many functional areas. In addition, since the consulting engagements are typically team-based efforts, the curriculum seeks to train students to be able to function effectively as both team members and team leaders.

Contrary to existing consulting programs in U.S. universities, ISEOR of Leon, France is consulting institution that also has an integrative and comprehensive academic curriculum in Management

Consulting. In early Fall of 2000 CMU established a partnership with ISEOR to develop a Management Consulting concentration within its MBA program.

### **The Management Consulting Concentration at Central Michigan University**

An inter-disciplinary team of faculty members were chosen from a range of business disciplines. The team attended a total of four training sessions, two at ISEOR and two in the United States with ISEOR staff. As part of the training the CMU development team applied the concepts and methods of SEAM to a small plastics thermoforming manufacturer to assist them with significant organization change.

Based on the SEAM approach, an extensive review of change management literature, and benchmarking with other existing Management Consulting programs in the U.S. universities, the development team created an innovative four-course curriculum in Management Consulting. The program consists of four 2-credit hour courses plus a practicum with an actual consulting engagement (See Appendix A).

The four courses within the curriculum are: change management, the consulting environment and consulting skills, and two courses in consulting methodologies. The two methodology courses focus on the SEAM approach to consulting. Students also participate in consulting engagement that utilizes the SEAM method. This practicum counts for an additional four credit hours in the curriculum. Since all classes are taught by a team of at least two faculty who have completed the SEAM training program, the students are exposed to an inter-disciplinary learning experience. Every consulting engagement is also supervised by two faculty and a consulting practitioner from an advisory council consisting of retired and practicing consultants from consulting firms such as Accenture, Plante Moran, and Bain & Co. The managers from the clients' organizations, as well as the advisory board members, routinely attend and participate in class sessions.

Through learning about the practice of consulting as well as through a "hands-on" consulting project utilizing the SEAM approach, students are able to develop core competencies and skills essential for consulting activities. In particular, students perform "data collection" through various techniques such as interviewing management and employees, observation, and review of organization documents in order to determine, not only the client's business processes and operations, but also the feelings, attitudes, and perceptions of organization members. The diagnosis process also includes calculation of the hidden costs of dysfunctions and the preparation of an engagement letter for the client after the consultants meet with management to discuss their initial concerns.

Working with the client organization to develop potential solutions to the *dysfunctions*, helping teams of employees and management to implement the proposed solutions, and assisting management to

develop measures to assess whether the solutions were successful are all part of the learning process so to ensure that students have the necessary exposure and practice to function as effective consultants.

## **The Administrative Support**

This effort took three years and a wide range of resources to facilitate the curriculum development. The leadership of the College of Business Administration at CMU supported the development at every step. The College provided support for training sessions, faculty travel, and release time from teaching duties to facilitate curriculum development.

## **Results**

This management consulting curriculum development was completed, approved, and launched in 2003. Two student cohorts have successfully completed the program since the Fall of 2003. A total of seven consulting engagements have been completed by the student teams and their faculty advisors and coaches. The client organizations who have been part of the consulting engagements range from large firms such as Domino's Pizza of Ann Arbor, MI, Delfield Corporation of Mt. Pleasant, MI to medium size and smaller firms such as Playbouy (Avalon) Boat Corp., of Alma, MI and 20/20 Photography of Mt. Pleasant MI.

Continuous assessment of the quality of the program is carried out using the opinions of students, the client organizations' feedback regarding consulting services, and the advisory council review of projects. The long term success and the viability of the program will be judged in years to come. Assessment data are being continuously monitored and used to make changes in the sequence of the course materials and in providing additional skill building workshops and other improvements in the program.

## **Conclusion**

The process of developing a Management Consulting concentration in an MBA program presented in this paper followed a rigorous approach. Through an extensive analysis, the Socio-Economic Approach to Management model was selected as the foundation of the program. Furthermore, inputs from consulting practitioners through an advisory board helped improve the content and the eventual design of a successful, relevant, and a quality educational experience. This program was developed with a continuous focus on providing students with the necessary skills to improve the effectiveness of organizational change processes.

This program and the development processes can be applied in other contexts, in particular the international arena. Having based the foundation of the program on a framework used widely in France, it is likely that the program would be relevant in most European countries. Furthermore, since the human element is an integral part of this consulting methodology, its application in many developing countries would be welcomed.

## **REFERENCES**

- Cummings, Thomas. Christopher & C. G. Worley 2001. "Essentials of Organization Development & Change." South-Western College Publishing, Cincinnati, OH.
- Fayol, H. 1966. *Administration Industrielle et Generale*. Paris, France: Dunod.
- Flemming, Poulfelt; L. Griener; & A. Bahmbri 2005. "The Changing Global Consulting Industry." In the "Contemporary Consultant: Insights from the Experts," pp. 3-22, Thompson & South-Western Publishing.
- Frits, K. Pil & John P. MacDuffie 1996. "The Adoption of High-Involvement Work Practices," *Industrial Relations*, 35.
- Griener, Larry & Flemming Poulfelt 2005. "The Contemporary Consultant: Inside from the World Experts," Thompson & South-Western Publishing.
- Hoogervorst, J. A.; Koopman, P.; & Flier, H. 2005. "Total Quality Management: The Need for an Employee-centered, Coherent Approach," *The TQM Magazine*, V. 17, Iss. 1, pp. 92-107.
- Lewin, Kurt, 1951. "Field Theory in Social Sciences." New York, Harper & Row.
- Mann, Leon; Sampson, D.; Dow, D. 1998. "A Field Experiment on the Effects of Benchmarking and Goal Setting on Company Sales Performance," *Journal of Management*, 24.
- Mayo, E. 1933. "The Human Problems of an Industrial Civilization." New York: Macmillan.
- Pfeffer, Jeffrey & Sutton, R. 2000. "The Knowledge-Doing Gap: How Smart Companies Turn Knowledge into Action." Boston, Harvard Business School Press.
- Pfeffer, Jeffrey 1998. "The Human Equation: Building Profits by Putting People First." Boston, Harvard Business School Press.
- Ricketts, Richard, 1994. "Survey Points to Practices that Reduce Refinery Maintenance Spending," *Oil and Gas Journal*, 4, 38.
- Savall, H., Zardet, V., & Bonnet, M. 2000. "Releasing the Untapped Potential of Enterprises Through Socio-Economic Management." Geneva, Switzerland: International Labour Office.
- Taylor, F.W. 1911. "The Principles of Scientific Management." New York: Norton.
- Zell, Deone 1997. "Changing by design: organizational innovation at Hewlett-Packard." ILR Press, NY.

