

# Changing Role of Strategy Change Agents<sup>1</sup>

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Strategy consulting is now an integral part of the Indian corporate landscape. It was almost non-existent prior to the 1990s, and the fillip came with the onset of economic reforms. Majority of medium and large Indian organisations had some kind of interaction with strategy consultants, and in many cases the interaction was intense and prolonged. It is difficult to assess the impact of engagements at an aggregate level, but the strategy consultants will continue to play an influential role in coming years. However the role will undergo considerable change, in terms of what the strategy consultants do and how do they do it. Change is essentially driven by the relative maturing of strategy practise in India and by the impact of internet & information technologies on a knowledge based activity.

Strategy consulting is best seen as a segment of the management consulting sector. The distinguishing aspects being – unit of analysis of a business unit or company as a whole, long term perspective often in excess of three years, and changes usually top driven. Assessment and interventions typically relate to the redefinition of strategic direction, as a response to changes in economic and industry context or in performance; the acquisition, development or enhancement of organisational competencies; and the realignment of organisation structure, culture and processes, with the newly defined strategic direction. In India there are three types of strategy consultants. One, "global strategy" consulting firms like Mckinsey and BCG; two, "boutiques" or individuals having high degree of disciplinary expertise; and three, strategy practise of "broad based" international audit and Indian consulting firms. These outfits operate with differing methodologies and capabilities.

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Role played by strategy consultants is closely linked with the aspiration of corporations, which in turn primarily depends on economic and industry situation. The decade of 1990s was of transition for Indian corporate sector, from 'centrally planned – self sufficient' to 'market oriented – globally integrated' economy. Current decade is the next or post-liberalisation stage, with widely different nature and context of strategic issues, and strategy consulting will also need to evolve to its next stage.

**Shift from image to substance** Early 1990s was a period of major discontinuity for Indian corporations. Loosening of controls on business and capital markets, created a situation of expectancy and uncertainty, as never before. Opening-up attracted MNCs looking for joint venture partners, FIIs for portfolio investments, and also the global strategy consultants and gurus. Backed up by media hype and high profile presentations, they created the concept and the market for strategy consulting. Interventions of global firms were essentially transplantation of developed country models and methodologies, and the governing mindset was of excessive hubris. Expectedly their impact was limited. But there have been notable successes like Ranbaxy, which was advised by the second or 'boutique' type of strategy consultants. Now after a decade, strategy consulting is better understood in terms of clarity of expectations on both client and consultant sides, and the engagement decisions can be made on substantive reasons. Robustness and track record of interventions in Indian corporate situations rather than projected image, will guide the choice among strategy consultants.

**Efficacy of India specific premises and methodologies** Strategy advice is based on premises about economy and industry, and intervention approaches are guided by certain assumptions on individual and group behaviour. The premises and assumptions vary dramatically across countries and change considerably along time. Strategy theory that have mainly originated in United States, have gone thorough reversals almost every decade. This is because of changes in corporate aspirations in US, shown by the popularity of portfolio planning matrices in 1970s, competitive strategy and position in 1980s and strategic intent and core competencies in 1990s. After coming of internet, need is being felt for new strategy concepts. Unlike technology arena, where latest is distinctly superior and generally context neutral, management concepts are different. There are serious issues in applying them in a different 'time and space'. Strategy consulting to be effective needs to be based on India specific premises and methodologies. Major contributions will happen when these premises can be tied into a generalised Indian strategy doctrine.

**Changed expectations in internet era** Responding to a question at a leading management institute in mid-1990s, a senior executive said "we go to global strategy firms for information on what our international counterparts are doing and how are they organised". This situation is radically changed during the last few years, as a simple internet search can now put-together all relevant information. In addition, majority of Indian corporations now have reasonable capability to analyse data and outline strategic implications. Internet in a way cuts

out a large part of real and perceived value addition by strategy consultants. Therefore value proposition needs to be quite different in coming years. It will perhaps be built around – distinctly superior expertise on strategy discipline and change approaches; ability to facilitate right ideas through organisational labyrinth and to agglomerate them into robust models; capability in providing a fresh and apolitical external perspective; etc. The shift in required value proposition raises fundamental issues about how strategy consultants are organised and staffed. Organisation model built on standardised frameworks and fresh MBAs will not be the best, even if viable.

**Value of realising benefits** There can be two yardsticks for evaluating the success of a strategy engagement. Firstly, the changes outlined in a report or presentation should get implemented. Secondly, the changes should lead to lasting and significant benefits for client corporations. Many engagements have foundered on the first criteria itself, because either the conceptualisation was not robust and realistic or there was insufficient momentum for change. Realising benefits are far more complex, as not only the 'hard' or structural and systemic changes needs to be fully implemented but also accompanied by institutionalisation of 'soft' or behavioural changes throughout the organisation. Strategy change process is sensitive and multi-dimensional, and corporations often need external facilitation and support. Value addition in implementation and institutionalisation of changes, will be the real task of strategy consultants. This requires different type of consulting capabilities and methodologies from the ones currently deployed.