Drivers & Fashions in Operations Consulting Industry in Denmark

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SYNOPSIS:

Using an inductive qualitative analysis, this project set out to explore the operations consulting industry in Denmark, its fashions and drivers.

Three management fashions were identified, Lean, digitalization, and blockchain. Competition, and the innovative urge of consultants were also identified as two of the key drivers of the operations consulting industry.

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ABSTRACT

This project is an inductive qualitative analysis of the current state of the operations management consulting industry in Denmark. Based on document analysis and expert interviews, the current focus and offers of the operations consulting market were investigated. Drawing on knowledge of the operations management, the operations management consulting, and Abrahamson's management fashion literature, three fashion trends were identified, Lean, digitalization, and blockchain. Using the data of the qualitative analysis, competition was identified as a key driver for the current operations consulting services from the external environment. Based on the triangulation interview, the innovative character of consultants was also identified as a driver from the internal environment. Finally, further research on blockchain trend and consultancies' CSR was suggested for future research on their underlying drivers of their services.

TABLE OF CONTENTS

TABLE OF FIGURES

TABLE OF TABLES

INDEX OF ABBREVIATIONS

PWC: PricewaterhouseCoopers

EY: Ernst & Young

KPMG: Klynveld Peat Marwick Goerdeler

DKK: Danish Krone

IT: Information Technology

IPR: Intellectual Property Rights

CEO: Chief Executive Officer

TQM: Total Quality Management

DI: Danish Industry

KIF: Knowledge Intensive Firms

CPS: Cyber-Physical-System

UN: United Nations

SDG: Sustainable Development Goals

1. Introduction

Operations function is a core function in all organizations that helps them realize their goals and fulfil their customers' needs. All functions of the organizations manage processes and serve internal or external customers, meaning that at least part of their activities belong to "operations". Therefore, operations management is significant because it is everywhere (Slack, et al., 2010).

A key role in operations management plays the operations management consulting practice, which is the oldest practice area of consulting and has its origins in the Industrial Revolution and the birth of scientific management. Consultants, as independent professional advisors, assist managers and organizations to achieve their objectives, solve management and business problems, identify new opportunities, increase learning, and implement changes (Kubr, 2002). What is fascinating, is the fact that the consulting industry grew by 80 per cent in the years between 1980 and 1997 (Canback, 1998), and more specifically in Denmark the industry is growing by four per cent every year since 2010 (Langgaard-Lauridsen, 2018). Everybody seeks the advice of consultants. Consumer goods manufacturers do it, banks do it, energy providers do it, even art museums and universities do it. What is even more interesting is that unlike other professions, such as accountants and lawyers, consultants do not have to be employed. Nevertheless, we are experiencing a growth phenomenon of this industry which is puzzling many people (Sahlin-Andersson & Engwall, 2002).

According to Abrahamson (1996), management ideas are affected by shifts in fashion, and consultants are part of the management fashion setting community. They create, select, process, and disseminate fashionable management ideas to create mass fashions, and they shape the current and future demand by creating rhetorics that convince fashion followers that these management ideas are the most efficient ones for them to achieve their organizational goals.

Consulting is a dynamic and rapidly changing area of professional services. Consultants need to "reinvent" themselves continuously to be able to be relevant and useful to clients (Kubr, 2002). It is interesting to explore what is happening

currently in Denmark in the operations management consulting industry and identify if Abrahamson's fashions do exist here.

1.1 Research Questions

In the following chapters I will try to investigate the current state of the operations management consulting industry in Denmark and identify trends, and the current focus and offers of the operations consulting market. Therefore, the following research question is introduced:

What drives the current operations management consulting services in Denmark?

This includes the below sub-question:

▪ What is the operations management consulting industry?

2. Concepts

2.1 Operations Management

Operations is the part of the organization that produces and/or delivers its goods and services and operations management (OM) deals with the management of the procedures that create and/or deliver products and services (Slack, et al., 2010) (Slack & Lewis , 2011) (Porter, 2009) (Greasley, 2008). All organizations create some combination of products and services, no matter if that organization is public or private, large or small, manufacturing or service, for profit or non-profit (Slack, et al., 2010). Therefore, all organizations, despite in what sector, will undertake operations activities, even if they do not have a specific department called "operations" (Slack & Lewis , 2011) (Porter, 2009).

Almost all organizations have three core functions, which are the:
1. Operations function, which is responsible for satisfying customers' needs through the production and delivery of services and products;
2. Marketing and sales function, which is responsible for communicating the services and products of the organizations to their markets in order to create customer needs;
3. Product/service development function, which is responsible for creating new services and products in order to create future customer needs.

Moreover, there are some support functions which are responsible for the effective operation of the core functions. These can be for example the:
4. Human resources function, which is responsible for acquiring and improving the organizations' staff;
5. Finance and accounting function, which is responsible for managing the financial resources of the organizations and providing information in order to assist in economic decision-making (Slack, et al., 2010).

Functions might have different names, and support functions might not be the same in all organizations, however the three core functions exist in almost all organizations because it is essential for them to sell their products or services, satisfy their customers and generate ways to satisfy them in the future as well (Slack, et al., 2010).

Actually, the boundaries of the three core functions and the support functions are not always clear, meaning that the boundaries of the operations function are not clear as well. As argued by Slack et al. (2010), the operations function contains all the activities needed for the daily fulfilment of customer needs, thus some activities from product/service development, marketing, human resources, accounting and finance are included in the area of operations management. Figure 2-1 demonstrates the flow of information between operations and other functions. Support functions have a different kind of relationship with operations, in the sense that support functions have to realize operations' needs and help them satisfy them, whilst the other two core functions have a more equal relationship with operations (Slack, et al., 2010).
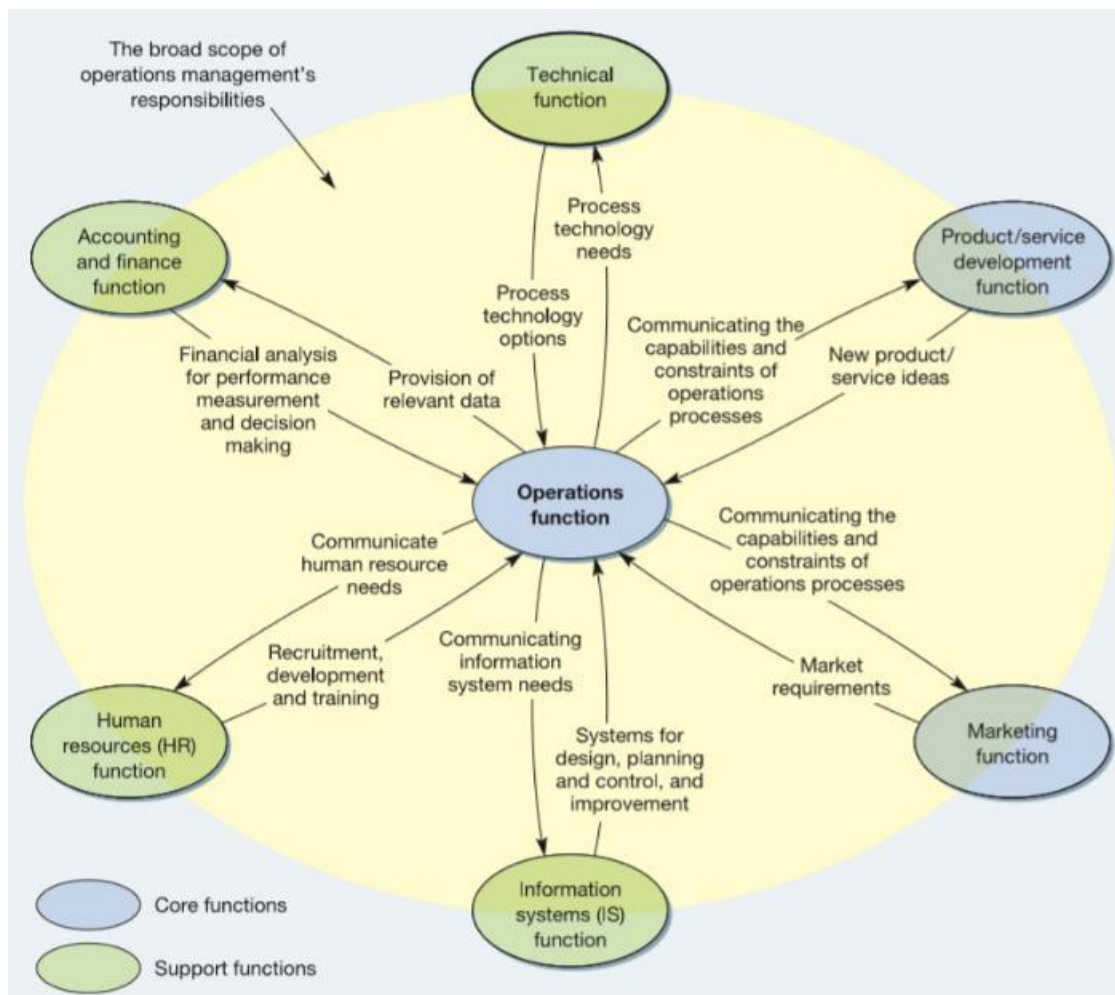

Figure 2-1: Relationship of operations function with the other core and support functions (Slack, et al., 2010)

Operations management is important because it is everywhere and it does not only exist in the operations function of an organization. All functions of an organization, despite if they are called operations or finance or human resources or marketing, manage processes and serve internal or external customers, which means that at least part of their activities belong to "operations" (Slack, et al., 2010). The "input-transformation-output" model of operations argues that all operations transform inputs into outputs by using their resources and processes in order to satisfy customer needs. The idea of this transformation model applies to all types of organization, even if it is a television factory, a hotel, a bank or a psychotherapy clinic (Slack & Lewis , 2011). One set of inputs are transformed resources, for example a mixture of materials, information and customers, and the other set of inputs are transforming resources, which are resources that act upon the transformed resources, like for example facilities and staff (Slack, et al., 2010). The transformation model also applies to different functions in the organizations and not only in the operations function. Accordingly, finance, human resources, marketing and information systems transform inputs, which are usually services, into outputs in order to satisfy customer needs, whether these are internal or external customers (Slack & Lewis , 2011). For that reason, as indicated by Slack and Lewis (2011) "*the principle holds true: all parts of the business and all functions of the business are, in a sense, "operations"*".

Operation can also be seen as part of a greater network of operations, in the sense that it has operations that supply it with the products and services needed in order to produce its own products and services. Additionally, it will supply customers, who in turn will supply their customers and so forth, except in the case that it will deal straight with the end customer. Therefore, any operation can have multiple suppliers and customers, and can be in competition with other operations producing equivalent products or services to those it produces itself. This group of operations is identified as supply network. Moreover, inside operation, there is a network of processes, which belong in the operations function but also in the other core and support functions, and within each process there is a network of individual resources (Slack, et al., 2010) (Slack & Lewis , 2011).

So, operations management is related to all functions, and effective operations management gives the opportunity to improve both efficiency and customer service at the same time (Slack, et al., 2010). By managing the organizations' resources and networks at all levels, operations management can help organizations be successful, in the sense of surviving, growing and satisfying its customers. Operations management achieves this by reducing operating costs, increasing revenues by providing exceptional customer satisfaction, reducing operational risks and being able to recover after failures, reducing the amount of investment needed to produce the products and services expected, and being innovative. These five ways in which operations play a part into organizations' success are important at a strategic level (Slack & Lewis , 2011).

2.2   Consulting

Consulting and its application on management problems and challenges have many definitions, which can be divided into two basic approaches (Kubr, 2002).

The first approach sees consulting in a more practical way and according to Steele (1975, p. 3) consulting can be defined as *"…any form of providing help on the content, process, or structure of a task or series of tasks, where the consultant is not actually responsible for doing the task itself but is helping those who are."* Similarly Block (2000, pp. xvi, 2) argued that "*You are consulting any time you are trying to change or improve a situation but have no direct control over the implementation… Most people in staff roles in organizations are really consultants even if they don't officially call themselves consultants.*" This approach focuses on the helping character of the consultants and implies that even a manager who is giving advice to his or her colleagues and employees can act as a consultant (Kubr, 2002, p. 3).

The second approach views consulting as a professional service and as argued by Greiner and Metzger (1983, p. 7): "*management consulting is an advisory service contracted for and provided to organizations by specially trained and qualified persons who assist, in an objective and independent manner, the client organization to identify management problems, analyze such problems,*

recommend solutions to these problems, and help, when requested, in the implementation of solutions" (Canback, 1998) (Kubr, 2002, p. 3). Similar definitions are given by professional associations of management consultants, such as the International Council of Management Consulting Institutes (ICMCI), that suggested "*management consulting is the provision of independent advice and assistance about the process of management to clients with management responsibilities*" (ICMCI, 2018) (Kubr, 2002, p. 3). There are some key words in Greiner's and Metzger's definition that can play a part in the requirement or not, of external services of consulting (Canback, 1998). "Advisory service" implies that consultants have no formal authority and do not replace the managers of the organizations, but they are responsible of providing the right advice in the right way to the right people and at the right time (Kubr, 2002). "Trained and qualified" implies that consultants are more than their personal experiences, they are professional, skilled and experienced individuals (Canback, 1998). "Objective and independent" implies an unbiased assessment of any state and an objective recommendation regarding the client organization's needs. This can be achieved by consultants in a multifaceted way that requires technical, financial, administrative, political, and emotional independence from the client (Kubr, 2002).

The two approaches can be considered as complementary instead of contradictory, since management consulting can be either regarded as a professional service or a method of practical advice and assistance provision (Kubr, 2002). Summarizing the basic characteristics of consulting Kubr (2002, p. 10) offered the following definition: "*Management consulting is an independent professional advisory service assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes*". Or as Bernie Ramsbottom of the Financial Times (April 11, 1981) put it:

"*Of all the businesses, by far*
Consultancy's the most bizarre.
For to the penetrating eye,
There's no apparent reason why,

With no more assets than a pen,
This group of personable men
Can sell to clients more than twice
The same ridiculous advice,
Or find, in such a rich profusion,
Problems to fit their own solution". (Quoted in (Canback, 1998))

2.2.1 A Historical Perspective

Management consulting originated in the Industrial Revolution, the introduction of the modern factory and the associated social and institutional transformations. It has the same roots with management, as consulting became feasible only when the process of forming and organizing management achieved an advanced phase. The birth of "scientific management" movement in the late nineteenth century, marked an era of entrepreneurs trying to improve their way of running their businesses and identifying and describing the related methods and philosophies, which led to the emergence of consulting (Kubr, 2002).

Frederick W. Taylor, Frank and Lillian Gilbreth, Henry L. Gantt and Harrington Emerson were the innovators of scientific management, and the drivers of the development of consulting. Though they did not have the same technical and methodological approaches on work processes simplification and productivity increase, they all believed in the implementation of the scientific method when dealing with production problems. They wrote books, articles, lectured, made studies to ensure that organizations would use the scientific approach. Frederick W. Taylor even became a management and productivity consultant later in his life (Kubr, 2002) (Canback, 1998).

In the beginning, consulting was given the name of "industrial engineering", as it focused mainly in improving operations, for instance factory productivity, waste elimination and production costs reduction. The limitations of industrial engineering widened the interest in other areas of business organizations, which led to the birth of new kinds of consulting. In the early twentieth century consulting firms in business research services, human relations and human resource

management were established (Kubr, 2002) (Canback, 1998). Consulting in finance also emerged by new management consultants that had a background in accountancy and experience from working with firms of public accountants. In 1925 McKinsey established its own consulting firm in general management and comprehensive diagnostic approach to a business enterprise and is still considered as one of the creators of the consulting profession (Wolf, 1978). Consulting for the public sector was also introduced and extremely utilized during the Second World War by the governments and the army. The United States of America applied operations research and other analytical techniques for military purposes, which were later used in business and public management, inserting a new aspect to the services provided by consultants (Kubr, 2002) (Canback, 1998).

Since the 1940s, management consulting expanded impressively and the service offerings became broader and more diversified. Consultants developed several strategies, providing new services specialized in certain sectors. Further expansion was achieved by the entrance of the "Big Eight" accounting firms into management consulting and in the early 1960s, consulting was producing 15-20 per cent of their income (Kubr, 2002). The Big Eight were later reduced to the Big Six due to mergers, then to the Big Five (Kubr, 2002), and from 2002 until today to the Big Four including Deloitte, PricewaterhouseCoopers (PwC), Ernst & Young (EY) and KPMG (Big 4 Accounting Firms, 2018).

2.2.2 Danish Figures

According to Danish Industry (DI) (Langgaard-Lauridsen, 2018) the advisory industry consists of eleven sub-sectors: IT consultants, technology consultants, engineering consultants, management consultants, auditing and tax advisors, marketing and communications advisors, lawyers, architects, IPR advisors, design companies, and market analysis and opinion polling companies. In 2016's industry analysis it was taken into account that some industries, as argued by Statistics Denmark, consist of companies other than advisory companies. Thus, the figures for design, IPR consulting, IT consulting, marketing and communications advice, and technological advice were corrected, so only

advisory companies were included in the following analysis (Langgaard-Lauridsen, 2018).

In Denmark the turnover in the consulting industry has grown since 2006 with average growth of 2.5 per cent yearly. The total turnover in the advisory industry was 152 billion DKK in 2015, which was an increase of 6.5 per cent compared to the previous year. The consultants created value for the Danish society of 91 billion DKK in 2015. Since 2009, there has been a growth in the consultants' total value creation of 2.5 per cent annually, which means that the consultants created value of almost 13 billion DKK more in 2015 compared to 2009 (Langgaard-Lauridsen, 2018).

The consulting industry employed around 126,000 people at the end of 2014, which was an increase of about one per cent in relation to employment levels at the end of 2013. From 2006 to 2008, employment in the advisory sector increased by over six per cent to a level of 129,000 people. Employment fell sharply in the context of the financial crisis and subsequent economic slowdown, and employment fell from 2008 up to 2010 by a total of seven per cent to a level of 119,000 people. Since then, employment has grown by six per cent, but the level of employment has not yet reached the peak level before the crisis entered (Langgaard-Lauridsen, 2018).

IT consulting was the branch industry sector that employed the most people. This accounted for just over one fifth of the total employment in the consulting industry with just over 27,000 employees. Management advisors had a significant annual growth of over 10% in the years 2006-2008. The financial crisis hit the industry hard and in 2009 and 2010 domestic sales declined by ten and four per cent respectively. However, from 2010 onwards, the industry has had a pretty good growth of approximately four per cent per year and management advisors accounted for almost 15 billion DKK by 2015. The market for management consultancy was also somewhat larger in 2016 than in 2008, as several engineering companies and audit houses have its own departments that provide management advice in parallel with their core services (Langgaard-Lauridsen, 2018).