## **ABOUT THE AUTHOR**

**Dr. Mahmood Bahee** is a Professor of Management at Central Michigan University. His areas of expertise, teaching and research include Business Policy and Strategies, and Management Consulting, and international management.

**Dr. Kevin Love** is a Professor of Management at Central Michigan University. His areas of expertise, teaching, and research include Organization Behavior, Organization Development, Human Resource Management, and Management Consulting.

**Dr. Debra McGilski** is an Associate Professor of Accounting at Central Michigan University. She also worked at Arthur Anderson Co. at Milwaukee, Wisconsin. Her teaching and research interests include federal income taxation, management consulting, curriculum development, and assessment of learning.

## **APPENDIX A**

### **Summary of the content of The Management Consulting Concentration**

#### **Prerequisite /Competencies requirements:**

- Financial and accounting systems
- Marketing principles and systems
- Organization theory and structure
- Behavioral processes
- Human resource management processes
- Organizational strategy and policy processes
- Information technology processes
- Organizational change principles
- Research methods and designs
- Quantitative measurement techniques
- Qualitative measurement techniques
- Group behavior processes
- Professional ethics in the consulting profession
- Oral communication
- Group and team facilitation
- Individual and group interviewing
- Project management
- Team leadership
- Clear and grammatically correct writing
- Prepare and conduct presentations
- Design and deliver training programs

## **Summary of the Course Content:**

### **Course 1: Organization Change Management (2 credits)**

1. Why change is necessary in the business environment
  - Changing nature of the business environment
  - Globalization of competition
  - How organizations change and evolve
2. Understanding the competitive environment
  - Tools for competitive analysis
  - Concepts of competitive advantage
3. History of change management perspectives
  - Organizational development
  - Organizational learning
  - Socio-economic approach
4. Principles of effective change management
  - Participation
  - Communication
  - Motivation
  - Defining the vision of the future
5. Barriers to effective change
  - Cultural
  - Behavioral
6. Leadership role in change management
7. Change management process
  - Initial diagnosis
  - Development stage
  - Planning stage
  - Implementation phase
  - Measure and evaluation phase
8. Developing and Motivating High Performance
  - Employee empowerment
  - Team Development

**Course 2: Management Consulting: Practices (2 credits)**

1. History of the consulting process
  - Consulting approaches and organizations
  - Consultant certification
  - Current organization of the consulting profession
2. Code of ethics for professional consultants
3. Consulting process overview
  - Types of consulting engagements
  - Different methodologies of consulting
  - Gaining legitimacy and access
  - Managing the consulting relationship through time
4. Engagement management tools
  - Problem definition
  - Resource assessments
  - Engagement planning and management (GANTT charts, project flowcharts, etc.)
  - Writing an engagement letter
  - Pricing an engagement
  - Engagement workpapers
5. Engagement management skills
  - Team leadership
  - Team dynamics
  - Team building techniques
  - Problem solving in teams
6. Managing relationships with clients
  - Specification of goals (deliverables) and deadlines
  - Specification of roles
  - Specification of access requirements
  - Interviewing skills
7. Initial practicum development
  - Initial client visits
  - Initial problem definition
  - Establish team membership
  - Initial design of engagement

8. Research Skills
  - Qualitative
  - Quantitative

**Course 3: Management Consulting: Methodology (2 credits)**

1. SEAM and other management consulting approaches
  - Vertical interventions
  - Horizontal interventions
  - Roles of the management consultant in different types of interventions
2. Diagnosis phase of the intervention
  - Mirror effect
  - Experts' opinion
  - Determination of client's dysfunctions
  - Estimating the costs of the dysfunctions
  - Interviewing techniques to identify dysfunctions and costs
3. Applied research methodologies
  - Survey design
  - Field research
  - Quasi experimental research design
  - Content analysis
4. Application of external strategic perspectives
  - Benchmarking
  - Market assessment
  - Competitive assessment

**Course 4: Management Consulting: Methodology (2 credits)**

1. Project phase of the intervention
  - Creating effective teams for the intervention
  - Identifying horizontal and vertical aspects of intervention
  - Economic management tools
  - Project management tools (priority action plans, time management tools, etc.)
  - Coaching techniques by the consultant
2. Assessment phase of the intervention
  - Agreement on measurement techniques
  - Measuring improvement
  - Periodically negotiable activity contracts

3. Enhancing strategic vigilance
4. Assessing implementation effectiveness

**Practicum (4 credits)**

Students start their consulting engagements in the beginning of the 2<sup>nd</sup> course which will be completed at the end of course 4<sup>th</sup>. There is practicum activity in every session of courses 3 and 4 where team members present their progress, discuss challenges and problems they've faced, and learn from their peers. All courses are team-thought and each engagement activity is under the supervision of at least two members of the management consulting teaching faculty and the coaching of a practitioner consultant.