

Consulting 101

Columbia University

IEOR Department

Professor Herman

Agenda

- Introduction
- What is Consulting?
- How is the Consulting business organized?
- What types of talent and skills make you employable as a consultant?
- Where can I work as a consultant?
- FAQ
- Interviews
- Case Studies
- Questions and Answers

Who am I?

- Over 3 decades in the consulting business.
- Former Senior Partner at Booz Allen Hamilton (BAH).
- Built and ran an \$850 M dollar business unit.
- Created and built out BAH modeling, simulation and wargaming business unit.
- Last assignment, established BAH cloud analytics business unit.
- Currently an adjunct Professor in the IEOR Department, founding partner of Herman & Frost Associates, and a professional game designer
- Website: www.e-markherman.com

What is Consulting?

- Consulting is the business of delivering professional advice to solve problems.
- Consultants are professionals who give advice and counsel to solve problems across the spectrum of strategy, engineering, analytics, science, and technology services.
- Consulting is a life style choice!
- If you are looking for a secure calm work environment, you have come to the wrong industry!!!

How is the Consulting business organized?

- Consultants range from large full service consulting companies to independent consultants.
- Full Service Examples
 - McKinsey
 - KPMG
 - BAH
 - Accenture
 - Deloitte
- Boutiques are specialized consulting companies usually focused on a single industry, e.g., cybersecurity, health, energy, financial services...
- Independent consultants are usually experienced professionals who hang out their shingle or inexperienced entrepreneurs with a hard to find expertise.
- and everything in between...

What is the business model?

- Consultants typically get paid based on billed hours plus expenses akin to other professional services such as Doctors or Lawyers, although firm fixed price projects are becoming more common these days.
- As a young consultant you are typically measured by how 'utilized' you are over the course of a year. Said another way, are you sufficiently in demand to keep your job.
- Most consulting firms are internally organized as business units (practices) that are focused on a market (e.g. health) or a technical discipline (analytics).
- Practices tend to have a pyramidal structure with the person at the top paid the most to find and close on business that supplies the rest of the group with work that translates into firm revenue.

What makes YOU employable?

- Agile thinker, able to structure problems so they can be solved efficiently, effectively, and creatively...
- Need to be a quick study...
- Jack of all trades Master of One...
- Good communicator...
- An interesting well rounded person that people want to talk to...
- To be successful long term, you need to become famous for something... for example I am famous as a commercial wargame designer...

Where can I work as a consultant?

- Anywhere on the planet...
- Probably best where your communication skills are strongest... although not a set rule.
- Most full service consulting firms have offices in interesting places... e.g., Singapore
- Great talent transcends all barriers...

Frequently Asked Questions

- I am contacted regularly by my current and former students and this is what they usually ask me.
- How are you doing? Very well; thank you for asking.
- I have an interview with (*fill in the blank*), what kinds of questions can I expect?
- What should I look for in a case study?
- Answers on next chart...

Typical Interview Questions?

Caveat: These are typical of an American interviewer for a US Company.

- Series of questions around technical competence. Just remember you are graduating from Columbia University, if you worked hard you should have no concerns here.
- Typical technical question: What technique would you use to solve this type of problem? The answer is usually some form of statistics.
- Why do you want to work for (*fill in the blank*)?
- What do you see as your strengths? Be professional but do not be modest or arrogant, know your value!
- What do you see as your major weakness?
- What are your leadership experiences?
- What book are you reading right now?
- Do you have any questions about (*fill in the blank*)?

IMPORTANT: Always show good manners and send a thank you note to your interviewers on the same day after the interview.

Also Important: Write down what you were asked and as many details of the Case Study that you can remember. *Learn from the experience.*

Case Study

- It has become typical for most large consulting companies to put candidates through a Case Study to see how you think. Each is different, but they are *usually* not trying to trick you.
- Most problems of this type conform to the simple model of:
- Input \longrightarrow $f(x)$ \longrightarrow Output (Answer)
- Think from right to left
- Read the question carefully and make sure you understand the units of the answer, *for example \$/account or ROI, etc.*
- See if the data being supplied can be manipulated into the answer. *If not, make sure you understand the question as these are usually canned problems with the necessary data.*
- Explain your answer in straight forward language. Less is more in most cases.
- ATM (Automated Teller Machine) case study from last week.
 - Should they install cheaper or more expensive ATMs on University Campuses
 - One time non-recurring costs (two types of machines)
 - Recurring Costs (O&M costs)
 - \$/ ATM, requires an understanding of how many transactions per machine per year
 - Fees per transaction, etc., my guess, all else being equal, cheaper machines are better

Closing Thoughts

- Consulting is a life style choice.
- Jack of all trades master of one!
- Be relevant and billable or be unemployed.

- If you want to know more take my Applied Consulting course in the Spring 2017 semester.

- Any Questions?