Private businesses used relatively the same amount of advice as public sector. Public occupations spent 12.2 per cent of their total purchases for advice, while private industry used 12.3 per cent. Overall, all professions used 136 billion DKK on advice in 2012, of which private businesses accounted for the vast majority of the acquisition of advice (Langgaard-Lauridsen, 2018).

2.2.3 Operations Management Consulting

The five dominant practice areas of consulting nowadays are IT consulting, strategy and organization consulting, marketing consulting, operations management consulting, and human resources consulting. These five areas covered approximately 90 per cent of the total market of consulting services in 2010, with 46 per cent in the IT consulting, 12 per cent in the strategy consulting, 12 per cent in the operations management consulting, 10 per cent in the marketing consulting, and 10 per cent in the human resources consulting (Greiner & Poulfelt, 2010).

The problems that clients face constantly change, therefore the knowledge within the five dominant practice areas change as well. Consultants usually begin with becoming an expert in one of those five areas, but as they gain experience and they reach senior levels it is important that they broaden their knowledge in all five areas, as they all influence each other on a client's issue. Consequently, senior consultants are expected to have a broad knowledge base in order to make recommendations that will fit within the organizations' businesses, departments, processes (Greiner & Poulfelt, 2010).

Operations management consulting is the oldest practice area and it grew out of the Industrial Revolution and the birth of scientific management. It started as a way of improving factory productivity and reducing costs, but in the 1970s and 1980s a more holistic view of the operations management emerged through the extensive implementation of Materials Requirements Planning (MRP), Just-in-Time (JIT), and Total Quality Management (TQM) systems, which recognized the

interconnectedness of every part of a production system (Greiner & Poulfelt, 2010).

Clients reveal a high demand for operations consultants for many reasons. The main reasons are their need to reduce costs due to market and profit pressures, eradication of non-core processes and re-engineering of core processes, decisions regarding outsourcing operations and setting up operations in new markets due to globalization, and real-time information regarding global operations in order to achieve customers satisfaction (Greiner & Poulfelt, 2010).

As argued by Greiner and Poulfelt (2010) "*Operations consulting deals with assisting clients in developing operations strategies and improving systems that affect the production, delivery, and after-service of a product or service. It can often play a central role in the formulation and implementation of a company's overall business strategy, especially where operations can be a source of competitive advantage or an efficient deliverer of goods and services, or both*". It is important that the operations consultant can help the client to understand the requirements of attaining market leadership and identify the most efficient combination of people, technology, and systems to perform the business strategy (Greiner & Poulfelt, 2010).

Turner (1982) used a hierarchy of consulting purposes to show the involvement of a consultant with a client (see Figure 2-2).
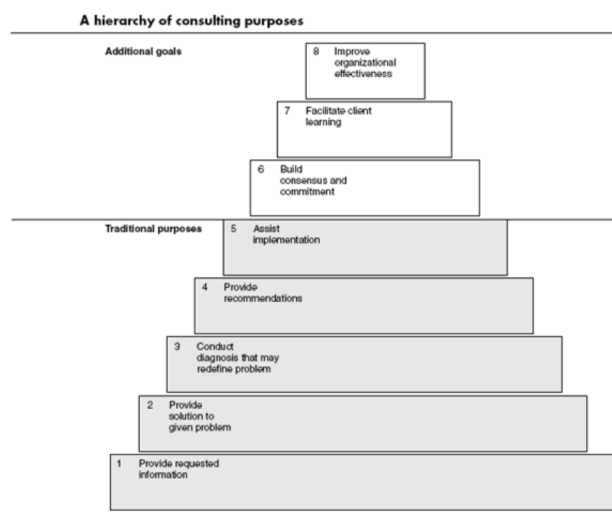

Figure 2-2: A hierarchy of consulting purposes (Turner, 1982)

The first five purposes were considered traditional functions, while purposes six to eight were considered by-products of the five first objectives after the latter were achieved, and not additional objectives (Turner, 1982) (Canback, 1998). The objectives were to:

1. Provide information to the client;
2. Solve the client's problem;
3. Make a diagnosis, which may redefine the problem;
4. Make recommendations based on the diagnosis;
5. Assist in the implementation of the recommendations;
6. Build a consensus and commitment around the corrective actions;
7. Facilitate client learning by including members of the organization in the process and prepare them to cope with future challenges;
8. Improve organizational effectiveness by adapting future strategy and behavior into the changing environment.

Consultant's and client's relationship is built on a partnership of shared respect, therefore wherever on the pyramid (Figure 2-2) this relationship begins, consultant's role is not to extend its scope, but rather to address the client's requests and achieve the involving goals (Turner, 1982) (Canback, 1998).

Cost reduction and quality excellence of products and services have always been the most common objectives of operations in the majority of companies. Depending on the way that companies want to position themselves in the market though, there might be other performance objectives as well, such as speed (e.g. time-to-market), dependability (e.g. keeping delivery promises), and flexibility (e.g. responsiveness to customization requests) (Slack & Lewis , 2011) (Greiner & Poulfelt, 2010). Having these objectives under consideration, Greiner and Poulfelt (2010) suggested the five Ps, five focal and interconnected areas that operations consultants need to address before providing their recommendations.

1. Plant/Site: Increasing the number of the plants or expanding them, contracting, layout;
2. People: Quality and customer service standards improvement, training;
3. Parts: Supplier selection decisions, make-or-buy decisions, inventories;
4. Processes: Reengineering of processes, technology evaluation, aftermarket services;

5. Planning and control systems: Supply chain management, storing, distribution.

When it comes to services, Greiner and Poulfelt (2010) also suggested that a big C needs to be added in the five Ps list for the Customer, in the sense that the service process has one more important element which is the experience of the service. As Johnston et al. (2012) put it, the service provided is enacted when the operation and the customer meet, thus the services are co-created along with the customer. Another contributor to the service process is the service person's behavior and attitude, which may differ every day or even every minute (Pugh, et al., 2002). The experience of the service provided is the service received which leads to results such as emotions, judgements, benefits, "products", and intensions (Johnston, et al., 2012). Therefore, two people cannot have the same experience (Pine II & Gilmore, 1998). Operations consultants need to have an understanding of consumer behavior, as the quality of service operations is different than manufacturing operations (Greiner & Poulfelt, 2010).

Kubr (2002) addressed a number of consulting approaches that are pertinent to operations management, such as product or process focus, technical know-how or change management skills, and revitalization or incremental improvements. Depending on the performance objectives of the operations, consultants utilizing the first approach, have to decide along with their clients whether to focus on improving specific processes, specific products, or on reducing operating costs independently of processes and products. The second approach is focusing on the trade-off between operations consultants' technical skills and their ability to lead change processes. It is important that they acquire knowledge and expertise on how to drive and manage organizational and technological changes otherwise their consulting projects might fail. Last, Kubr (2002) suggested that operations consultants might be asked to perform radical improvements or continuous improvements according to the principles of "kaizen"[1]. In any case, radical

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[1] Kaizen is a Japanese business philosophy of continuous improvement of working practices, personal efficiency, etc. In business, kaizen refers to activities that continuously improve all functions and involve all employees from the CEO to the assembly line workers. It also applies to processes, such as purchasing and logistics, that cross organizational boundaries into the supply chain.

improvements should be followed by an incremental improvement approach to maintain high performance levels, as there is a tendency of gradual deterioration for the performance levels of the production systems.

Presently, operations consultants need to have knowledge on some fundamental concepts of operations management, that can help them deal with many problems. These are Total Quality Management (TQM), supply chain management, Lean operations, theory of constraints, focused operations, and mass customization (Greiner & Poulfelt, 2010). Whether it is about preventing quality problems before they reach the customers, or about moving products and services as fast as possible through the whole chain from the suppliers to the customers, or about being Lean and identifying and eliminating the "waste", which is all the non-value adding activities, these concepts can help operations consultants be prepared against operations management issues (Greiner & Poulfelt, 2010).

Operations involve the whole value chain, from product development, marketing, inbound and outbound logistics, production, sales, and after-sales services. Consequently, operations consultants need to take into account the effect of their recommendations on every part of the value chain (Kubr, 2002). Over and above any other consultants, operations consultants' recommendations result in actual improvements in the manufacturing processes or in the customers' experiences in services. Therefore their results are visible and measurable, especially compared to other types of consulting. This is the difficult, yet worthwhile job of operations management consultants (Greiner & Poulfelt, 2010).

2.3 Management Fashion

For a number of years there is a belief that management ideas and methods are affected by shifts in fashion in the same way that aesthetic fashion influences our choices on hairstyles, clothing, furniture design and so on. Based on the neo-institutional perspective, researchers have found that management fashions fail to become embedded and institutionalized into organizations as they are treated with an expiration date and newer, more promising management techniques take

their place (Clark, 2004). Gill and Whittle (1992) argued that management fashions evolve through a series of steps:

1. Invention of the idea;
2. Dissemination of the idea to its expected audience;
3. Acceptance of the idea and implementation;
4. Disenchantment of the idea after negative evaluations, and
5. Decline and rejection of the idea.

Abrahamson (1996) on the other hand, claimed that aesthetic and management fashions have two main differences. First, while aesthetic fashions need only to be modern and attractive, management fashions need to be rational and progressive. In his (Abrahamson, 1996, p. 255) model, "*management fashion setters, as consulting firms, management gurus, business mass-media publications, and business schools, compete in a race to define which management techniques lead rational management progress. Fashion setters who do not participate successfully in this race, business schools and professional scholarly societies, will be perceived as lagging rather than leading management progress, as being peripheral to the business community, and as being undeserving of societal support*". Therefore, business schools' involvement in the management fashion setting process is crucial for their long-term sustainability. Second, while aesthetic fashions' demand is affected only by sociopsychological forces, management fashions' demand is affected by also technical and economic forces, which means that managers who adopt management fashions aim to "*respond to organizational performance gaps opened up by real technical and economic environmental changes*" (Abrahamson, 1996, p. 255). Hence, Abrahamson (1996, p. 257) defined management fashion setting process as "*the process by which management fashion setters continuously redefine both theirs and fashion followers' collective beliefs about which management techniques lead rational management progress*" and suggested that except of management, also operations, finance, marketing and almost all areas of technical endeavor can be affected by fashion shifts.

A four-fold process was identified by Abrahamson (1996, pp. 264-267), based on Hirsch's (1972) paper which comprises the creation, the selection, the processing, and the dissemination of fashionable management ideas, in order for fashion setting industries to supply mass audiences and create mass fashions. Fashion setters need to sense managers' incipient demand for new management techniques due to environmental changes, and select and disseminate them. Next, they need to create rhetorics which "*convince fashion followers that a management technique is both rational and at the forefront of managerial progress*" (Abrahamson, 1996, p. 267). Thus, these rhetorics must articulate why it is essential for managers to pursue specific organizational goals by using these new management techniques, and why these techniques are the most efficient ones to achieve these goals. The techniques that become fashionable, shape managers' incipient preferences, therefore they shape the current demand by creating management fashion trends, but also they guide the demand of the next fashions (Abrahamson, 1996). Or as Abrahamson (1996, p. 270) proposed: "*If there exists unmet demand for a certain type of management technique, then one or more techniques belonging to this type will become fashionable if they are created, selected, processed, and disseminated by the management fashion setting community*". Consequently, there is a reciprocal relation between fashion setters' selections and fashion users' preferences and demand (Blumer, 1968) (Blumer, 1969).

Abrahamson (1996, p. 272) argued that "*New management fashions will tend to emerge when old management fashions have been adopted by lower reputation organizations*". Based on Simmel's (1957) article who suggested that fashions not only show who is in fashion but also differentiate high-status and low-status persons, and on Abrahamson's and Fombrun's (1994) trickle-down process, Abrahamson (1996) claimed that when managers of lower reputation organizations adopt management fashions to resemble to higher reputation organizations, then they both look alike, and the managers of the latter tend to adopt new management fashions to differentiate themselves once more.

A key attribute of fashionable management ideas is their flexibility and plasticity. As many critics have observed, ideas often become broader in principles and

with less precision in order to remain ambiguous (Clark & Salaman, 1998) (Kieser, 1997). In this way ideas can be adapted to many situations and areas, and can be viewed as universal panacea. Consultancies for example, may be offering business process re-engineering packages that are very different, and yet both of them might only have slight similarities to the central principles of business process re-engineering of Hammer and Champy (1993). Therefore, numerous ideas' life in consultancy might be extended even beyond their period of decline (Clark, 2004).

On the other hand, some ideas need theorization to gain some degree of precision in order to be institutionalized (Greenwood, et al., 2002), in the sense of codified procedures, tools or manuals, so that they can be managed by others in different contexts, and can be effectively communicated to managers and other stakeholders (Suddaby & Greenwood, 2001). Such activities include standardization, which targets on decreasing the ambiguity of these ideas and create precise packages that can be routinely implemented and sold to clients (Perkmann & Spicer, 2008). Another way of institutionalizing fashionable management ideas is by informal learning through observation of practices at work by other managers. When Toyota developed and implemented Lean manufacturing, it allowed to other consultants, manufacturers and academics to observe this tool in practice at their production facilities. It was later these consultants and academics that spread this fashion, rather that Toyota itself (Perkmann & Spicer, 2008).

Consulting firms, as part of the group of fashion setters, count on numerous actors in their attempt to disseminate management fashions. These can be publishers, editors of management magazines, academics, or commercial seminar organizers (Sahlin-Andersson & Engwall, 2002). Some fashion setters have even developed their own publication for their rhetorics, for example McKinsey Quarterly for consultants, Academy of Management Executive for academics, and Business Week for journalists (Abrahamson, 1996). One of consultants' marketing instrument is the organization and co-organization of management seminars and events, but also one of their instrument to intensify their control over the aforementioned actors (Sahlin-Andersson & Engwall,

2002). In the same setting, consultants collaborate with business schools to organize executive trainings (Kipping & Amorim, 1999), and create and nurture "old-boys" networks with their former colleagues that work as managers in other companies (Byrne & Williams, 1993).

Consultants also try to create personal relationships of mutual protection with managers of their client organization (Sturdy, 1997). As mentioned before, they usually nurture the careers of managers that support and promote them. The success of the consulting projects enhances their mutual trust, and therefore more projects emerge as follow-up projects (Sahlin-Andersson & Engwall, 2002). As argued by Starbuck (1992, p. 732): "*Over the long term, service KIFs[2] try to convert clients' satisfaction with specific projects into long-term relations. Even in contexts that are initially impersonal, repeated interactions between specific people create bonds. Firm-to-firm ties gradually evolve into person-to-person ties. An expert who repeatedly serves the same client begins to perceive 'my' client, and the client comes to think of 'my' expert*". Hence, consultants not only teach their clients about management practices of retaining their customers, they also apply this knowledge to their own customers, them (Sahlin-Andersson & Engwall, 2002)!

Mimesis also facilitates consultants' work on diffusing management fashions. An organization that successfully implements a consulting project affects the demand of this project by its competitors. The managers of the other organizations copy their competitors' practices, and thus this project gradually becomes a common practice with the consultants acting as brokers. The first company also becomes informed that its competitors have implemented the same consulting project, and therefore this copying of practices increases managers' perception of control, as they have the impression that they are "on the right track" (Sahlin-Andersson & Engwall, 2002).

Nevertheless, this perception of control fades away as soon as consultants are gone and insecurity of sustaining competitive takes place. Since all competitors might have implemented the same project that led to reducing costs, speeding

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[2] Knowledge Intensive Firms to which consultancies belong.

up processes, or improving quality, the question is what now? This is the time for the fashion setters to shape the next fashions. Once again consultants will be needed to implement the latest fashions in order for the fashion users to keep up with the competition that engages consultants more and more. Thus, consulting becomes addictive. Managers might successfully learn from their consultants how to run a re-engineering project for example. However when the consultants disseminate new management techniques and ideas, it takes time to become common knowledge, therefore consultants rely upon the increasing dependence of their clients on them (Sahlin-Andersson & Engwall, 2002). They invent new management fashions, meaning new approaches that promise significant increases in performance, and they diffuse them after creating the necessary rhetorics (Abrahamson, 1996) (Kieser, 1997).

3. Methodology

3.1 Research Design

This project has a qualitative research design and focuses on the operations consulting industry in Denmark. Exploratory research was incorporated in order to gain deeper knowledge and answer the research question. The flexibility of exploratory research facilitated the collection of data through interviews by altering the type or order of the questions depending on the input information (Blaikie, 2009). The inductive approach was chosen because as argued by Blaikie (2009, p. 83) "*the aim of inductive research strategy is to establish limited generalizations about the distribution of, and patterns of association amongst, observed or measured characteristics of individual characteristics or social phenomena*". Data was collected in order to explore the drivers of the current operations consulting services in Denmark, to recognize the current focus and trends of the operations consulting market, and to create a theoretical framework (Saunders, et al., 2016).

The first step was sampling in order to identify the target group of operations consulting companies in Denmark. Then, a qualitative analysis was undertaken to identify their services, through the interviews, their websites, their publications, their case studies, their insights, their articles, and their news releases. Last, the data analysis was turned into findings regarding management fashions and drivers for deciding on the specific services they are selling.

3.2 Sampling

The databases that were researched were proff (Proff, 2018) and Google (Google, 2018) in order to identify the operations consulting companies in Denmark. The criteria of the sample were the location in Denmark, the employees from 3 to 100.000 people, the revenues from 2,000,000 DKK to 230,000,000,000 DKK and the Danish branch code 702200. This branch code represents business and other management consultancy activities according to Statistics Denmark Institution (dts, 2018). The number of the employees was

chosen in order to research the industry, which therefore excluded self-employed consultants. Additionally, the amount of revenues was chosen in this way, so that the companies that composed the sample were representative of the market of consulting in Denmark.

A systematic approach was undertaken for the sample to be defined and the research question to be answered as follows:
1) Research in the database of Danish companies "proff.dk" (Proff, 2018)
2) Research in companies' websites for the refinement of the results
3) Research in Google's database (Google, 2018)
4) Research in operations management consulting for further refinement of the results

The first step resulted into 91 companies, of which only 20 were actually working within business consulting, after investigation of their web sites and contacting them regarding their services.

