Preface

As a young consultant I wondered why my colleagues were so skeptical about the research methods I had learned in academia. 'Don't trust academic methods in the context of consulting' they warned me. 'Economic theory won't help you much. Talk with your client or with experts instead. They will give you more relevant knowledge than 20 scientific articles together.' These and other consultant "lessons" conflicted with the beliefs and expectations I had as I left university with a Master's degree in economics and philosophy. I believed in the importance of universal standards of morality and had developed a sense for complexities. I had learned to respect theory, the rigor of research methods and the importance of legitimizing conclusions. I was used to the time needed for reading and thinking. However, I considered the detached scientific attitude as problematic. I could not identify with that, nor could I recognize many assumptions of economic theories by introspection. Working as a consultant was an opportunity to see economic theory and academic methods with new eyes. Let me summarize some of my consultant experiences at KPMG Bureau voor Economische Argumentatie to give you a first impression of the professional ethos of consultants. The same experiences inspired me to undertake the "applied" philosophical research that resulted in this book.

MANY MORALITIES

The first assignment I had to work on was about the economic impact of addiction treatment. The Dutch government regularly questions if addiction treatment is worth the price. Most addicts relapse after treatment. The interest of our client was to show that addiction treatment could reduce social costs such as criminality or low labor productivity despite its limited effectiveness. This economic argument would convince the government to support addiction treatment in the future.

I liked this assignment, since I was eager to show reduction of social costs. I considered addiction treatment a useful institution in society. Soon I became the "expert" on addiction. This often happens after one assignment in most consultancies. Therefore I was given a second assignment on gambling, since gambling caused addiction problems as well. We had to estimate the economic impact of a new law concerning gambling. The government had invented new restrictions to reduce the number of addicted gamblers. I personally agreed with the purpose of this new law. Because the restrictions would result in a loss of sales and, in turn, lower the sector's employment, we were asked by a branch organization of private casinos to investigate the negative economic consequences for the sector.

I had problems arguing this case. I did not like private casinos at all, and I knew that addicted gamblers stole my bikes even more often than drug addicts. I had to do economic research in a context of conflicting interests and values. This kind of economics was part of a social world. The academic economists who trained me had been silent about these interests and values, as if they were not subject to economic deliberation. That was strange, since I really had to tell an economic story. The story was about the assessment of effects perceived from different points of view. It was not that I had ignored courses about values in economics, but they were about scarcity, utility, welfare or the importance of egoism for the economy, and these values and motives were always discussed on a high level of abstraction and treated as if they were universally applicable. Now economic deliberation had to do with real and different interests, real and diverse purposes, real restrictions and the estimation of concrete measures with real impact. They were related to the many moralities and interests in the economic world.

I became personally involved in these two assignments. I was bothered by and enthusiastic about them. Real economics was concerned with clean and dirty hands. It was about concrete utility for real organizations or interest groups. It was not a thing to analyse and describe while remaining an outsider. In this economic world I played a role and therefore had to take responsibility for the reports I wrote.

My firm accepted the gambling assignment as a case of economic advocacy. In such cases the ethos of my company was to provide a client with valid arguments, since no client would benefit from false or wrong arguments. That gave some basis for my misgivings. It was a guarantee that I would not be pressed to sell nonsense for truth.

While I carried out this assignment critically, the consequence was that I changed my views. I learned to understand the interests of the private casino owners. They were not treated like their main competitor, Holland Casino. The national government had a financial interest in Holland Casino, so equal treatment was not in the interest of the government. It was strange indeed that the proposed new restrictions affected only the private casino owners, not Holland Casino. The private casino owners had a case. To me it seemed even better in the end that Holland Casino had a strong competitor, regarding their addiction prevention program.

KEEP IT SIMPLE

As junior consultant I learned that consultants write such that their advice should not take much time to understand. Their presentations should make clear to the client the practical relevance of the analysis. Recommendations should be presented in such a way that clients are encouraged to implement their advice. Advice should be helpful. For these reasons I had to write as transparently, concretely and simply as I could by avoiding complex sentences and by illustrating concepts, relations or changes visually using graphs and figures.

As a junior I wrote a proposal to convince a prospective client that we could help them. My project manager was really angry with my proposal. I did not understand. I had worked hard and developed an interesting perspective for our prospective client. It was too good for the wastepaper basket. So I got angry too, and my project manager invited our managing director to mediate. I explained to him that my point was in the middle of the fourth page, after three pages of explaining why several other perspectives would not work. The managing director told me that, however interesting my point, the project manager had become angry at having to read three useless pages and then had given up reading the rest of the proposal. In consulting, start with what you really want to say. This lesson was exactly the opposite to what I had learned at university.