Nevertheless, the sample felt incomplete as proff's database failed to present some consulting companies that the researcher was already familiar with. The reason for that, was that they had a different Danish branch code than the one defined in the criteria. Therefore, a broader research in Google's database was undertaken for all the consulting companies that operate in Denmark, and this resulted into 37 new additions to the original sample. Further research in the 37 companies' web sites and communication with their offices, resulted in only 17 of them being inserted into the sample.

After defining the sample of 37 consulting companies offering services within management consulting, change management, strategy consulting, growth strategies, among others, a research sub-question emerged. What is exactly operations management consulting? Therefore, the sample needed a further refinement based on the operations management consulting literature. The consultancies needed either to have a clear section of operations services in their websites or they needed to provide services in the supply chain, procurement, logistics, customer experience, service operations, business model

transformation, among others, in order to stay in the sample. In this sense, consultancies that offered only accounting services or financial services or IT services or recruitment services or change management and organizational development services focusing on the human behavior aspect, were excluded from the sample.

More than 100 companies were initially identified, but data from 17 companies were eventually used. Table 3-1 shows the actual sample of this project.

COMPANY	REVENUE 2017 (amount in thousand DKK)	EMPLOYEES
Deloitte	3,429,000.00 kr.	2.717
Accenture	1,818,845.00 kr.	500-999
Boston Consulting Group (BCG)	1,528,154.00 kr.	100-199
McKinsey & Company	760,806.00 kr.	100-199
Implement Consulting Group	749,593.00 kr.	200-499
KPMG	424,003.00 kr.	200-499
QVARTZ	342,400.00 kr.	100-199
Rambøll	302,106.00 kr.	200-499
PA Consulting Group	262,026.00 kr.	100-199
Valcon	258,190.00 kr.	100-199
Peak Consulting Group	93,647.00 kr.	20-49
A.T. Kearney P/S	41,724.00 kr.	20-49
Emendo Consulting	27,747.00 kr.	20-49
Carve Consulting	18,928.00 kr.	10-19
Efficio Consulting	-	5-9
BearingPoint	1,964.00 kr.	1
Resources Global Professionals (RGP)	-176.00 kr.	1

Table 3-1: Sample of 17 Operations Consulting Companies in Denmark

3.3   Data Collection

Bryman and Bell (2011) recognized three types of interviews, structured, unstructured, and semi-structured. The first part of the data collection was based on semi-structured interviews (see Appendices), because of their flexible character. The original questionnaires were flourished with spontaneous questions based on the interviewees' answers. The aim was to discover what

drives these companies into offering the specific services they are offering, how often and why do they change their services and also to identify fashion trends in the operations consulting industry in Denmark. In order to ensure comparisons across the interviews, a number of standard questions were asked to the interviewees, which are shown in Table 3-2.

Example interview questions
What are your primary services? Which ones are selling the most?
How did you decide to start selling the above service? Was it after a customer's request?
What triggers a change?
Have customers ever asked you to provide them with a service you weren't selling at that moment?
Do you adjust your portfolio of services in regards with your competitor/s?
Do you believe your services are push-based or pull-based?

Table 3-2: Standard interview questions

A total of 6 semi-structured interviews was completed with 6 involved leaders, consultant, partner, manager and former associate partner. All the companies were contacted, but only these 6 companies were willing and available to participate in the interviews. Nevertheless, the chosen companies can represent the whole sample, as they are not coming only from the top 6 companies based on their annual revenue and number of employees (Proff, 2018), but they are large, medium and small enterprises. The interviewees were from various departments but in one way or another involved in the operations management. The interviews had an average duration of 32 minutes and were recorded and transcribed immediately after the interviews. The recording ensured that no information would get lost (Voss, et al., 2002). They were carried out in English, but with non-native speakers, therefore some editing took place just for clarity reasons.

Secondly, 17 web sites of the consulting companies were examined in total, by creating documents with their services, insights, articles, case studies and news releases. These documents were imported into NVivo, a qualitative data analysis

software, and coded, which is analyzed in the next chapter of data analysis. Subsequently, the conclusions were not only based on interviews as a source of information because in this way they would have been based only on individuals' reports (Yin, 2003).

Thus two data sources were used; interviews and websites. The triangulation of data collection methods from different sources enhanced the validity and reliability of the findings (Yin, 1994) (Voss, et al., 2002) (Eisenhardt, 1989) (Easterby-Smith, et al., 1991). Additionally, Ole Steen Andersen's interview contributed in the triangulation of data results, as an expert in the consulting field with a professional experience of more than 40 years, after replying in some questions regarding the findings of this research, which will be presented in the discussion part. The next section analyzes the results of the data collection and specifically the fashion and the drivers of the operations management consulting companies in Denmark.

4. Data Analysis and Results

Inspired by the grounded theory approach, this project attempted to develop a theory inductively from a set of data (Saunders, et al., 2016, p. 193). A collection of codes and memos were created through the use of NVivo, in order to aid the development of the researcher's theory. Thus, 56 documents that were created and imported into NVivo, including interviews, companies' websites, insights, case studies, news releases, publications, and articles in magazines, were coded accordingly.

In the beginning, the focus was on the interviews in order to obtain some information for the companies on general topics, such as their services or their push/pull strategy. Therefore, the first codes that were created were:

1. Services: The interviewees' opinions regarding their companies' selling services;
2. Departments: The interviewees' point of view regarding their companies' departments;
3. Push strategy: The interviewees' opinions of their companies' push strategy when it comes to selling their services;
4. Pull strategy: The interviewees' opinions of their companies' pull strategy when it comes to selling their services;
5. Push-pull: The interviewees' opinions of their companies' combination of push and pull strategy when it comes to selling their services;
6. Reinvent: Whenever companies and interviewees are using this term or similar terms to promote their services;
7. Customer experience: Whenever companies and interviewees are focusing on customer experience to promote their services;

Afterwards, looking into the question "What specific services do they mention?", four new codes were created, because in all interviews digitalization was mentioned, in some of them Lean or moving away from Lean or not promoting it was mentioned, and in one blockchain was mentioned.

8. Lean: As a selling service;

9. Moving away from lean: When it is removed from or not so famous in companies' selling services;
10. Digitalization: As a selling service, including digital transformation, digital procurement, digital business strategy, digitalized supply chains, Industry 4.0, and similar terms, and
11. Blockchain: As a selling service or as a reference in their interviews, websites, and publications.

These codes were used later on, not only on the interviews but also on the documents of the companies' websites, insights, publications that were imported into NVivo (50 documents), in order to investigate if these services appear on rest of the documents and the rest of the companies of the sample, that were not interviewed. Furthermore, 18 memos were created for each and every company regarding their push and/or pull strategy, and their services. The memos were 18 and not 17, as the number of the sample operations consulting companies, because one of the interviews was conducted with a former associate partner of one of the companies. Therefore, there was a different memo created from relevant documents, for instance website and articles, and a different memo for the interviewee's perspective. As a result, the following Table 4-1 was created showing which companies are selling Lean products and which companies are selling digitalization products.

COMPANY	LEAN	DIGITALIZATION
Deloitte		√
Accenture		√
Boston Consulting Group (BCG)	√	√
McKinsey & Co	√	√
Implement Consulting Group	√	√
KPMG		√
QVARTZ		√
Rambøll		√
PA Consulting Group		√
Valcon	√	√
Peak Consulting Group		√
A.T. Kearney P/S	√	√
Emendo Consulting	√	√

Carve Consulting	√	√
Efficio Consulting		√
BearingPoint	√	√
Resources Global Professionals (RGP)	√	√
SUM	**9**	**17**

Table 4-1: Sample companies and their services

Apparently Lean products are not the focus of many operations consulting companies anymore, or as Simon Kristensen from Deloitte put it: "…*my experience at the moment is that lean is dying a little bit. If you go back 10 years everybody was talking about lean and production systems and it was very big everywhere. Nowadays it's past. No one speaks about it anymore. Six Sigma Lean is a little bit of the old ways…I mean we don't talk much lean anymore to be honest. We don't sell lean projects anymore. I mean there's a few here and there but we don't focus too much on them…*" (73Interview Simon Kristensen). Nevertheless, some of the companies that are still working with Lean, they do not necessarily sell the original Toyota way Lean Manufacturing services (Womack, et al., 1990), but rather some tailor-made applications of Lean. The following Table 4-2 shows some of these services.

COMPANY	LEAN SERVICES
Boston Consulting Group (BCG)	Lean Manufacturing
McKinsey & Co	Lean Six Sigma, Lean Process Redesign, Lean Management
Implement Consulting Group	Lean Innovation, Lean IT Principles, Lean Continuous Improvement
Valcon	Lean Manufacturing, Lean Service and Administration, Lean Customer-Centric Approach, Lean Finance, Lean IT approach, Lean R&D
A.T. Kearney P/S	Lean Six Sigma, Lean Business Process Reengineering, Lean for Services, Lean Product Development, Lean Organization Design
Emendo Consulting	Lean Supply Chain Optimization, Lean Planning Principles, Lean Leadership

Carve Consulting	Lean Tools
BearingPoint	Lean 4.0
Resources Global Professionals (RGP)	Lean Six Sigma

Table 4-2: Lean Services of the nine consulting companies according to their websites

Interestingly, only two out of nine companies are still working with only Lean Manufacturing, five out of nine companies are working with Lean Manufacturing and different Lean variations, and the rest of the consultancies have incorporated only variations of Lean. BearingPoint, for example, is providing Lean 4.0 which is a combination of Lean Management and digitalization. "*Our empirical study has shown that the future of lean management lies in digitalization. Our Lean 4.0 approach combines operational excellence disciplines like lean production and digitalization. Find out how to realize digital innovations in a smart environment while removing all kinds of waste in your processes. Our maturity model helps you to quickly identify your most pressing areas of improvement so you can reduce operational costs and increase production*" (BearingPoint, 2018). McKinsey & Co is also providing a similar tool which combines digitalization with Lean: "*Many organizations have already seen a dramatic impact from applying lean management's end-to-end perspective to their customer journeys. Digital technologies and agile processes let organizations make these changes more easily, quickly, and sustainably—and on a greater scale, with a bigger impact— than ever before. Together, the technologies and processes form EdgE, or end-to-end digital enablement*" (McKinsey & Co, 2018). Emendo Consulting is not only working with Lean in the supply chain but also Lean Leadership according to Charlotte Hartlev: "*…But, we are also doing a lot of optimization with lean leadership, like people and change and just change or change management, we use a lot of time on that as well. Because every time we go in and optimize something, you cannot just optimize something you need the people to be involved, so there is a lot of change management in everything you do. Stakeholder management and change management is some of the things you use the most time at, when you are optimizing something. No matter what it is…*" (Interview Charlotte Hartlev). As stated by Thomas Christiansen from Carve Consulting (Interview Thomas Christiansen) "*…So, if there are companies that still want to do traditional Lean we would of course do it, but you wouldn't see it as a service that we, as such, would market or try to sell…One of the things is*

that Lean is, from a traditional point of view, it has not been using IT a lot. It has been writing in whiteboards and so on, but nowadays you need to, probably, find some digital solutions for these things. So, when we look into Lean, Lean management and so on, it's very much about how can you turn it into something that is supported by digital tools…". Consequently, more and more companies are detaching their services from traditional Lean, or at least are avoiding marketing it even though they can still provide it if asked, and are advancing their services to variations of Lean and/or its consecutive trend which is digitalization.

Industry 4.0 which means the fourth industrial revolution, was launched by the German government in January 2011 and its first implementation suggestions were formulated in 2012 (Kagermann, et al., 2013). The concept of a Smart Factory is a significant factor of all Industry 4.0 developments (Figure 4-1) and as Kagermann et al. (2013, p. 18) defined it Industry 4.0 is "*…the technical integration of CPS (Cyber-Physical-System) into manufacturing and logistics and the use of the Internet of Things and Services in industrial processes. This will have implications for value creation, business models, downstream services and work organization*".
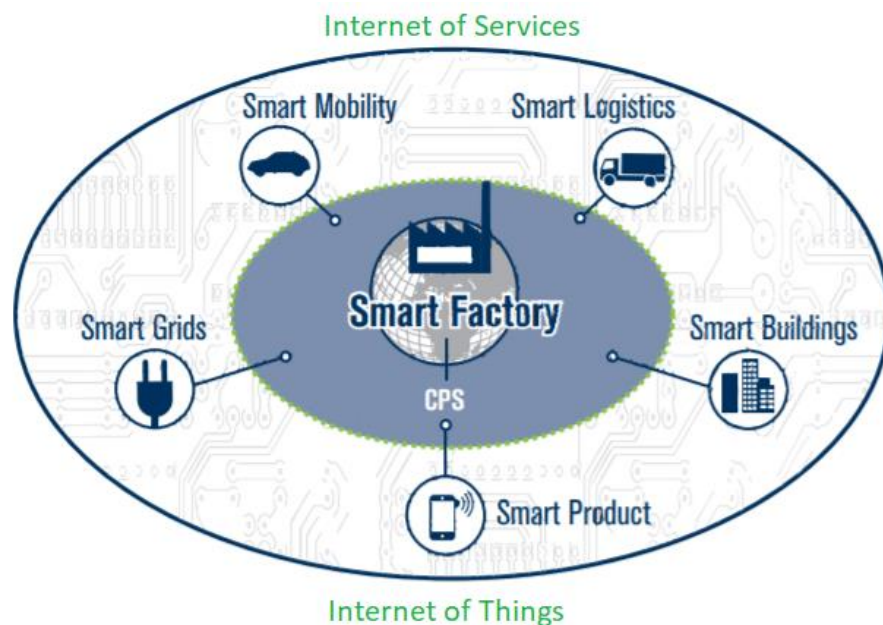

Figure 4-1: Smart Factory in the center of the concept Industry 4.0 (Kagermann, et al., 2013, p. 23)

Whether it is called Industry 4.0 or digital supply chain and so on, as shown in Table 4-1, all 17 companies are involved. Big data, huge volumes of data capturing and precise analysis, is vital for Industry 4.0, though big data application in operations is quite new (Lamba & Singh, 2017). A study of Bain & Company consultancy in 2013 (Pearson & Wegener, 2013) on more than 400 companies showed that early adopters of big data analytics were outperforming their competitors and implied that this fact could explain why companies are seeking to exploit big data advantages. As the apple does not fall far from the tree, at the moment all consulting companies of the sample are providing digitalized services, under different names, and some of them are summarized in the following Table 4-3.

COMPANY	DIGITALIZATION SERVICES
Deloitte	Digital DNA
Accenture	Industry X.0
Boston Consulting Group (BCG)	Industry 4.0
McKinsey & Co	Operations 4.0
Implement Consulting Group	Industry 4.0
KPMG	NewTech
QVARTZ	Value Chain Strategy 4.0
Rambøll	Digital Business Strategy
PA Consulting Group	Total Digital
Valcon	Supply Chain Digitalization
Peak Consulting Group	Digitalization
A.T. Kearney P/S	Digital Transformation
Emendo Consulting	Industry 4.0
Carve Consulting	Digitization
Efficio Consulting	Digital Transformation in Procurement and Supply Chain
BearingPoint	Industry 4.0, Lean 4.0
Resources Global Professionals (RGP)	Digitalization Services

Table 4-3: Digitalization Services of the 17 consulting companies according to their websites

The consultancies under investigation are passionately promoting digitalized services in their websites. Accenture argues that "…*The digital Big Bang has*

happened and as a result, volumes of digital devices and data are exploding. The digital universe is expanding…Companies also need to completely reinvent their operating models, production and value chains, becoming what we call Industry X.0 businesses…" (Accenture, 2018) and Implement claims that "…*The digital age is well and truly here, and when it comes to digital business transformation it is not a matter of if, but when. The right IT infrastructure can optimize operations, improve productivity and accelerate growth – but the wrong one can slow down even the most savvy organization… 9 of 10 organizations will have customer centricity, innovation or digital among their must-win battles – and they are all pointing to growth…*" (Implement Consulting Group, 2018). Similarly KPMG states that "*The best reason to invest in digitization is that your customers expect it…*" (KPMG, 2018) and QVARTZ believes that "…*Digitalization is at the center of most organizations' strategic outlook these years. Faced with the choice between fundamentally transforming their business through value-added services, digital business models, IOT, etc. and becoming disrupted, most companies are forced to take a stand. QVARTZ' digitalization practice works across industries and sectors in the private sector as well as the public sector, assisting companies and organizations on their digital journeys…*" (QVARTZ, 2018). Their choice of powerful words, such as "digital Big Bang", "data are exploding", "to remain competitive in the digital era", "to achieve exceptional results", "private companies are under pressure from competition", "digitalization is a crucial factor", "the situation is going to change dramatically as companies begin to use digital technology", "it's time", among others, is evidence of how intensely consultancies are promoting digital services. The message that they are all trying to deliver is not only that digitalization is here, and organizations have to act upon it, but also that it is essential for organizations to follow this trend and optimize their businesses in order for them to not fall behind and underperform compared to their competitors.

Additionally, the consultancies are publishing articles either on their websites or on magazines to further promote digitalization. McKinsey (2018) has published seven articles for the last two years in the series Ops 4.0 evident on its website

and one more article in Effektivitet[3] (Alicke, et al., 2018) this year with the title "Supply chain 4.0 innovations are becoming game changers". PA Consulting has published three articles in Effektivitet (Martin & Jensen, 2015) (Damkjær, 2016) (McAulay & Johnsen, 2017) since 2015 and its annual review of 2017 is named "IT'S TIME" with the comment "*We believe in the power of ingenuity to build a positive human future in a technology-driven world*" (PA Consulting, 2018). Implement has published one article in Effektivitet (Maestrelli, 2017) in 2017 mentioning the boldness of the decision of digitalizing the supply chain and the merits of it, Deloitte (2017) in 2017 issued an insight named "The fourth industrial revolution is here-are you ready?", KPMG (2016) published "Demand-driven supply chain 2.0-A direct link to profitability" in 2016, and AT Kearney (Easton & Evans, 2018) the "The future of procurement: Rediscovering the fundamentals-Procurement has languished toward obsolescence and will die if it doesn't transform quickly. CPOs have just one job today: adopt a future-focused model to meet users' needs" in 2018.

Digitalization services were underpinned in all the interviews, as they were mentioned by all the interviewees. Simon Kristensen (Interview Simon Kristensen) from Deloitte said "…*And then you can say, you know, the whole digital space you can't really ignore, it has a big say in everything we do. So, digitalization as a whole is included in all of our service offerings right now in different shapes and sizes…the digitalization of supply chains it has a lot of fancy names depending on who you ask, Industry 4.0 and digital supplier networks and all these buzzwords that you're talking about…*", and Line Lynnerup (Interview Line Lynnerup) from Accenture added "…*We also have industry X, I don't know I think it's also called industry 4.0, which is also like the next industrial revolution someone can say, very much in production…I mean on the supply chain of course it's very much to optimize so it's very much optimization of all what you can think of and then do it with smart data or intelligent data or something like AI…*". Furthermore, the former associate partner of one of the consulting

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[3] Effektivitet is a member magazine for the association effektivitet.dk, which aims to convey knowledge about development and management primarily in production, logistics and administrative functions. The association and thereby the magazine is aimed at all those involved in the development and improvement of processes, working methods, management systems, education and management in industrial production, as well as private and public services.

companies of the sample, when he/she was asked, from the customer-side, whether he/she would implement digitalized services in his/her present company, he/she revealed that "*…so if I were to believe that that would be the most important push in the future then very likely I would need to turn to some consultants and then say, hey I want… and even if I knew exactly what would be the path to get that I will need some consulting, because I think step 1 will be just clean up this database and understand what we have in them, what are the rules and so on, and I don't have the capacity and the setup I have in the moment...*" (Interview Former Employee of a worldwide consulting company). Hence, even from the customer perspective, if there was the need for this specific service he/she would turn to a consulting company in order to implement it.

Another interesting subject emerged from Simon Kristensen's interview (Interview Simon Kristensen) when he mentioned that "*…So trends is something we focus a lot on. We have a large team right now that's working intensely on blockchain technology for example and they are really trying to come up with different ways of how we can apply this technology. Everybody heard about blockchain, some people know about blockchain, we haven't really seen it yet in the market make it big. So there's a team just working on how can we actually make this into sellable products and how can the different industries use it…Yes, that's the push [blockchain]. That's a good example of a push [strategy]. And I mean in that case you can say there are also different types of push. You can debate on things like blockchain, it's new technologies, so it's about showing companies opportunities and showing them what new things can do…*". Blockchain technology is an open, decentralized ledger that logs transactions permanently between two parties without the need of third-party authentication, which is something that can reduce the cost of transactions. In the beginning in 2008 it was only linked to cryptocurrency, but in 2014 entrepreneurs started realizing its potential in other fields such as supply chains, healthcare, insurance and more, and began to invest on discovering how blockchain can impact these fields (Marr, 2018). In 2017, EY (2017) stated in the Blockchain Summit in San Francisco that "*Blockchain has the potential to transform the supply chain and disrupt the way goods are produced, marketed, purchases and consumed*". The

following Table 4-4 shows which of the consultancies are already either selling or promoting blockchain technology for the future.

COMPANY	BLOCKCHAIN
Deloitte	√
Accenture	√
Boston Consulting Group (BCG)	√
McKinsey & Co	√
Implement Consulting Group	√
KPMG	√
QVARTZ	
Rambøll	
PA Consulting Group	√
Valcon	√
Peak Consulting Group	
A.T. Kearney P/S	√
Emendo Consulting	
Carve Consulting	
Efficio Consulting	√
BearingPoint	√
Resources Global Professionals (RGP)	
SUM	**11**

Table 4-4: Sample companies and blockchain

The majority of the companies under investigation, 11 out of 17, are already involved with blockchain technology. It is unclear from their websites if all 11 companies are already selling blockchain services for operations in Denmark, such as blockchain for the supply chain, like Accenture and Implement do. Nevertheless, they are all publishing articles and advertising blockchain in a way that reveals that this is the consecutive trend, after digitalization, for operations. Though not a trend that is going to take the place of digitalization, but rather boost it. In the same way that Lean 4.0 combines traditional Lean principles with the digital era, blockchain is creating next generation digital supply chains, which are safer and more efficient. Someone could assume that blockchain is the follow-up project after digitalization rather than the brand-new trend.

BCG (Ganeriwalla, et al., 2018) published this March an article with the title "Does your supply chain need a blockchain?", where it says: "*…Now that digital technologies have removed the physical constraints on data transfer, trust may be the last major barrier to optimizing the flow of information that market economies thrive on. Blockchain technology's ability to remove this barrier may allow us to finally unlock the real economic potential of our hyperconnected age. For supply chains, this could be revolutionary*". PA Consulting (Gussago & Abel-Smith, 2018) also published an article this year named "What is blockchain and how you can make the most of it", and it states that "*…Maersk, the Danish shipping giant, is pioneering blockchain as a way of digitizing and securing operational processes when transporting millions of containers…*". So PA Consulting is making an example, among others, of a big Danish company that is already using blockchain technology successfully.

Furthermore, three new codes were created in NVivo, in order to explore and identify some patterns that emerged in the way that consultancies are promoting their services:

12. Differentiation: Services that are different or new, like for example the variations of Lean and blockchain;
13. Mimesis: Interviewees' opinions regarding imitating their competitors, keeping up with the market, or their customers imitating their competitors or following trends, and
14. Relationship-old client: Interviewees' comments on personal relationships between their companies and their clients.

The interviews also revealed the interviewees' point of view regarding their immediate competitors, and the reasons that customers use their services. Table 4-5 and Table 4-6 are summarizing these points.

COMPANY	MAIN COMPETITOR
Deloitte	Implement
Accenture	Deloitte, Implement

Rambøll	Implement, Deloitte
Emendo Consulting	Implement
Carve Consulting	Implement, PA

Table 4-5: Interviewees' thoughts on their competitors

So, no matter the size of the consulting companies, all the interviewees consider Implement Consulting Group, which is a large-sized enterprise, as their main competitor.

COMPANY	CUSTOMER DRIVERS
Deloitte	Customer experience focus, Market trends following
Accenture	Cost cutting, Improve sales, Keep up with competition
Rambøll	Cost optimization/optimization in general, Identify next move to become market leader
Emendo Consulting	Optimization as they are growing, Improving sales and/or the output of their product
Carve Consulting	Being resource efficient/capacity
Former Associate Partner	Inspiration/fresh-eye, Confidence that they can replicate it, Capabilities, Capacity

Table 4-6: Customers' drivers for using operations consulting services from the interviewees' point of view

It is really interesting to stay on the last input of Table 4-6, as this opinion came from a person that was having a customer perspective view of this question, but at the same time could not be unaffected from his/her previous long experience in the consulting area. This person argued that "*Yes, I think that's probably 4 things. First one is to get an outside-in view, which is also including getting new ideas, understanding best practices from other areas and so on. So that's the first bucket, just having somebody who has an independent view and can look at what we are doing with fresh eyes. I think the second one is then having someone*

that's done it before in a sense, so first one is a bit getting the inspiration but the next one is then getting the confidence that he can actually be replicated and can become successful. Third element to me is around capabilities that sometimes it could also be that we have some people who's leaving the company, or we will need to rout scale-up our capability or something else, and then it takes if I need to hire a new guy within procurement it would take me 6 months from my deciding I need a new guy to restart and then 3 months to wrap him up so if I today decide I need a new person then he would basically be ready to work from June next year…What the consultants can do and where they really help us is that if I decide today I want to have a consultant tomorrow, depending a bit back and forth, but then he could be here Monday morning. Which goes to the fourth element which is capacity. So, capability is one thing, but also capacity…it's not economical feasible for us to have full time employees on our terms throughout the full year, and therefore we can also then use consultants of some kind to, in the peak periods where we know there would be more activity, then to offload some of our teams so that we deliver the quality we need, and that's only capacity. So, it's basically buying capacity from the market instead of having it inhouse…" (Interview Former Employee of a worldwide consulting company)

In regard to consultancies' promoting strategies, if they push their services to the market or if they wait for the customers to pull them from them, three out of six interviewees claimed that they use a combination of push and pull strategies (Deloitte, Rambøll, and the former associate partner), the Accenture consultant claimed they use push strategy, and the rest of them pull strategy (Emendo Consulting and Carve Consulting). Charlotte Hartlev (Interview Charlotte Hartlev) replied that "*…Emendo is not working like that…We are selling our project for the good story. So, if we have been doing a project, people are hearing about us and then they are contacting us, can you help us with this and this and this. So, this is the way we are getting our customers…So, we are not trying to find projects, the projects are mostly finding us…*", but Line Lynnerup (Interview Line Lynnerup) from Accenture on the other hand replied that "*…So, we normally actually find out what is the trend, where is the market going, then we put ourselves ready to be in that part and then we start to chip in and sell things. So yeah, we very much organize ourselves to fit the market before the market realize*

that so, that we have expertise and we're ready to develop these services and also try to push these services to clients before they know they need it, if that makes sense, so it's like, I mean to give them inspiration and say this is the new... and that's also what they expect of us, so they expect that we know the new things and what is it… so if we have, let's say, a production facility what is it that we'll make us stand out and then there is all these new things in industry 4.0, so then we will be expert in the things they don't know yet…". Simon Kristensen (Interview Simon Kristensen) from Deloitte commented on the push strategy that *"…Yes, that's the push [teams that are identifying the new trends]. That's a good example of a push. And I mean in that case you can say there are also different types of push. You can debate on things like blockchain, it's new technologies, so it's about showing companies opportunities and showing them what new things can do. You also have I mean the more general push and if you've done a project to a customer and you think it could benefit another customer that you also know maybe you will contact them and say hey I have good experience with this, will that be interesting for you? So that can also be… push that around...".* The former associate partner (Interview Former Employee of a worldwide consulting company) added that *"…No, it's a combination in the sense that, what I think consultancy firms need to do and all do is to try to do what they do with one client's packages and use it for others. I think that's the common, it's difficult to just sit behind a desk and then develop something completely new. If you take Lean as an example, the way Lean developed was that Toyota did it themselves and that then created a precedent for somebody to then start and roll it out to others. I think it's the same with the consultancies. So, you want to be forward leaning, you want to challenge, but you want to do that together with a good client. So, the typical thing would be for consultancies to find a client that is visionary and they want to push the envelope within an area, and then co-invest with them to basically develop this and do all the mistakes together with them, but then find out the way together with one client, and then once you have done that, package it and replicate it. That's the general model, so it is a combination in a sense that you want to create a push for the first client, because there is something you haven't done before or nobody has done it before, there you need to be on the forefront of the thinking and so on, and you need to really develop the need at the client side in order to figure out what is actually the demand we*

are fixing for him and what's the problem we are solving, and then once you believe you have the right thing that you need to convince one client to do it, once you have then done it for the first time, you need to codify it and figure out what was actually, why did we do this, what was the success criteria, how can we replicate it, then you de-package that one, push it to 2 or 3 more clients and then you'll create the pull, because then eventually people start talking about Lean and say Toyota did it then 2 other companies also replicated it and it was super successful, then you have basically the fourth guy in the line and he will have to pull because he will be a new CEO and his role, he needs to do something, everybody is talking about Lean, so he will call you if he believes you are the guy who can help him deliver Lean. So, it is a bit of a mixed model…". Evidently, the organizations that belong in the top eight companies of the sample, in regard to their revenues, are incorporating push strategy, either alone or combined with pull strategy, for promoting and selling their services. Conversely, small-sized enterprises like Emendo Consulting and Carve Consulting are using pull strategy, and they rely a lot on their "good stories" and "good projects", and their personal relationships with their customers.

This qualitative analysis aimed to explore the drivers of the current operations consulting services in Denmark, to recognize the current focus and trends of the operations consulting market, and to create a theoretical framework. Through the use of NVivo and the assistance of coding and creating memos, a coherent understanding emerged. The findings are presented in the next chapter.

5. Discussion

In this research project, I set out to answer the question: What drives the current operations consulting services in Denmark? Summarizing the results of the qualitative analysis, I have the following core findings.

First, I found that the operations consulting services supplied in Denmark are affected by the management fashions and trends. Could these fashions, though, be the drivers of the consulting industry? The answer is no, because consulting firms, are part of the management fashion setters, and they have been shaping the current demand, and have also played part in creating the demand of the next fashions (Abrahamson, 1996). This is evident in the Lean, digitalization, and blockchain fashions. In my interview with Ole Steen Andersen, he also agreed that a lot of the input for the purchasing of consulting services derives from the consultants themselves, and that Lean, digitalization, and blockchain are indeed fashions, as was Business Process Reengineering before Lean and so on.

The fashion of Lean was disseminated by consultants and academics, that informally observed this tool in the production facilities of Toyota (Perkmann & Spicer, 2008) (Interview Former Employee of a worldwide consulting company). They successfully created the rhetorics that Lean manufacturing "*is both rational and at the forefront of managerial progress*" (Abrahamson, 1996, p. 267) through publications, seminars, events and trainings in business schools, and Lean manufacturing was a very fashionable management trend for many years. Currently, I see that the consulting companies under investigation are giving up on selling or marketing this tool (eight out of the 17 are not selling or promoting it). In the top six companies of my sample, half of them are still providing Lean services, from which the two of them are providing also different variations of this Lean tool. This can be explained in two ways. First, according to Abrahamson (1996), lower reputation organizations tend to adopt management fashion to resemble to the higher reputation organizations. Therefore, in my case the higher reputation companies such as Deloitte, Accenture and KPMG have stopped either selling or promoting the Lean tool, even though they can provide it if asked, and they have adopted new management fashions, such as Industry 4.0, or they

have incorporated variations of Lean, such as Lean process redesign and Lean innovation (McKinsey & Co, Implement Consulting Group), to extend this idea's life (Clark, 2004), in order to differentiate themselves from lower reputation consultancies. The second explanation is that after the successful implementation of Lean manufacturing in many companies for many years, managers have managed to learn from their consultants how to run Lean projects. Additionally, since all competitors have implemented this tool, and have seen its results and improvements, organizations need once again to find a new tool, service, fashion to become competitive (Sahlin-Andersson & Engwall, 2002). Ole Steen Andersen has also observed the decline of Lean fashion. He argues that companies have Lean managers nowadays, like for example Novo Nordisk has a cLean officer, adapted Lean to their philosophy, and students also learn about Lean in courses and they can actually perform it when they finish their education, therefore consultants lose their importance and they have to create the new fashion. Hence, the time is right for the fashion-setters to invent and disseminate the new management fashion (Abrahamson, 1996) (Kieser, 1997), which is digitalization.

Digital supply chain or Industry 4.0 and so on, is the next management fashion trend after Lean manufacturing. This is evident in all the websites, selling services, publications, case studies, interviews of the 17 consulting companies under investigation. The management fashion setting community, such as consulting firms, business schools and management gurus, has once again succeeded in disseminating a new fashion, creating the rhetorics of this fashion's necessity, shaping the demand, and creating a new management trend (Abrahamson, 1996). Big data analytics and smart data are in the main focus of the consultancies, who are passionately promoting their digitalized services using powerful and strong words. Though one can find them under different names in their websites (Table 4-3), the main idea is the same.

Consultants adopt the role of certifiers of rationality who apply expert knowledge in all functions and levels of an organization (Sahlin-Andersson & Engwall, 2002), therefore they market themselves as experts of applying digitalization services (Interview Line Lynnerup) to convince even more the fashion followers of their

necessity. Consultants also provide temporary management capacity to their clients for tasks that are either not performed regularly and therefore it is not efficient for their clients to invest on permanent management capacity (Sahlin-Andersson & Engwall, 2002) (Interview Former Employee of a worldwide consulting company) or that are new, such as digitalization, and their clients do not have the appropriate knowledge to carry them out. In line to their role as experts, they stress that they transfer knowledge of "best practices" and not just ordinary knowledge, to solve their clients' problems. Furthermore, consulting firms exploit the personal relationships that they have created with their clients and push their services (Interview Leif Haaning) (Interview Line Lynnerup), therefore they create follow-up projects. Another approach of their push strategy is their publications and success stories on their websites and magazines, which facilitate the diffusion of the fashion of digitalization, as organizations that have successfully implemented it affect the demand of their competitors for this fashion (Sahlin-Andersson & Engwall, 2002). In my interview with Ole Steen Andersen, he also believes that Industry 4.0 is the next management fashion after Lean. He argues that managers cannot be expected to know how to actually implement the new technology, even if they become aware of it, the consultants are the ones to facilitate this process.

Nevertheless, the consulting firms did not stand idle since they have moved to a new fashion trend which is blockchain. In the present, all the consultancies of the sample are selling Industry 4.0, and since this service is relatively new, I cannot turn again to market saturation as an explanation of this phenomenon, but rather to competition. For the higher reputation consultancies to differentiate themselves from the lower reputation ones, they have to invent a new management fashion, and blockchain is that. The top six companies of my sample are already promoting or selling blockchain services, as they are doing some of the small-sized companies in their effort to keep up with the competition. Since blockchain is creating safer and more efficient digital supply chains, it is clear that it is here to boost the services of digitalization into the next level. Hence, the management fashion setters have created a follow-up project for themselves. It is not odd therefore that consulting firms would use push strategy through their personal relationships with old clients (Interview Simon Kristensen) or through

publication of success stories, like PA Consulting did by mentioning Maersk's blockchain project, among others (Gussago & Abel-Smith, 2018). The next step is clients imitating each other after the successful implementation of blockchain projects in companies of high prestige such as Maersk, like in the example of Toyota and Lean (Interview Former Employee of a worldwide consulting company), and the fashion is even more disseminated. Ole Steen Andersen also sees blockchain as the new fashion and he has heard his old colleagues mentioning it all the time.

Currently, using the methodology of Gartner's "hype cycle", blockchain technology is sliding into the "Trough of Disillusionment" (Hype Cycle for Emerging Technologies, 2018). Though it rose very quickly at the "Peak of Inflated Expectations" in 2016, and all possibilities were open, presently these possibilities are narrowed down and the discussion has shift to the question of how this technology can actually solve problems. After that, in the "Slope of Enlightenment", the applications that will become strong, will start to show their potential, and probably later blockchain will move to the "Plateau of Productivity" and become an established part of the industry (Panetta, 2018). Interestingly, the majority of the consulting firms of the sample have chosen to embark on the journey of blockchain technology services, even though the current state is the "Trough of Disillusionment" and it will take five to ten years to reach the "Plateau of Productivity" according to Gartner's "hype cycle". McKinsey argued that the success of blockchain "will require co-operation among market participants, regulators and technologists" for the impact to be even bigger (McKinsey & Co, 2015), which is another evidence of the act of the management fashion setting community. Yet, this does not explain what drives them into promoting this service. Porter's five forces might give an insight into that.