Factual writing is another way for consultants to keep an analysis simple and convincing. A client can respond to facts or concrete numbers directly: most clients can judge whether they are presented correctly or not because they have specific knowledge about their field. A consultant report can present arguments one step ahead of the facts derived from interviews, inquiries or statistics. Predictions are more like expert guesses based on direct evidence. More speculation makes a report too complex and too risky in its consequences. So I learned that a consultant report should be strongly related to notions of common sense.

USE KNOWLEDGE MORE THAN THEORY

The ultimate purpose for consultants is to give advice. Economic theory, statistical information, observations or knowledge by experience are all means that can contribute to your advice. Knowledge that is close to observation is often more useful than a theory that relates variables. It is knowledge about what the case is, what is wrong and what can be improved.

During an assignment to improve ethno-marketing of small and medium enterprises we used Kotler's marketing mix as the concept. The mix (product, price, place, promotion) explains to some extent the success of a marketing approach, but that was not what we looked at. Our question was to identify what elements of the marketing mix could be used to reach specific ethnic groups. The employees in the shops, not just the products, were ethno-sensitive; both were culturally embedded. We thus used the marketing mix as a checklist to identify elements of the mix that could be ethno-sensitive by talking to business people, considering their strategies, discussing expectations by reflecting on experiences, and by pushing the limits of a category like promotion. To consider employees as part of this category requires some interpretation.

If knowledge already exists a consultant will use it. Many economic and business statistics were part of our library. We used them to look at unemployment rates and demographic developments, but we hardly looked at correlations. Theories like Porter's Five Forces, or market typologies like monopolies or oligopolies were sometimes a point of departure for further discussion, but often these rather simple or global theories were too general, abstract or idealized. The more specialized theories had even less relevance. Since the cases that an adviser has to cope with are interdisciplinary, a microscopic approach often fails. My colleagues were cautious about economic models that described dependencies or causal relationships and I developed the same suspicions after some years of experience. In real life we cannot use a ceteris paribus argument. We tried to imagine possible scenarios instead. Different things can happen and as a consequence an economy and its actors can go in different directions.

QUICK AND DIRTY RESEARCH METHODS

Only if we could not find relevant knowledge in documents, in our own track record of assignments or at the client's office did we do research, but never more than necessary. If three semi-structured interviews were enough to draw conclusions in combination with our experience and some desk research, we left it at three. If we could give sound advice that way, it was fine with us. Our clients agreed most of the time if we discussed the proposal.

I had difficulties accepting this research style at first, and had animated methodological discussions with my project manager. "We cannot say this," I would protest as we made a proposal. My project manager replied, "Academics cannot say this, but we can. That's why our clients ask us instead of academic advisers". We had better opportunity to deliver at least some results by our "quick and dirty" methods. Some indications are often enough to draw tentative conclusions, and tentative conclusions are better than no conclusions at all in the minds of most clients: in practice, we often can only decide in this way.

It is hard to convince junior consultants who have left university that they have to use non-academic standards to assess knowledge. They have to learn that in the context of consulting the production of general valid knowledge is no longer the ultimate purpose. I learned that research should be done only if it is useful in the local context of your advice. If 80 percent of the information can be uncovered with 20 percent of the effort, then leave the last 20 percent of information to the academics. Consultants know their style is quick and dirty from an academic point of view. They have their own means, though, to correct flaws in their approach if necessary. These are common sense experiences of similar situations, and a kind of intersubjective testing based on critical discussion of their findings with clients, stakeholders or colleagues.

START THINKING SOON

When one of the founding managers of our consultancy left us, he mentioned some of the lessons he had obtained from his experience as manager and consultant. One was that a consultant has to formulate conclusions as soon as possible. It makes it easier to write a report when the conclusions are at least tentatively known. You can test your conclusions in interviews and in conversations with the client and client stakeholders. It proved to be one of the most important lessons I learned from an experienced consultant, and it took years to make progress in this respect. This ability depends on experience. It is an ability to "see" directly what a management situation is like and what is needed to improve it for your client, rather than analysing all problems in detail. It is like learning to read: first, you have to spell each word; later, you recognize words and sentences as a whole.

Knowledge by experience and tacit knowledge are key terms concerning the ability to draw the right conclusions fast. It is part of seniority, which means something to consultants. Seniority also includes personal strength and authenticity. Can you take responsibility for your conclusions? Can you criticize or correct your client? Can you confront a client with unpopular conclusions? Do you have the ability to push a client gently and yet firmly? Consultants are actors in a social world, where interests are powerful forces. They need personality along with experience. These abilities are not academic, but they are needed to act in the social context of economic life.

BE OPEN TO CRITICISM

Teachers at different universities had familiarized me with critiques and criticism. I considered myself a critical academic. After all, I studied philosophy. When I started consulting, my project manager warned me that if I asked for a critical reading of my pieces, I would get them back decimated: "We take criticism more seriously than you're familiar with." My colleagues took their time and I got my experience. The reason: failures are expensive for consultants. "It takes 20 good assignments to compensate the damage to your reputation by one failed project", one manager told me. Even now, as an academic, I consider consultants more critical than academics in reading their colleagues' work. The only exception I know is the anonymous scientific review of an article. The open kind of face-to-face criticism that consultants regularly endure is rare in my department, at seminars and conferences. I have experienced consultants as more involved and more social characters, resulting in a different attitude toward criticizing and being criticized.