He (Porter, 2008) identified five forces that make up the competitive environment, and which can undermine the organizations' profitability. These are the rivalry among existing competitors, the power of the suppliers, the power of the buyers, the threat of substitutions, and the threat of new entrants. The most important ones out of the five dimensions that are driving this are the rivalry among existing competitors, the threat of substitutions, and the threat of new entrants. The first

one looks into the number and strength of the competitors, which can actually give an explanation to this shift in blockchain, as competition in the consulting area is really strong, and this was also evident in the interviews where they mention about their push strategy and their will to keep up with the market. Therefore competition can drive them into selling the specific services they are selling. The threat of substitutions is also a key point in weakening a consulting firm's position and threatening its profitability. Yet, the substitution in my case will not be a cheaper solution of the same service, but rather a new management fashion trend that will substitute or change the previous one. Failing to keep up with the trends would mean failing to remain competitive. Last, the threat of new entrants, meaning other consultancies entering the market and selling the same services, also explains the shift in blockchain. Data analysis showed that the whole sample is providing digital services, therefore rivals have weakened each other's position. In order to be competitive, consultancies need to enrich their services and move on to invent the new trend that will shape the demand of the fashion followers. Blockchain is the one that will raise their game.

Competition seems to be one of the answers in all three management fashions that I investigated in the consultancies' services. Data analysis shows that the driver of being competitive makes the firms incorporate push strategies, exploit their personal relationships with old clients in order to push their services, create and disseminate new fashion trends, and promote heavily their services in digital media. Nevertheless, competition is not enough to explain why they choose these specific services they choose. It would be really interesting to identify and investigate more drivers of the operations consulting industry in Denmark, but due to the limitation of the scope of the analysis, as I only conducted six interviews for data collection and the rest of the sample companies did not agree to participate in this research, and the limitation of time which did not allow me to conduct some follow-up interviews or even more interviews in the same companies but with different employees, level-wise and department-wise, this was not feasible.

Ole Steen Andersen also drew my attention to something else. He told me that when he was working at Implement Consulting Group they used to attend

lectures from experts, and in one lecture by Fiona Czerniawska, he was impressed by a curve she drew, derived from data both from consultants and clients, implying that the perceived value of consultants' services is high when the idea is new to the clients and to the consultants, and it drops when the idea gets old and becomes more of a routine to the consultants. Clients enjoy being the "guinea pigs", and when consultants approach them and talk to them about a new idea that they have never heard before then the consulting firm's prestige rises. And even though he agrees that the consulting industry is a very competitive industry, competition cannot explain everything. Another driver comes from the internal environment of the consulting firm which is its own people. According to the whole brain model test, that he and many of his fellow consultants took, they belong to the yellow part, which describes innovative, creative, and open-minded people, and also to the red part which represents social people. Consultants like to think of new ways of doing things, and picking up ideas and put them into form. They are not only motivated by the competition, but also by their creativity and the incentives and rewards in a performance-driven environment. As Ole Steen Andersen stated "*…You can't sell something that the client doesn't want to buy…*". Thus, it is not only a push market, the clients need to feel that they actually want to get involved with the consultant in front of them, and that it is someone who can listen to them and address their concerns in a meaningful way.

6. Future Research

Another interesting implication for future research would be to identify the consecutive trend of the management fashion setting community after blockchain technology, and the reasons that would underlie the new shift in management fashion. Furthermore, looking into the 17 goals of sustainable development that were adopted by the 193 member states of the United Nations in the UN Summit in 2015 for the 2030 Agenda for Sustainable Development, blockchain can impact multiple SDG, such as responsible consumption and production, with its design of openness, trust, and transparency. It would be noteworthy to research the involvement of the consulting firms in the implementation of blockchain technology services that aim to achieve SDG and the drivers underlying this action. Would it be competition again? If management gurus and academics shift their focus on blockchain technology in the SDG, will the consulting firms get involved in order to sustain a competitive advantage over their rivals? Or do they also have humanitarian and environmental motives? A further research into their Corporate Social Responsibility (CSR) policies and their implementation might answer that.

7. Conclusion

The aim of this thesis was to investigate the current state of the operations consulting industry in Denmark and identify the current focus and offers of the operations consulting market. Based on Abrahamson's management fashion theory and expert interviews followed up with document analysis of consultancies' websites, publications, articles, insights, and case studies, I have identified three management fashion trends.

Lean, digitalization, and blockchain are the three management fashions that emerged from the analysis of the interviews and the documents, that according to Abrahamson have convinced fashion followers that they are "*both rational and at the forefront of managerial progress*" (Abrahamson, 1996, p. 267). The management fashion setting community, such as consulting firms, business schools, and management gurus, have created, selected, processed, and disseminated the above-mentioned management ideas to supply mass audiences and create mass fashions (Abrahamson, 1996).

One of the drivers of the operations consulting services from the external environment that I have identified is competition. New fashions and market saturation were also explored, but in the case of new management fashions, as consulting firms are part of the management fashion setters, this cannot be the driver, but rather the result of their competition. As for market saturation, even though in the case of Lean tool, I believe it is part of the explanation, it cannot explain the last fashion trend of blockchain since the previous one of digitalization is relatively new and not fully disseminated yet. Another driver, yet from the internal environment, was the consultants themselves, as there are innovative and creative people who are driven by their urge to identify new ways of doing things.

Nonetheless, competition cannot be the only explanation of what drives the operations consulting services in Denmark from the external environment. Perhaps, other variables need to be considered, and further attention needs to be paid on blockchain and what will emerge after that.

7.1 Managerial Implications

The above have implications for both the consultants and the client organizations. As the necessity of consulting firms is evident throughout my research in implementing new projects and realizing objectives, it is really important that both sides are cautious. Clients need to be aware of what they need and consultants need to be respectful of what their clients request and not to extend its scope. Since consulting firms are part of the management fashion setting community and they create management trends and shape the demand, they need to take under consideration that sometimes the new fashion might not be the answer to their clients' needs. On the other hand, customers need to be aware that consultants are part of the process of creating the trends and therefore they need to research and become aware of the trends, because blockchain or digitalization or Lean is not a panacea to all their problems. They both need to agree on what is best for the clients independently of the trends, and then consultants can be a great asset on them achieving their goals.

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9. Appendix

A. Interview Guide

➢ State name, university and aim of this meeting

1) What is your name?
2) What is your position in X company?
3) What sectors do your clients come from? What distribution?
4) In which industry/ies do you specialize?
5) What are your primary services? Which ones are selling the most? What are they about? Why do you think is that?
6) When did you start selling the above service?
7) Did it replace an old service you were selling or was it added in your portfolio of services? Why do you think is that?
8) How did you decide to start selling the above service? Was it after a customer's request?
9) How long did it take from the moment you started selling the above service until it became your top selling service?
10) How often do you change your selling services?
11) What triggers a change?
12) How does your company decide when to make a change? Is it based on sales?
13) How does your company communicate to the public a new service?
14) Do consultants (employees in general) have the freedom to suggest a new service to upper management? If yes, has it happened before? When? What was that? What triggered this suggestion? If not, how do you renew your services?
15) Have customers ever asked you to provide them with a service you weren't selling at that moment? When was that? Which service was that? Did it affect your portfolio of services in the sense of creating this service?
16) If the above happens often, is it private or public companies mostly?
17) What's your company's current market share in operations consulting?
18) What percentage of your company's work is in OM?

19) Who do you consider as your immediate competitor/s?

20) Do you adjust your portfolio of services in regards with your competitor/s? If not, how do you decide on which services to sell?

21) Is cost-cutting the main drive of your customers?

22) Do you think companies that use operations consulting services are copying their competitors or are really in need of these services?

23) Do you believe your services are push-based or pull-based?

B. Interview Line Lynnerup

Company: Accenture
Date: 17-08-2018
Audio length: 32 minutes 29 seconds
Speakers: Line Lynnerup (LL), Danai Michailidou (DM)
Role: Consultant

DM: So, hi.

LL: Hi.

DM: I'm Danai from Aalborg University here in Copenhagen. I'm doing my master in Operations and Innovation Management and I'm currently writing my thesis investigating the operations consulting industry in Denmark. So, I would like to ask you some questions. I'm trying to identify if there is a trend in the consulting industry. If you have any questions about it, you can ask me.

LL: Yes

DM: So, what's your name?

LL: I'm Line Lynnerup.

DM: What is your position in Accenture?

LL: I'm a consultant in Accenture. When you start get employed after you study and you start in Accenture you begin as an analyst and then after around two years if you're doing good they promote you to a consultant and then again at consulting level after two to three years you'll be promoted to manager and then after that again you have senior manager and then you have managing director. That's the levels.

DM: And are you working in the Operations Consulting in Accenture? Did you have any projects?

LL: So, I'm not directly under the Operations, as we call it supply chain, but I'm not attached to that, but I've been in a lot of supply chain projects.

DM: Have you identified if the customers are mostly from the private or the public sector?

LL: Accenture is divided into different consultancy practices and I'm working for the products practice, meaning working with companies that do some kind of production. Then we have an industry called health and public sector, and that's where the public clients are, meaning I don't, I only work with private clients when I'm working for products.

DM: Ok. So, Accenture has only clients from the public sector when it's about health?

LL: No no, but it's just divided into departments, so I'm working with the products department and you could work for health and public sector meaning that the public projects that would be the project that you are working on, and let's say Lego where they produce something, that's the client I will work for. That's how our consultancy practices are divided and then on top of that we have… I mean that was two, then we have communication and technology consulting industry practices as well, that could be something like TDC, then we have resources, so that could be oil and gas and wind power. Then we have financial services, that would be banks and insurance companies, something like that.

DM: Ok, so you answered to the next question too because I wanted to ask you what sectors your clients come from.

LL: Yes.

DM: Would you say that you specialize in a specific industry?

LL: Yes, yes, I do. So, I specialize in the products industry.

DM: But Accenture in general doesn't specialize?

LL: No, so Accenture is so big that we have... So, we have our strategy practice where it's not divided into industry. And like taking from the top they have strategy, they have business consulting and technology consulting. Then typically strategy will make some high-level work maps and high-level vision or strategy for the company. Then it will come to consulting, that's where I'm sitting, where we have the different industry focus. Then I will take my consulting knowledge industry practice and then I will help translate the strategy, I can also be part of building the strategy and then I will help find out how do we then actually, I mean how do we translate into something that the client can use. So that would be some project where I'm working until the clients understand how they come from A to B, for example. And that where we have the different industries. Then we have…So that was actually the consulting, then we have Accenture technology and digital and innovation and that's where I will work with technical stuff. So, if it's a technical project that would require some development, and that would be some IT development, that it could be digital or technology or innovation that actually do that transformation. And typically, it's super complex projects so they would be advised on the technology side.

DM: But do you stay also to watch the implementation of the projects? Or is it only suggestions?

LL: No, we can also be part of… In strategy it's more the suggestions, in consulting it's a mix about suggestions and also the implementation. Yes, so we do both.

DM: It depends on the client?

LL: It depends on the project that we sell to the client.

DM: And what are your primary services in operation?

LL: Yes, so you can... Again, since I'm not sitting in the supply chain domain I can't really answer that. Within products I'm sitting in a group called transformation management, so project and program management. So, I usually do advisory on big projects and programs for clients and do product management on different projects they have to do and also do assessments and yeah… So product management and advisory services within how to… But people sitting in supply chain… I mean they put themselves up to speed with the new technology, also what is new in the supply chains I could imagine, the new things that you learn in your studies if that's some new trends within supply chain, then you would learn about it, but that's also the thing that we prepare ourselves to be expert in, so that we can offer it to the clients. That's typically how it is.

DM: Yes, but if you judge from the projects that you worked on in supply chain, would you say that you saw some similarities, like for example did they ask for data in supply chains or do they ask for digitalized supply chains or…?

LL: Yes, so digitalization is a big part of everything that we do. I mean it's very much about what clients are asking. So, it's a lot about going digital, which for example, I had a project in Stockholm, where they renewed their e-commerce platforms and plus the services they do when you get something cheap then you can do it like next day delivery like Amazon for example, and all these things, so all these things that they found from the business side that they want to change with is e-commerce platform and also setting up new e-commerce platforms in the market that they didn't have before, all that have an effect on supply chain. So that was what we were working on for the supply chain side, we were working on how do we, I mean coordinate and make sure that these new product services that we are offering, how can we do that from the supply chain perspective, so how can we manage time slot delivery next day, how can we split an order or combine an order for two warehouses, how can we make more smart warehouses, how can we make smart stock management, and all these things.

So yeah, really with the new technology and the new concepts. We also have industry X, I don't know I think it's also called industry 4.0, which is also like the next industrial revolution someone can say, very much in production. That's also something that supply chain in some ways will tip into or like be a part of.

DM: Have you already started selling this or is it like in the…?

LL: Yeah that's the project I was on in… Oh industry X? Accenture calls it industry X I think it's called industry 4.0. Yes, that is something that we're starting to sell to clients.

DM: So, when would you say that you started selling services regarding digitalization of supply chain?

LL: I mean we already did it when I started four years ago.

DM: So more than four years ago?

LL: Yes, and it's very much what everyone has been doing in the last couple of years. So, all projects have something to do with digitalization.

DM: Do you know if a new service like for example digitalization or industry X replace old services that you have or is it added in your portfolio of services?

LL: Accenture has to keep up with the market all the time, so that our services change nature depending on the market need and also, we often actually have our own reorganizations to fit what we think will be relevant in the market. So, we normally actually find out what is the trend, where is the market going, then we put ourselves ready to be in that part and then we start to chip in and sell things. So yeah, we very much organize ourselves to fit the market before the market realize that so, that we have expertise and we're ready to develop these services and also try to push these services to clients before they know they need it, if that makes sense, so it's like, I mean to give them inspiration and say this is the new... and that's also what they expect of us, so they expect that we know the

new things and what is it… so if we have, let's say, a production facility what is it that we'll make us stand out and then there is all these new things in industry 4.0, so then we will be expert in the things they don't know yet.

DM: But how do you push it to them? Is it like clients that you already have that when you're working with them you would say we have also started working with this?

LL: It's very different. It can be both. So… we both have… we have new clients, but we also have a lot of clients that we have had for many years… so we can have a good relationship with clients that we already have and when we already have a project and then we can pitch it and sell it more, where we can see a lead that there is something that they are liking… so yeah we do both, we both get new customers and we also have customers that we have obtained for a very long time.

DM: Yes, but with the old customers you can tell them and they can know about your new services, but with the new customers how do you pitch yourselves to them? Is it just advertisement in your site? In order to sell a new service, that's what I mean.

LL: Yes, but that would be often through network, and also to find a way to talk with the C-level people in that area that we have something to pitch in, and then we ask them for a meeting and then we're super prepared and then have an assessment of what we think that they need and what we can do for them. So, I think that's kind of how it works.

DM: How do you identify the trend if you say that they don't know it yet, like for example which service they need?

LL: So how we identify it?

DM: Yes, I mean, is it really a trend? Do you believe that it's really something that they need or is it something that you make them need somehow?

LL: It is… it is something… we would never be able to… I mean it is something that can improve there, either their operations or make them get more sales or make them more efficient. So, for clients it also really depends on their ambitions. So, do they want to be best in class and this is their core capability, and also can they afford to do this project? Do they have the skills to actually do this? So yeah, it depends.

DM: And how often do you change your services?

LL: All the time.

DM: So, you don't have triggers to make a change? You identify that other companies are doing something and maybe you want to keep up or sometimes you do it first, is it like this when you want to make a change?

LL: So, our internal changes?

DM: No no, for your services, do you follow your competitors?

LL: Yeah of course I mean we keep up a lot with the market.

DM: Do the consultants have the freedom to suggest a new service?

LL: Yes.

DM: Has it ever happened? Do you know if somebody…?

LL: Yes, it does happen.

DM: Was it a specific service that you know or…

LL: It's often when you're out at clients' sites, you're at one project, just as you said before, and then you realize that they are liking some skills or systems in

another area, and I mean that's always the case they're always things to improve all the way around. And of course, you can go and pitch that, but also if it's maybe not that important for them, but if you realize that this is important for them, that this is something they want to want and need to change, then we try to talk internally how we can pitch that how we can start a dialogue in these areas.

DM: Have also customers asked you for a service that maybe you weren't selling at that point and then you started creating it?

LL: I could imagine yes.

DM: But you don't know a specific service that happened like this?

LL: No.

DM: But they have the freedom, both new clients and old clients they can come and ask you…

LL: Yes of course they can, and then again we are international we have around I think four, five hundred thousand people, so think our saying is that if we haven't done it before someone else in the world of our colleagues have done it before so you can always get help and support and references and best practices on how to do this. It might differ a bit, but you will always be able to get some expert within Accenture who has done something similar.

DM: Do you know Accenture's current market share in operations consulting?

LL: That's not so much supply chain in Denmark, we're working close together with Nordic, and in Nordic there's more supply chain, so in Norway, Sweden and Finland. In Denmark we don't have any big projects only for supply chain. So, we're not really strong on supply chain, only on supply chain that is, in Denmark.

LL: Sorry I actually have to leave soon, but you can keep asking me questions,

then I have something I need to do here and then I can do that in the meantime that you can get a bit more time.

DM: Yes ok. Do you know what percentage of your company works on operations?

LL: No.

DM: Who do you consider your immediate competitor?

LL: It's all the consultancies at different levels. So, from our strategy practice it's McKinsey, BCG, Bain, Qvartz. From the consulting angle it's also the same, it can also be Deloitte, they're also doing more consulting. It can also be Implement. And then when we come down to the technology services it can be also Deloitte, it can also be PA Consulting, it can be Tata.

DM: What was the last one?

LL: Tata? Yes, you know this big Indian company, technology, they do everything…

DM: Do they have offices here?

LL: No no no, I don't think so. Well actually I don't know. That's a company that will always try to bid very low, because they have different wage for their resources.

DM: Do you think that the main driver of your customers is cost-cutting?

LL: No, it's both. It's both cost-cutting and it's also new markets development and sales development, it's both sides.

DM: Do you think that the companies that ask for your operation consulting services are really in need of these service or are they copying their competitors?

LL: Yes, that's also… I mean it can be both… but I mean they would never just buy it just to buy it, then they will buy it to because they think it's needed to keep up with the competition. It is super big and super expensive products that we deliver, so the clients just don't do it for fun. It requires funding and approval and research, and it has to be fit to that strategy and to the direction it's going, so it's very well considered the steps and the projects that they want to take. And yes, they can be both cost cutting, it can be improve sales, it can be to keep up with the competition that we see this is happening in the markets… I mean this is what the customer expects, and we need to do the same and keep up…

DM: So overall you wouldn't say you know a specific service that you're selling a lot in the supply chain department?

LL: …

DM: So mostly about digitalization, right? This is now the...

LL: Yeah, yeah.

DM: And when the supply chain is digitalized, what exactly does it mean? Is it like for example using Kanban system in their line of production, is it using ERP systems for suppliers, so everything is connected…?

LL: Yes, it's very much about better… better prediction, better waste management… I mean it's all these things, that is like smart data, so it's very much about how can we make computers do the work, the manual work that people… well like the calculations for example the forecast, so before it could be a person looking at forecast but now you do some more to plot in the data and then the system will calculate the forecast for you. If you have to combine orders, then it can also be based on different smart calculations… I mean on the supply chain of course it's very much to optimize so it's very much optimization of all what you can think of and then do it with smart data or intelligent data or something like AI.

70

LL: One more question Danai but then I really have to go.

DM: Yes, it's ok. So, when you have a customer and you have this project about digitalization and smart data etc., do you also have to get involved with their customers, like their suppliers…?

LL: Yes, we could do that.

DM: So, everyone needs to improve their processes…

LL: Yes, that could easily be the scope. That we have a project with a client, but their vendors are a part of that. So, they also come out as stakeholders that we have to collaborate with and make sure… yeah that can also be the case.

DM: And the vendors of your customer, they don't have a problem if you ask them to change something?

LL: I mean that can always be a challenge but somehow it would be agreed. So, I think an example is… so we had this project in Stockholm that I had just joined, completed this spring… we were optimizing the client's supply chain… so the warehouses… the vendors had to comply and make some changes in order to be able, you know, share data within the move set up that our client did. So that was a part of the agreement. So, I mean if the vendor wants to still be a client for our client they need to... so that's a discussion that they will have, and that we will say okay you have to align with your vendor that this has to be this way…

DM: But then this is another project for you?

LL: No, it will be like the same. I mean it could be that we help the vendors do their changes as well, as a part of…

DM: But your first client will pay for all this project, right? It's not that the vendors then will have…

LL: It will depend… you can't say… it really depends on the agreement, so it's the agreement you make in the start and then yeah… or like the contract. And then you might find out afterwards that something more needs to be done… It was not… we had some assumption in the start but there's more that has to happen and then you take that discussion when it comes.

DM: Ok. Thank you.

LL: No worries.

C. Interview Simon Kristensen

Company: Deloitte
Date: 20-08-2018
Audio length: 26 minutes 17 seconds
Speakers: Simon Kristensen (SK), Danai Michailidou (DM)
Role: Service Line Leader

DM: Hi, my name is Danai Michailidou and I'm studying in Aalborg University here in Copenhagen, and right now I'm writing my thesis investigating the operations consulting industry in Denmark and I would like to ask you some questions. So, first of all what is your name?

SC: My name is Simon Christensen and I am a Service Line Leader in Deloitte in what we call Business Model Transformation or Operational Transformation.

DM: Perfect. And do you have customers mostly from the private or the public sector?

SC: That's a mix. Oh no sorry most of them it's private. We have a separate department that focuses purely on the public sector. So, what I said was this, mainly private, we have a tiny bit of public but mainly private.

DM: Ok. What sectors do your clients come from mostly?

SC: There is wide range of sectors. So we have three focus areas you could say one is the what we call products that is producing companies typical manufacturing industry that could be anything from FMCG to industrial and chemical. Then we have the financial services that's banking, pension funds, so forth. And then we have energy. Energy is wide here. So it's everything from mergers and acquisitions to optimization to strategy and so forth. But in the energy sector.

DM: Ok. And what are your primary services now in the operations?

SC: Our primary services? So mergers and acquisitions and of course merge integration you could say as part of that, it's one of them, and the customer centricity in different shapes and sizes, customer journeys and so forth, and supply chain. But those are very high-level headlines, so you can define services in many different ways. So this is more, you could say, from an operational point of view. When we look at a service point of view we look more integrated offerings and that crosses all the different service lines not just the operational. It's very rare that you can you can do just a pure operational design without considering things like technology, human resource impact, organizational design and so forth. So what we're looking at is an integrated offering instead of saying we have a challenge, and that often includes more than just the operational departments.

DM: Ok. So yes it's a mix it's not something exactly specific. But for example in the supply chain in which areas would you say that you're selling the most?

SC: Yeah yeah, within supply chain we focus a lot on logistics and distribution and that's very much strategic in design, it's mainly strategic and tactical levels that we are operating on. But design of supply chain, design of production, we do product lifecycle management. We do supply chain planning, what we used to call sales and operations planning, now more enterprise planning things that we're looking at, but planning around supply chain. And then we do a bit of strategy also, so supply chain strategy. That's Deloitte Denmark. I mean Deloitte Global is a different story of course there's a lot wider range but I think these are in the Danes market what we focus. And then you can say, you know, the whole digital space you can't really ignore, it has a big say in everything we do. So, digitalization as a whole is included in all of our service offerings right now in different shapes and sizes.

DM: So it's a lot about the digitalization of the supply chain, right?

SC: Yes.

DM: And has it been a long time that you have been selling this service? I mean in regards with the digitalization of the supply chain. Is it like a new service for you or have you…?

SC: Well that's relative, what's a long time?

DM: I mean is it something that's happening for let's say approximately four years now or…?

SC: Yeah…I mean…again...the digitalization of supply chains it has a lot of fancy names depending on who you ask, Industry 4.0 and digital supplier networks and all these buzzwords that you're talking about. I think it depends a little bit on how you look at it. Because when it comes to things like sensors, analytics, and these sort of things that's been going on for years. I mean 10 years, 15 years. I started working with analytical design and simulation and stuff like that with supply chains back in the early 2000s. But what's changing now I think is also with the introduction of Big Data introduction. But with the widespread of big data and the opportunities have maybe increased a little bit. And I think maybe also we see it's a wider range of customers that are looking into this area. So things like also robotics, it's very hot at the moment, but again then ten years ago we did the optimization process automation. So it's really more associated that it may be more of a new development or optimization than it's something completely new. And then you have a few of these stars you know, you have a few of the Amazons of this world, the Uber and these type of companies that's taken digitalization to a complete new level and a lot of people are talking about them. But I think when you look at the operation and the real life it's more dreams than it's reality.

DM: What about lean manufacturing? Have you…?

SC: We don't work much with it. We do a lot of lean, not so much in manufacturing. But lean, to be honest with you, I mean and this is my personal opinion of course, but my experience at the moment is that lean is dying a little bit. If you go back 10 years everybody was talking about lean and production

systems and it was very big everywhere. Nowadays it's past. No one speaks about it anymore. Six Sigma Lean is a little bit of the old ways. Back then you designed based on supply, so lean is starting with the production you try to optimize your output. I think what you do today instead is you're looking at the demand to a great extent, you're looking at your customer, the experience of the customer and then you're designing backwards. So it's a how do we supply that service of that experience to the customer. And that's a new way of thinking so that makes the lean thinking a little bit old fashioned. You see a tendency that lean is…I mean we don't talk much lean anymore to be honest. We don't sell lean projects anymore. I mean there's a few here and there but we don't focus too much on them.

DM: Yes I understand. How often do you change your selling services? I mean what can trigger a change in your company?

SC: In my company is a big word, if you speak about Deloitte globally I think I cannot speak on their behalf.

DM: No no no, in Denmark.

SC: So if I look at my department in Denmark and what drives it for us, we always have to of course stay on top of everything. So trends is something we focus a lot on. We have a large team right now that's working intensely on blockchain technology for example and they are really trying to come up with different ways of how we can apply this technology. Everybody heard about block chain, some people know about block chain we haven't really seen it yet in the market make it big. So there's a team just working on how can we actually make this into sellable products and how can the different industries use it. So that's one example you know new technologies that brings new products to market. Of course we listen to our customers, of course we see what are the demands and try to adjust to that needed. But we are also looking at our supply, I mean our own people, our resources, we are good at certain things and that's of course what we also want to offer the market. So we're not going to go in completely change our portfolio of products overnight. But I think new trends is the key driver

of change.

DM: But you also talked about your customers, so they do have the liberty to ask you for a service that you might not be selling at that time, right?

SC: But to be honest I mean that's the benefit of the company, I mean we're a company of almost 300.000 people. So if a customer requests something to me and I can't deliver it with my team, there's definitely someone in Deloitte somewhere that can, so then I would just use the network into the big Deloitte firm and then we would find the right people and we would bring them to Denmark. That would mean that it's a service that we as such in Denmark provide, but we can definitely deliver as Deloitte as a company.

DM: So, you never had the experience of someone asking of something that you didn't sell even in your whole network in Deloitte?

SC: No. No.

DM: Haha no Deloitte sells everything.

SC: Haha I mean within of course the norm, but yes we are 300.000 people and we are really widespread between industries and service offering and no I haven't been in that situation.

DM: Do the consultants or the employees in general have the freedom to suggest a new service to the upper management?

SC: Yes. I mean again now I speak from my own department, but that may differ where you are, but in my department yes definitely. We like to, I mean now we're getting a little to our employee philosophies, but we like to also, I mean both of course look at what the company needs but we also want to look at our employees and look at their passions and their talents and how to bring that into place. You know often we have young people coming with passion for something and then they will study that and they will work on that and then they'll come up

with ideas and proposal and if it makes sense and we see that there could be a market, we test it and we go to the market and say I think it's relevant to learn much more. And that's often also as you know from the very young consultants that come out of school and maybe have worked on projects or done some research within an area and they want to take that to the next level, so yeah often.

DM: Like for example if they go to a meeting with their customer and maybe sometimes they could identify something that the customer might be in need but hasn't actually articulated. And then in this sense they can suggest to you or to Deloitte services. Has this ever happened?

SC: So you mean that we are at a customer doing a project and we see another opportunity?

DM: Exactly.

SC: Yes yes that happens.

DM: But do you remember specific services that you may have added to your portfolio that you didn't have before but you identified…

SC: Oh so you mean if we see something there and then we add that service…No no no I wouldn't say we've seen that. I mean again we are a specialized department, so we have a set of people that are very good at doing certain things and we have some general focus areas and then you can, I mean we're not going to change our focus on supply chain, for example we might change the way we look at supply chain, we might change the way that we offer consulting within supply chain, but our focus on supply chain won't change and because the customer needs something as I also mentioned that we would typically find someone in the network that can deliver that service. Because one thing is you know I see a need for something in the market, but actually being able to deliver it as a consulting firm is a different thing. So you know, it requires skills that requires experience. We can't just go hire 10 people that specialize within say

procurement analytics even if I wanted to, I just wouldn't be able to find 10 people within the same year. It is very difficult to find people that have experience and within the industry we see a big lack of talent at the moment. So I think you also have to be realistic because when we get to a customer the customer expects that we can deliver it and we have experience in doing it so that we can do it faster and better than they could do it themselves. So far so I mean adding a service is not just something you do. You have to really have the skills to supply that service. And that's also why we use the network often. Because then instead of us having to build up all the skills and be a little bit of everything we focus on what we're good at and then if it's something else the customer needs we will go to the network and say who is really best at this.

DM: Do you adjust your services in regards with your competitors?

SC: In what sense do you mean?

DM: I mean would you change something in your portfolio of services if you would see that the immediate competitors are doing something different? Have you ever changed your services because…?

SC: No. I mean the…the short answer is no. I mean if it's services no, there could maybe be something on methods, we have legal changes the whole time. And you know of course you have some trends that we follow like everybody else follows. But service wise no.

DM: And who you consider as your immediate competitor or competitors?

SC: Haha they are many.

DM: Here in Denmark.

SC: There is also many in Denmark. And I think also because we work in different industries, we compete with a lot of companies. I mean but of course there's always the big ones right. So there's the other ones, depending again on the

task, you've got the PWC, you've got the BCG, you've got the EY, Implement. I mean when you're talking about operations you can't really ignore Implement in Denmark at least. There's a lot and then you have all of the more specialized players right. You have software providers that we're also competing within some situations. There's a wide range of competitors, and you have local smaller niche players in consulting also, especially on the operations side has often small niche players that are specialized in a certain production setup or in a certain logistics setup and we also compete against them of course.

DM: Do you believe that the main driver of your customers is cost cutting?

SC: No.

DM: No? I mean in operations, for example in your supply chain services.

SC: Yeah. No I don't think it's cost cutting, it's not the key element of… For some cost is always important and you can't ignore it. And we do a lot of cost cutting projects but that is not always the key element. It's services becoming bigger and bigger, customer experience becoming bigger and bigger. Environment is something you can't ignore. So there are many drivers of course cost it's just one of them. Is it the biggest one? I think yes, but it's not the only one.

DM: But do you think that they imitate each other? For example if you have a customer and has bought a service from you regarding the supply chain and the digitalization, do you believe that their competitors are imitating each other and they might also buy this service? Of course it's a big decision nobody would do it without actually needing it, but do you think that there is this pattern in the customer's perspective?

SC: So one company has bought a project and then their competitor do the same?

DM: Yes, have you ever identified that in your customers?

SC: That's a difficult question. I mean the short answer would be no. I mean most of our projects if not all of them are confidential. So it's not that you openly talk about it, but I can't say that it never happens. Again, the question is how much is imitation and how much is a trend. I mean take the energy sector for example. There's a huge trend for consolidation, market consolidation. So I mean then the question is, I mean yes we're doing a huge number of merge and acquisitions in that sector but is it because they imitate each other or is it because it's just a market trend? I guess that's semantics. But I think no, I don't think anyone sees their competitor do something and then they say oh we have to do the same, I think they more follow trends in the market.

DM: And do you know what's Deloitte's current market share in operations consulting here in Denmark?

SC: Our market share?

DM: Yes.

SC: No, I don't have those numbers no.

DM: Do you know what percentage of the company is working in operations?

SC: Denmark?

DM: Yes Denmark.

SC: No no no, I couldn't give you a real number on that either.

DM: But is it a small percentage regarding to your whole portfolio of services?

SC: Where do you draw the line for operations? How do you define operations?

DM: That's a good question.

SC: Because I mean it can be many things and it's blurry line. I mean in the old days when you said operations you would think about a factory and smoke coming out of the chimney and that's an operation. But it can also be customer operations, it can be...what about things like human capital, organization on the side, is that operations? So is that something else? It depends on the organization that you're looking at I think. We have the public sector also if we include that, but again is that operations? I don't know, so I think it depends on where you draw the line.

DM: Yes that's true.

SC: You also have things like analytics when you work on analytics in a production setup, is that in operations?

DM: What do you answer to this question?

SC: Well for me operations is everything that brings a service or goods towards a customer somehow, whether it's converting it or building it or changing it or moving it or touching it or whatever. So that's how I look at operations. So depending on the industry it can be many things. Operations in a bank, it's typically customer interaction or based on customer interactions. Operations in Vestas is building windmills, it's a production line. So it differs a lot I think depending on which industry you're looking at. And I also think that part of the analytics and even part of digital is in operations, I think it's really as you start talking about analytics in operations, I would also characterize that as part of operations. But that's also because I believe that you belong in operations and not in the support functions. So anyway, this is a long answer to a simple question, but I can't really give you a number and I think it's also difficult because it's difficult to draw the lines but I would say that no matter where you draw the line it would be a significant share of the company.

DM: Ok, and my last question is do you believe that your services are push based or pull based?

SC: Combination. A lot of pull, a lot of pull, I think if I look at my own department and again I'm speaking from my own departments, I can't speak for Deloitte it's very different depending on where you are in Deloitte. There are certain services that you can't push and there are services that you can't pull. But if I'm looking in my department here it's very much a combination, I think maybe a majority is the market demand, I mean where the customers actually come to us and ask for something, that is the majority here but maybe it's a 60-40, around there.

DM: And you also have these teams that they're trying to identify the new trends like you said before, so that's the…

SC: Yes, that's the push. That's a good example of a push. And I mean in that case you can say there are also different types of push. You can debate on things like blockchain, it's new technologies, so it's about showing companies opportunities and showing them what new things can do. You also have I mean the more general push and if you've done a project to a customer and you think it could benefit another customer that you also know maybe you will contact them and say hey I have good experience with this, will that be interesting for you? So that can also be…push that around.

DM: Ok. So thank you very much for your time.

SC: It's a pleasure, I hope it's useful.

DM: Yes it was. So thank you and have a nice day.

SC: Thank you very much, you too. And good luck.

DM: Thank you, bye.

SC: Bye bye.

D. Interview Leif Haaning

Company: Ramboll
Date: 21-08-2018
Audio length: 32 minutes 29 seconds
Speakers: Leif Haaning (LH), Danai Michailidou (DM)
Role: Business Manager

DM: My name is Danai Michailidou, I am studying Operations and Innovation Management in Aalborg University here in Copenhagen and I am currently writing my thesis investigating the operations consulting in Denmark. So, what is your name?

LH: It is Leif Laszlo Haaning.

DM: Ok, and what is your position in Ramboll?

LH: I am, what we call it, a Business Manager. We have a section called Strategy and Operations and we are two partners who manage around 27 persons and have a revenue of around 22Million DKK. And that section is called Strategy and Operations. Where we work with...

DM: So, this is the department that is working with operations in Ramboll?

LH: Yes, as a specified service, that is correct. But of course, you know, we also have some divisions within energy for example, they work with assets management which is also operations.

DM: Yes, true.

LH: We also have a business technology, which you could also call operations, but this section that I am heading is specifically called Operations and work with process optimization, restructuring projects, implementation projects, like that.

DM: Do you know the current market share in operations consulting of Ramboll?

LH: If I know the market of Ramboll?

DM: Yes, the current market share but for operations consulting.

LH: No. I don't know how much it is.

DM: Ok.

LH: It's really depending on how you actually define it. You could say that most of what Ramboll do is, somehow, operations related. Also, when we do strategy projects its often, you know, operational strategies or strategy implementation and things like that. We don't do corporate strategy for example, very rarely. We have acquisitions, we have market studies, things like that, but often our projects have some kind of operational link.

DM: Ok, yes, I understand. Do you know what percentage of Ramboll's work is in operations? So, I understand that, more or less, everybody is working with operations, but let's say strategy and operations, your department. Is it a small department in regard to the rest of Ramboll's departments?

(Line disconnects)

DM: Hi again.

LH: Hi. What you ask is really difficult to say, but in total, Strategy and Operations, the total revenue per year would be 50million DKK. And I don't know how much or how big share is of our total revenue.