Academics seem to prefer leaving their colleagues in peace by responding: "It is not my field; that is not my expertise." Compared to consultants academics seem rather indifferent. They work more in isolation. Consultants do not leave the world in peace. They like drama. They challenge each other. That consultants are more critical than academics stems from their social involvement. In the end you have to give advice. You are responsible, you engage.

However, academics are not necessarily more friendly characters. They are able to give a harsh kind of criticism as well, like their criticism towards consultants or criticism meted out during some PhD defenses. This harsh kind of criticism often results from a clash between the criteria of different professions, disciplines, schools or paradigms. The criticism of consultants is different, it is more involved and more close to the recipient.

ENGAGE WITH YOUR CLIENT

Consultants can criticize their clients in several ways. Rarely do they accept the formulation of an assignment at once. A client often has a biased view regarding the reasons that make advice necessary. I learned how to convince a client that the real problem could be different, or that the assignment had to be formulated differently to get a more valuable outcome. I also learned to invest in an open atmosphere, necessary for an open and critical dialogue. As a consultant I had critical and analytical abilities, but no ready solutions. We could not tell a client what to do immediately, but we could help a client understand the proportions of the problem, what matters and what does not, what solutions are possible and which choices would be helpful. One of my colleagues once asked me to know within the first three days of working with my client the setup of the client's organization, the jokes, the kind of conversation and the atmosphere in order to know how to approach and remain close to the client and establish the required relationship.

A consultant needs some intuition of the bias in the client's understanding of their situation, like a psychotherapist. The sooner a client is confronted with a faulty formulation of the assignment, the better. This has consequences for client expectations too. Clients cannot leave their problem entirely to a consultant, though many like to do exactly that. Therefore a consultant has to critically manage the expectations of a client. A client expecting too much will be disappointed in the end, a poor outcome for both consultant and client.

Academics seem less aware of their clients' interests. In one assignment we subcontracted an academic adviser from the Faculty of Law. It was hard to explain to him what our expectations were and what contributions would be in the interest of the client. It took several rounds of feedback to point him in what we considered the right direction. He had difficulty internalizing the interest of the client in his work. Another experience was an interview with two academic advisers who were working for an organization of private casinos. During the interview I sensed that the academic advisers were willing to limit the scope of their research to those questions that were most likely to support the preferred conclusions of their client. We discussed how far one can go in this client-pleasing direction. Strangely enough, the academics were willing to phrase their research question in any direction: the client defines what knowledge has to be delivered. As a consultant I wondered about this approach, especially since this client had critical stakeholders. It would not be in the client's long-term interest to present a one-sided argument. I felt that something strange was happening, something paradoxical, which I could not quite understand. Was there a more fundamental problem with academic standards and what was this? How did academic advisers do their work compared to consultants?

ACKNOWLEDGMENTS

For writing this book I owe a lot to the conversations I had with colleagues during the six years that I worked as a consultant. I learned on the job how to become a consultant and what are the necessary consultant skills and values. As important was the opportunity to do academic research in this

field, first offered to me by Arjo Klamer as my PhD adviser. The project resulted in a PhD thesis ten years later (Bouwmeester, 2008). The discussions we had illustrated differences between consultants and academics. I had internalized consultant standards, but worked on an academic PhD project, following academic rules. My first idea to start the PhD project was to conduct interviews and review advice reports right away, in order to find out more about the differences between the professional groups of consultants and academic advisers. However, that approach seemed too quick and dirty: there was already research in this area. “Read your literature” was the comment I received from my PhD adviser. As consultants we preferred talking rather than reading. However, consultants and academics had already expressed much of their views in their writings. Interviews were first postponed and later even removed from my research design. Instead I have reviewed or “interviewed” literature by consultants and academic advisers about their understanding of their work in order to compare these views with what they both have “done” in their advice reports.

I am grateful for the conversations I had with members of Arjo Klamer’s weekly seminar, first as a consultant and later as assistant professor working at VU University Amsterdam. That I left the consultant world behind during my PhD project helped me to better internalize academic standards from the perspective of a researcher, by talking and working with my colleagues at VU University Amsterdam. The university also gave me more time for my research than I could afford as a consultant. Barbara Czarniawska, Tom Elfring, Pierre Guillet de Monthoux and Ard-Pieter de Man have contributed significantly to the final version of this book with their enthusiastic support. I would very much like to also thank the anonymous reviewers for their many helpful comments. And Tibor, Frank and Phoebe, I am always happy to meet you after a day of work.

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