DM: It's ok. Do you have customers mostly from the private or the public sector?

LH: We have mostly from the private sector. I would say that around 50%, maybe 60%, from the private sector, then we would have some share of what you could

call semi-private, in sense that it would be ports, energy, utilities, airports, things like that, which we would define as, you know, it's often owned by the states or by municipalities but it is put up private conditions where they have their own governance or their own companies sort of say. Just like Copenhagen airport, it's owned primarily by the Danish government but it's functioning under private conditions. So, that would be around maybe 25, maybe, I don't know, 10-15% for companies in between public and private and then the rest would be for solely public companies.

DM: Like hospitals?

LH: Yes, but we don't do any... yes, but municipalities or states, like the DSB or rail authorities, things like that.

DM: Ok, so what sectors do your clients come from? What distribution? You already said like energy, municipalities…

LH: Yes, but it's mainly within, what we call, engineer-heavy companies so that will be primarily energy, like Vestas, companies like that. And then within transports. I don't have any splits specifically in my head so I would have to calculate that, I don't have the splits.

DM: No, it's ok.

LH: Ok, but we primarily work with energy companies and transport companies. That would be our main customers, would be within that.

DM: And, what are your primary services?

LH: Our primary services? That would be, within operations, organizational restructuring, for example cost optimization projects or just projects where you want to reorganize your functions and that process optimization in that perspective and then implementation projects would be our second big service area. So that is implementation of a strategy, implementation of specific initiatives

that could be, implementation of an asset management strategy for example or implementation of a new products roadmap strategy that could be implementation of new systems, not the IT systems itself but looking at governance structures and new processes, new organization related to new systems for example.

DM: Which service have you identified that it's selling the most, within operations? I mean in regard to your primary services, which ones or which one is the one that usually clients are asking for?

LH: I think that they very much ask for these two services, help with the implementation and help with the organizational restructuring. But basically, I think that the client asks for us when they need subject matter experts and resources. So, it means that they look at people who have a lot of experiences and have industry knowledge or knowledge in doing a specific kind of projects and then they ask for things where they are not able to do, the parts themselves because of lack of resources. So, that's primarily these two which I identify they ask us. So, often sometimes we see that companies don't have their own development department so they call in consultants to help them develop some things and we work with them for, maybe, 3-8 months and then we are kind of out.

DM: Are you present in the implementation process too, of your suggestions?

LH: Yes.

LH: You ask whether we help with the implementation of our suggestions?

DM: Yes.

LH: Yes, we help them do that. Sometimes they know what to do and we just help them with the implementation but often we have some kind of pre-analysis and then we support the implementation afterwards.

DM: Do you also get any projects in supply chain? Logistics? Distribution?

LH: We don't know…not much. We have some people working within that area in Germany but in Denmark we are not experts in that field. If we have a problem we call somebody else to work for us.

DM: How often do you change your services? What triggers a change for your company? Is it just keeping up with the market?

LH: We are keeping up with the market mostly, so we are disrupted every day, so to say, because we are very much defined on what our clients need and then of course we discuss on a daily basis…we continuously discuss on whether we should have some spearheads or is there certain trends we want to, kind of, tap into or be market leading. For example, that is within strategy but we define the market area within acquisitions of companies within the energy and transport sector and that is a kind of a service where we said we are strong here, because we have the unique competencies of…engineer competencies, knowledge about the industry and technology and then we have more generic competencies where we have consultants who are able to work with acquisitions, financial experts and so we kind of define that as a new market area. So, there we will do something where we didn't have a specific request in the market, and we often do that, so we kind of name some spearheads where we want to conquer certain market position. But apart from that, we very much clients driven.

DM: What about the trends that you said. Is it something that you do in order to push your services? Would you say that your services are actually push based or pull based?

LH: They are pull based mostly. But then, as I said before, we have some services which are more push based, where we can, as I said, identify some trends and go out and work on being market leaders. So, I would say 70% of our services are pull based.

DM: And how do you communicate to your clients a new service? Is it just advertisements on your website?

LH: We communicate through our website, social medias and then perhaps…that could be that we, for example, do some morning meetings where we write out to clients and say we have three meetings here, where we're discussing this and that, we have certain topics on the agenda so we communicate to the clients that we have something specific or we could have, for example, we have just put out a, what we call it, maritime outlook 2030. It's a small magazine where we talk about trends within the port sector and things like that. You can also do ads in newspapers or things like that. Social media and then specific campaigning.

DM: Is maritime magazine an internal magazine or is it on your website?

LH: I didn't get your question?

DM: The maritime magazine that you said, is it an internal magazine or is it somewhere on your website?

LH: It's on our website and then, of course, also internal. It is a combination.

DM: I am just asking for me, because I only found your response magazine.

LH: I am not quite sure what we are talking about now.

DM: You said that you have this Maritime Magazine that you post, right?

LH: Oh maritime, yes.

DM: I was asking about it. If I could find it on your website?

LH: Yes, you can just...you can find it, I don't know where it is but if you just google maritime outlook, I am pretty sure you will find it. So, maritime outlook and then Ramboll.

DM: Ok. So, do you also try to pitch in new services in meetings with some of your old clients? I guess that you have some clients that you have always had, right?

LH: Yes, we would do that, but all…it is very much defined on the client's situation. So, we have contacts and things like that, but we are not a company who has a kind of very clear service profile. You would have some company which are known for customer journeys or lean optimization or things like that. We are not a company where we have a clear service like that, so we would very much understand the client's needs and where they are and then we would try to find ways that we can help them the best.

DM: Yes, I understand. So, do the consultants, or the employees in general in Ramboll, have the freedom to suggest a new service to the upper management? Let's say, for example, after a meeting with a client if you identify a new need that maybe you are not providing at that moment? Do you have the freedom to...

LH: Yes, but we will always…if you are not able to deliver, if you don't have the competencies, if you don't have the references, I think that you shouldn't go and tell the client that we can offer something if you are not able to deliver. So, you are not offering service that you don't have experience with or have the competencies to solve, because otherwise you just…in very short time you will end up in a bad project.

DM: Yes, that's true.

LH: For example, we could have companies who ask us can you do a legal advising or tax advising when we want to construct a company, because maybe we want to have an independent company working with IT, could you help us with setting up that company. And there we say no. You have to contact a lawyer

or an accountant. We could maybe advise together with them on some content part but it's not our ball game, so contact somebody else. Or, if they ask us specifically on supply chain management we would say we can provide some things but if it is really in deep knowledge about supply chain optimization we would say that they should contact another company. But it is really based on understanding where the client is and what the needs are. And then looking back in your company and see do we actually have the competencies and references to deliver the service that they are trying to ask for.

DM: But then, if you see that the clients are asking for something specific and maybe they are asking a lot, wouldn't you think about it? Of adding it in your portfolio of services, but not just adding it, I mean kind of creating a, let's say, department or whatever this could be, hire people that then you could also sell, let's say, something regarding supply chain?

LH: Yes, we could of course do that, but then we would have to see if it's a bigger trend or just a specific request from a client.

DM: Yes, but it hasn't happened yet.

LH: Yes, of course it has. Where we have actually seen a trend and then we start. For example, we offer a financial service in regard that we do business cases in large investments, we do also, as I said, with acquisitions and all that, we also do financial analysis, where we do market studies do some due diligence and all that, so there we have seen a request in the market and start hiring financial experts and economists, so that based on a trend. But we would always look for fits where we actually have some fitting within the organization, so we would not…for example, procurement, we are not strong in procurement as such, but if we could see a fit together with our legal experts or our engineers then we would start procuring in that direction, but we need to add some synergies before we start investing and hiring people.

DM: Yes, I understand. Who do you consider as your immediate competitor or competitors?

LH: That would be Implement and Deloitte, and sometimes Valcon. That would be the main competitors that we meet. And then sometimes it's QVARTZ, other times it's McKinsey, but it really depends on the kind of projects that we are bidding on. And we also have some smaller competitors, small companies that are competitors. COWI could also be a competitor in some assignments.

DM: And what do you think is the main driver of your customers? Is it cost cutting? Is it also keeping up with the market, for them?

LH: Yes, I think it's cost optimization but it's also really optimization of very…We do a lot of projects where we actually look at feasible investments. There is really a lot of money out there, so there are a lot of clients who have a lot of money to invest. Maybe not in consultants, but they are really interested in finding the next big thing or being the first mover in a market or establishing a position in a market. So, we really help them with that, finding the right company to invest in or finding out whether certain investments are feasible or not.

DM: But that would be, under which service of yours? I mean, helping them with that need.

LH: That is more the strategy part, mostly. So that's not operational in a sense, it could be sometimes, but often it would be more related to strategy than operations.

DM: What about digitalization and Industry 4.0? Have you been working at all with that?

LH: Yes, but we have a whole section which works with digitalization which is around the same size as us. And there we work together with them, but we look at the business side and they look more the technical side, so we would do process optimization, governance structures and things like that. And they would work on digitalization technology systems. So, we all do work together.

DM: Yes. But you wouldn't say that this is a trend? For the last couple of years? I mean, smart data…

LH: Yes, but it has always been a trend. So, nothing new there. Technology, digitalization has always been a huge driver and of course it's a grown market, we can see that within consultancies, the latest statistics on the markets show that, you can say that the more traditional consultancy services are kind of stuck lately or sometimes declining, but if you look into IT related services they are actually increasing. So, that is of course a trend, I don't know if it's a bigger trend or a smaller trend than 10 years ago, but it's still a growing market for sure.

DM: Yes. I think that's all.

LH: Ok.

DM: Thank you very much for your help.

LH: That's fine.

DM: Have a great day.

LH: Ok, thank you and good luck with your thesis.

DM: Thank you so much. Bye bye.

LH: Bye bye.

E. Interview Charlotte Hartlev

Company: Emendo Consulting
Date: 28-08-2018
Audio length: 32 minutes 02 seconds
Speakers: Charlotte Hartlev (CH), Danai Michailidou (DM)
Role: Project Leader

DM: Hi, I'm Danai Michailidou, I am studying at Aalborg University here in Copenhagen, and right now I am investigating the operations consulting industry in Denmark and I am writing my master thesis. I would like to ask you some questions.

CH: Yes.

DM: What is your name?

CH: My name is Charlotte Hartlev.

DM: What is your position in Emendo Consulting?

CH: I am a Project Leader.

DM: What exactly does this mean? How is the ranking?

CH: I have been there for almost 3 years and you start as a junior and then you are consultant and then you are project leader and then you are senior consultant and then vice president at last.

DM: Ok, and how is the division in Emendo? Do you have different departments?

CH: Yes, but it is kind of new, so we are growing a lot, so we have been like one mix, one big group, but now we have divided into some fields, so we get a little bit more specific, so we have implementation and improvement, and something

with design and manufacturing, research and development, and consulting and so on.

DM: These are the different companies that belong to the Emendo Group, right?

CH: Yes. We are not like divisions, but we are like small company within the big company.

DM: Like subsidiaries, Emendo is the mother company.

CH: Yes. Yes, you can say that.

DM: Ok.

CH: But it still feels like one company. We still do all these things together and so on.

DM: So Emendo Consulting is not departmentalized?

CH: We have, maybe you can call it, teams in consulting. So, in consulting we have the consulting, project leaders, and then we have the consultings in improvement and lean.

DM: Ok.

CH: And I am in improvement and lean, right now.

DM: Nice. Do you have customers mostly from the private or the public sector? Or mixed?

CH: I have my what?

DM: Customers. Do you have customers from the public or private sector?

CH: Oh customers, it's mostly private. We also have some [from public] but mostly is private, yes.

DM: Public would be probably healthcare?

CH: Public yes, we have some hospitals, yes.

DM: From what sectors do they come from?

CH: The pharmaceutical, most of it. And then we have something within the food industry and we also have something with the banking. So, it's broad but mostly is pharmaceutical.

DM: For Emendo consulting, right?

CH: Yes. Is it only consulting we are talking about or the whole Emendo Group?

DM: No, it's only consulting.

CH: The consulting in my team?

DM: Yes yes.

CH: Yes.

DM: What are your primary services in Emendo consulting?

CH: In consulting we have 2, we have project leaders and then we have improvement projects.

DM: Project leaders?

CH: Yes, project leaders is like we go out and help people finish their project or begin their project, so you will be a leader in the project. But in the improvement,

we go in and say a company needs to ramp up so we make a project to help them ramp up their production or something and then we go out again.

DM: Ok. So, the project leaders is more about training?

CH: No, is actually going in and being a part of a team and taking a role. So, if we need to build a new building, you can be the project leader of building this building.

DM: Ok.

CH: So, you would lead the project. Does it make sense?

DM: Yes, it makes sense.

CH: Ok.

DM: But which one would you say that is your top selling service? The clients, what do they ask for? The improvement projects?

CH: Or consulting?

DM: Or consulting.

CH: That is a little bit difficult to answer because normally our department for improvement has been small, but now we focus on getting that area bigger, in our department, so I don't know out there what is biggest, but I know our field within improvement is growing a lot right now. But what we are doing most in Emendo right now is project leading. So, more normal consulting, going out consulting people, being a project leader and so on. And not that much improvement.

DM: And it can be in whatever project, right?

CH: Yes.

DM: You said before, building and constructing?

CH: Yes. It can be anything, molding industry, it can be ramp-up, that is more lean, yes. Lean is … always when we focus on making things better in somehow. So, we want to do better or we want to grow or we want to something and the other thing is just more…we have a project and we need help to carrying it out.

DM: So, you still get lean projects?

CH: Yes, I am only working with lean.

DM: Oh, yes?

CH: Yes.

DM: Interesting. I had some projects also with lean in my master.

CH: Oh yes?

DM: Yes. So, if there is a client asking, for optimization of their supply chain and stuff like this, would it be under the project leader?

CH: No, that would be in our improvement program.

DM: Ok. So, do you also have projects like this?

CH: Yes.

DM: Like digitalization?

CH: Yes.

DM: And industry 4.0 and like this?

CH: Yes, all of it.

DM: But then lean in the supply chain would be in the project leader or again in the improvement?

CH: Improvement.

DM: So, you cooperate with the…

CH: But, we cannot divide it that strict, so of course we are doing some project leading when we are doing the improvement program.

DM: Yes, of course.

CH: But that project will end up in our group.

DM: Yes.

CH: So, if it's anything with improvement will end up in our group, more or less.

DM: Ok, yes. Because they need a project leader.

CH: Yes, but we … yes. It's a little bit confusing, because my title, project leader, has nothing to do about being a project leader.

DM: Oh, that's why I'm confused, ok.

CH: Yes. So, I would just be a consultant.

DM: Ok, so you are a project leader, that's your title.

CH: That's just a title, yes.

DM: And you work in Emendo Consulting, but your work is not strictly divided into the project leader and the improvement services?

CH: We call it consulting and improvement.

DM: Consulting and improvement.

CH: Yes.

DM: And you work with improvement.

CH: Improvement.

DM: Oh ok.

CH: But consulting, what we are doing the most is during project leading.

DM: Ok.

CH: If you can call it that. Do you want me to draw it? Should I draw it?

DM: What?

CH: The organization. Let me know if you want to.

DM: Could you? Yes.

CH: Yes. Can I borrow this?

DM: Yes.

CH: This is the small team, within Emendo Consulting A/S.

DM: Yes.

CH: And then we have the small company out here, which is research and development, implementation, design and…something.

DM: But why are these right here? Are they connected to you?

CH: Yes.

DM: And then to their group?

CH: We are all like in one Emendo family, but this is A/S so we have 2 partners, they own the whole Emendo and they own half of this, and here there is also another owner. So, that's why I am drawing it this way.

DM: Ok. Now I realize.

CH: So, I am here. And then we have this weird ranking, so we have junior, consulting, project leader, senior, and then some is becoming vice president, not all.

DM: Yes.

CH: But, we're all doing project, we are all project leaders, leading projects in different ways, but in improvement we are doing improvement projects. And here is just other projects, like building projects or I want to introduce this new SAP system, ok, then we have a consultant doing that and so on.

DM: Ok. So, is it more specialized consultancy?

CH: Yes. So, this is more specialized that fields.

DM: Ok. What about the projects that you have undertaken? Could you say, was it like something that, I don't know, like something that really made you,

something really interesting or something that you haven't heard before or something really new, or is it…

CH: I am very young, I have only been here for three years so everything is new for me. So, yes for me right now everything is new and all the project is new but it seems like it's the same thing people keep asking for help. People need to optimize, people need to ramp up or stuff like that, it's not something totally new.

DM: Yes. Maybe it's the way you are doing to every company but then they are asking…

CH: Yes, but the problem is kind of the same.

DM: Yes. Is it like optimization in their logistics and supply chain and stuff? Or is it the whole company, is it their strategy?

CH: It's very different. Sometime the whole project is like optimization all the different layers and sometime is only the production line or only the supply line or so on and so on. So, it's very different, all projects are different.

DM: Ok. So, you have these services that you are selling to the clients. How often do you change them?

CH: Change what?

DM: Your services. How often do you update your portfolio? Or what can trigger a change, for you to start selling something new? Like a service that you weren't selling before.

CH: But Emendo is not working like that.

DM: No?

CH: We are selling our project for the good story. So, if we have been doing a project, people are hearing about us and then they are contacting us, can you help us with this and this and this. So, this is the way we are getting our customers.

DM: Ok.

CH: So, we are not trying to find projects, the projects are mostly finding us.

DM: Yes, so you are not trying to, let's say, push any of your services to the clients, it's mostly pull based?

CH: Yes.

DM: But, do you think that the clients that they really need all the services that they are asking or is it also copying their competitors? Keeping up with the market? I mean, of course, in the end of the day they will need it because they are paying a lot of money and they won't do it just for the fun of it, but would you say that something like this can trigger them? Like, if I am a client and then my biggest competitor sees that I am doing something then they might also come and ask you?

CH: That could be, I don't know. But, I think that when we are talking to our customers we always focus on what they need, what can we do to create value and if they ask us for doing optimization of something but we can see that it's not their biggest problem we will say that, or we will say you don't need it you are good, so we would never do a change if it's not required, so if it doesn't create value we will tell the customer.

DM: But you would identify if they need something else …?

CH: Yes.

DM: And then try to sell your service if you can do it?

CH: Not always, because is not always our service that is needed so if we map out and we can see the problem is the team and the team building and is more like this we will say ok you need a person from psychology or something to go in here, we cannot provide this service.

DM: Oh, because I also wanted to ask you if you would do that. If you identify that clients need a service that you might not be selling, if you go up to the upper management and maybe discuss of, if that could be a trigger for a change in your portfolio of services. Like, we see that they need of this thing maybe we need to start, I don't know, hiring people that they know more about this. Has this ever happened?

CH: It happened because we grow our improvement team. So, we have 2 or 3 people doing improvement and now we are 10. And that was because we could see that people were asking for more improvement.

DM: It was in something specific or?

CH: No.

DM: So, it's not anything specialized in this growing of the team. It's not that you saw a specific service?

CH: No. Also, in Emendo we have a lot of different people, and if we have some person who is driving, who loves, behavioral design or something, so if they really want to try that and make a group of that you can do it.

DM: Yes.

CH: So, it's more driven for the passion in our company, what people like to work with, and not so much what people are asking for.

DM: So, the consultants have this freedom to…

CH: Yes, there is a huge freedom in Emendo to do what you want.

DM: Oh nice. How do you communicate to the public if you have a new service or if you…

CH: With the public?

DM: I mean to the clients.

CH: The customers?

DM: To the customers. Not only the old ones, because with the old ones I guess you can have meetings and talk to them, but if you want to find new customers and you start selling a service. I mean you have updated your services, right? It's not from the moment you started working?

CH: I don't think is has been updated since I've been there.

DM: Yes?

CH: Yes. Now we have a girl called Emil, so she is doing it so now it's there, it's just been on a paper so now she is putting it on the web page and stuff like that.

DM: So mostly from your web site?

CH: Yes, she is doing that.

DM: Yes.

CH: Yes, working with that. We are not putting anything on our web site. I think we are not like a normal consulting, like going out and bidding on a project and asking the customer to tell us about new ones, it's more like we create the good stories and then the project is coming to us. So we are not like…

DM: Yes, I can see that also from the interview.

CH: Okay.

DM: It's really interesting actually.

CH: We are very different from the other.

DM: Yes, you are.

CH: That's why it's a little bit difficult to describe, because we don't have that many rules, and it's more like values and norms and free spirit and then…

DM: Yes.

CH: The most important thing the leaders and the partners in Emendo always just say, create the good story for the customer that is the most important thing you can ever do. So, do what it takes and if the best story for the customer is that you shouldn't use your money on me right now you should figure this out and then I can come back when you, if you need more help later on. That will be what we do.

DM: Yes. That's why I am saying you are so different.

CH: Yes.

DM: Do you know Emendo's current market share in operations consulting? So, Emendo's consulting market share.

CH: The market?

DM: Yes. Do you know it?

CH: No.

DM: What percentage of the company is working in the operations? Is it all the projects operations in Emendo consulting?

CH: Everything is operations. What do you mean by operations?

DM: What do you think about operations?

CH: The more physical processes in a company.

DM: Also, I mean it's not only manufacturing and production but…

CH: All where we have some manpower.

DM: I wouldn't say it's strategy or change management, not so much. I mean in some ways you can relate it again to the product…

CH: Yes

DM: But, I would like to take it out of my operations consulting. So, it's more about the products or production and then delivery, after sale services, everything you got in that.

CH: Yes, ok. But, we are also doing a lot of optimization with lean leadership, like people and change and just change or change management, we use a lot of time on that as well. Because every time we go in and optimize something, you cannot just optimize something you need the people to be involved, so there is a lot of change management in everything you do. Stakeholder management and change management is some of the things you use the most time at, when you are optimizing something. No matter what it is.

DM: But, it's a thin line.

CH: It is.

DM: Sometimes it's really connected.

CH: Yes.

DM: And you cannot take it out, I know.

CH: I would say it's always connected.

DM: It's a thin line, yes.

CH: You don't have to agree.

DM: No, but I do believe it's a thin line, so sometimes it's connected yes, I agree. But I cannot think of any cases now.

CH: I just think if maybe there is some mechanical things so you can put a pump on and then it goes faster. Okay, maybe you don't need that much change management but if you are running a production line and you have some breaks and you need to do that people check breaks on different times there is a huge change management.

DM: Yes, true.

CH: So, I can see it depends.

DM: Who do you consider as your immediate competitors or competitor?

CH: It's a good question. It's so funny, I think if you ask this question for some of the guys who have been there longer they would be like this this this. I have no idea, I don't…

DM: Who would you think? It's your point of view, I mean.

CH: I guess Implement is doing some of the same stuff we are doing, so they could be, but it's funny because I've been on some huge projects, so I have been working with a lot of consulting from different firms and for me is always just like we need to fix this problem together, so you get colleagues with the other consultants.

DM: How is this possible?

CH: Yes, I think you need to be a special type but yes, it's possible.

DM: Yes, but how is this happening actually? Is it that the company is asking from different consultancies?

CH: I've been on 1 project, where there was a huge consulting firm who was doing the main part of a validation but the project was not doing that well together with the customer, so they ask us to help, so I went in to help being a project leader for 1 of the tracks.

DM: So, the other consulting company asked from…

CH: No, the customer asked from some other, so I went in to be a project leader for track referring to another consultant, he was like my boss in the new…

DM: That would be really interesting.

CH: Yes. I have actually done it a few times, I don't know why.

DM: Is it easy to collaborate, because you are competitors?

CH: In the beginning is always a little bit difficult because of course they have told that they have some resources to fill in the gaps and then some other person is getting it, so there will always be some conflict in the beginning. But, actually, I think that it has worked out really well and we have some really good

collaboration together and I think maybe it's easier for me because I am younger, so I don't need to go into a battle, like who is stronger, or if it's 2 men they often want to show off. So, I think that is maybe more easy.

DM: Yes, you just want to do your job.

CH: I just want to make the customer happy. And if they have been a long time, I'm glad to hear what they know and help them, not work against them, for the greater good.

DM: Have you worked with Implement, in this kind of projects?

CH: No. But, I have a good friend's boyfriend is working in Implement right now. So, I have some contacts. But I have not worked with them, no.

DM: In a project that the customer asked for different consulting companies?

CH: No.

DM: Was it with a big one?

CH: Yes. NNE. You don't know them? You need to look them up.

DM: NNE? What does it mean?

CH: It's a consulting firm, which started to be an internal consulting firm in Novo Nordisk. So, it's Novo Nordisk Engineering and now they are like one company split from Novo Nordisk, and they are providing this consulting service to Novo Nordisk and other companies.
DM: Ok. Is it only pharma that they are working?

CH: Yes, I think so.

DM: Was it recently that they split from Novo Nordisk?

CH: I don't know, I think it's some years ago.

DM: Thank you for that.

CH: You are welcome. And their consulting is a bit special as well, because they are providing solution. They are like, ok you need this we will come and validate the whole system and set it up for you and then you can take it over. They have more package solution and they are moving around helping. They are a big company.

DM: What about training? If you change the whole system, then they don't stay for the implementation?

CH: They should.

DM: Because I wanted to ask you, on your projects, do you stay for the implementation of your suggestions?

CH: Yes, the implementation is the most important phase in the project.

DM: Yes.

CH: And that's what we call a good story. We can do some optimization, but if it's not anchored when we leave it will be gone, it will not help. So, the most important thing is to stay and make them, it's also when you're doing the whole optimization and project you need the customers to take ownership, so maybe the process will take a little bit longer but it's important that they are involved in doing it, so they will take it over when we leave. So, that is a huge thing to involve the customers and all the people who are working with this the whole way through the project, and then stay and make sure that they keep doing it and help them with the small challenges.

DM: Did you have any customers that they didn't want you for the implementation? Like, your suggestion is fine, we like it and then that's all.

CH: I think I haven't been on a project like that, but I am sure some of the projects will be just make an analysis and then it's fine.

DM: This really strikes me because also with my other interviews, many of them don't stay for the implementation, and it really strikes me. But they do say that the customers don't want. And it's really weird that customer won't want you to show them how.

CH: Maybe sometimes the customer doesn't know. We have just been in a company, and they had a whole analysis made from some other consultant, and it was really good, but they didn't know what to do with it. So, ok I can see it's wrong here, here and here but what should I do about it.

DM: Exactly.

CH: So, there were lost and we came in and make a game plan, so this is what we are doing now. But maybe sometimes you don't know, but normally when we go out and sell a project or talk to a customer we have a lot of focus on the implementation. We are not just making a plan, we are making the change together with you guys. So, that is kind of what we are selling ourselves. If I should describe my role, I am the man on the floor. So, I will be more a part of the team and make the change, I will not do the strategy. We will make the strategy to begin with and so on but then I will go at the floor, not the right way to say it, but we are the value creators to make the change.

DM: I understand, yes.

CH: And then some other guys would be up here and do some stakeholder management.

DM: Yes, but this is really important, I mean at least from my perspective.

CH: Yes.

DM: One last question, do you think that the main driver of the customers is cost cutting in your projects or just keeping up with the market?

CH: Yes, I think they want to optimize their processes, I'm not sure it's always because they want to earn more money, but sometimes it's just because they can see they are growing so fast with people and they want to do things smarter. So, of course there is something with money as well … but the demand outside is growing and do they really need to keep taking new person in and not optimize what they have? I think that is a driver, that they want to do better with what they have instead of keep recruiting new people all the time and so on. And of course, some of them need to earn money or they will close, we also have that kind of projects.

DM: So, improving sales?

CH: Yes or improving the output.

DM: The output?

CH: Of a product or something.

DM: That was all. Thank you.

CH: You are welcome.

F. Interview Thomas Christiansen

Company: Carve Consulting
Date: 03-09-2018
Audio length: 46 minutes 33 seconds
Speakers: Thomas Christiansen (TC), Danai Michailidou (DM)
Role: Partner

DM: Hi.

TC: Hi.

DM: My name is Danai Michailidou, I'm studying in Aalborg University here in Copenhagen in Operations and Innovation Management and I am currently writing my thesis investigating the operations consulting industry and I would like to ask you some questions.

TC: Yes.

DM: First of all, what is your name and your position here?

TC: Yes, my name is Thomas Christiansen, I am partner in Carve Consulting and I've been here for some 5 months now. In previous years I've been working with the largest Danish bank in their operations and trying to develop that and before that I was in another consultancy company called Implement Consulting Group. My background says engineer from the technical university of Denmark, in production management and I also have a Ph.D. in operations strategy. So, that's all of who I am.

DM: What kind of engineer?

TC: Technically it's sort of a mechanical engineer but it was in the industrial engineering part, and that was where production management was residing at the time.

DM: Nice, because I also finished electrical engineering back in Greece. It's interesting.

TC: Oh, ok.

DM: You said you are a partner in Carve consulting?

TC: Yes.

DM: What are your primary services here? What would you say?

TC: In Carve consulting, in total we have 3 to 4 generic services. One of them being, we call it processes that is basically operations management, service management, those kinds of things, where sort of what combines it is the focus on processes.

DM: Yes.

TC: And then we have another area which is digitalization, particularly focusing on robotics right now, admin robots. And the third area we have is CSR and lately it has been very much focused on GDPR, these personal data regulations. And then I said we have 3 to 4 areas it's because we also have a special focus area on the public sector, which to some extent crosses the other areas but has particular focus on helping the public sector.

DM: So you separated from the other services? Is it like a combination?

TC: It's actually, sort of, it's part of the process group the people working in it, but apart from being part of that group they are working on, sort of, another agenda than the rest of the guys in the process group. So in that sense you can say we have 3,5 groups.

DM: Yes. So you have customers both from private and public sector?

TC: Yes, and that's around 50-50, a split something like that.

DM: From what sectors do your private customers come from? Mostly.

TC: That is almost solely from the service sector.

DM: Service sector?

TC: Yes. So, basically, we can say anything but manufacturing. We do have a few projects with manufacturing companies as well, but that would be in the admin areas for example, so we are not in that sense doing consulting in helping the manufacturing part. So that's all of what we have excluded.

DM: Could you give me some examples? Is banks in the service sector?

TC: Yes, banks could be an example of it. Different kind of research institutions, we also do something for partly-private hospitals for example, logistics companies and so on. That could be it. Insurance companies, pension companies, kind of private organizations.

DM: I see. When you said about your services in processes or operations management and service management, could you also give me an example of a project? You don't have to be specific with companies, just an example.

TC: That could be an HR department in a public sector organization, where we are looking at their processes, improving those, that could be some kind of into in processes, it could also be operations management practices that we are trying to improve. So, that would be a typical project where we take some of the public sector's administrative areas and treat them as, you could call it, production areas, see the processes in that way trying to make them more customer focused, more efficient and whatever else we would do with normal customer focused processes.

DM: So optimization.

TC: Yes, optimization and if you in that put both improving the customer experience and quality as well as, sort of a cost. It's not only a cost game.

DM: How often do you change your portfolio of service?

TC: Well, Carve Consulting is only 5 years old, so from that perspective, and I haven't been here the whole time, I think if you look at it from the start until now there has been at the beginning, kind of a narrowing down on fewer areas, because at the start it was a number of experienced consultants going together and they could basically do everything, and then we wanted to grow and therefore we needed to focus on fewer areas and that was something like Lean in the traditional fashion and also operations management, then you can say the management part of it, so that's our Lean management, that could also be the word for it. That has been in focus at the start, the basis, and then we have gradually developed into looking into service design, customer experience management, so that's probably where we are right now and going forward we will of course add things, so I think that's more adding different services than exchanging right now. But of course, traditional Lean is to some extent the foundation for many companies and organizations, but they have been working with it for quite some time. So, if there are companies that still want to do traditional Lean we would of course do it, but you wouldn't see it as a service that we, as such, would market or try to sell.

DM: But you said you are not working with manufacturing, so the traditional Lean don't you mean the Lean…

TC: No, I mean Lean services.

DM: Oh Lean services.

TC: That's what I, in some essence, call traditional Lean. You can say, why have paper-based case handling, for example, and you are looking into improving that. That's what I would consider traditional Lean in administrative tasks.

DM: What triggers actually this change? For you to add the new services?

TC: That's two things, I guess, one is that we need to stay relevant and companies they change focuses once in a while, even though Lean is still highly relevant, if you have the same managers in the same companies for 5-10 years they want to focus on something else, they want to add something new so we also need to have a new, you can say, services on our shelves. So that's the one reason. And the other reason is also that we have a growth objective, we want to grow to the double size in a few years time, or something like that, and in order to do that we probably need to have more services on the shelves as well.

DM: Yes, makes sense. Do the consultants that work here, or the employees in general, have the freedom to actually suggest a change in your services? Let's say, for example, either that they see that something that has become obsolete or maybe to add in your service.

TC: Yes. As, I think, currently, we have a split between some, a number, of experienced partners and a number of relatively young consultants, so therefore I would probably say that our consultants are, typically, helping out on projects defined by partners, so they become parts of those projects. The question is, is it allowed? So, I would reform your question to is it allowed for partners to, sort of, develop new services or discard old services and so on in what they are doing with the customers, and the answer is yes, there is a certain amount of opportunism in what we're doing. We are trying to, we're small, we are trying to tailor-made what we are doing towards our customers. So, you wouldn't see as with big consultancy companies that we have 2-3-4-5-6 different very standardized methodologies that we just roll into a company and then we are just following that. Our projects are typically tailor-made. Of course, they typically stand on some kind of methodology, a theory or something like that, but that

would be tailored to the specific project and hence new things can come into different services.

DM: Do also customers have the freedom? Have they ever changed your portfolio of services? Have they ever asked for something you weren't selling and then they made you think about it?

TC: I wouldn't be able to come up with an example, but that might just be because I haven't been here for so long, but I would say quite a number of our projects comes out of old relationships where there were specific persons in companies and organizations, and a number of those there is a tendency that we are solving specific problems for those companies. These persons have different challenges on what they want it could be, and they ask us for help in those particular challenges and in that sense you can say, well they are perhaps not if they are just new which tool to use or which method to use for solving the problem, they probably should do it themselves, but they come with a problem and of course then there is a dialogue about how to handle this problem, and that's where we, of course, have different methodologies and so on and what we are particularly going to do is set a dialogue with the customer, so in that way they are influencing what the offers.

DM: If they were asking for something that you were not selling, that you can not provide, maybe you don't have the experience or?

TC: Yes, for example, if you were an insurance [company] and you wanted a new system for managing your insurances as such, then we would be out of our league, or not league but that would be out of scope for us, we are not selling that kind of IT platforms.

DM: Would you cooperate with another consulting company or would you just… have you ever?

TC: In this case I would guess, I haven't tried that one, I would guess we would say well this is not what we are working on, but let's say it was about establishing

a performance management platform and we didn't have, sort of, the IT system for that, that's more or closer to what we are doing so here we would probably team up with somebody that could help and then solve this challenge together.

DM: If it was more in manufacturing? If it would be regarding supply chain, digitalization and stuff like this? Would you also be able to [team up with someone]?

TC: I think that's, it very much depends on what is this, because I think that would be some areas where we would probably not go into, and advanced supply chain might be one of those areas. So, I think here either we would team up or we would recommend some old friends that we all have and then hopefully they would do the same the other way around at a point in time. But I am not familiar with the specific projects where that has been happen.

DM: I see. And then, when you add your new services how would you communicate this to the public? To the people to the world. Is it from your website? Do you do any events? Or do you go to your customers, the ones that you have already relationships with them and pitch some new ideas?

TC: As I said before, we are doing much through personal relationships. So, I wouldn't say that we are doing very much, what's called, push marketing, it's more pull, some stuff that we have when there is an opportunity to bring it into an ongoing conversation. And we do, especially, in the CSR group, the group about Corporate Social Responsibility, they are doing different kind of reports, and when a new report is issued then we typically do some different kinds of push marketing, to get awareness about that particular report. But, if you look into the process group or digitalization group, there we are not doing these kinds of reports and it's not like if you go to our webpage you will find dozens of case stories about what we have been doing. I think it's not a deliberate choice, it's more that we have been very good at doing our selling through relationships, so we haven't really needed that kind of marketing material yet. We would like to, I think, go more into writing small articles for different magazines for example and also participating in conferences and telling together with our partners about our

customers about different projects. I think that's a way we are going to, to try to improve.

DM: More honest, more intimate. What would you say that is the main driver of your customer? Is it cost cutting, is it following the market, is it copying their competitors?

TC: It's, for sure, being resource efficient. Whether that is directly as the same as cost cutting, I am not sure.

DM: But, it's connected for sure.

TC: Yes, of course it is. But, it's not like you might see that the budget is going down 10% and then we need to do something for that. It's more like, there is always a pressure for doing more in organizations and they will not get the resources for doing more. So, in that way, resources are on the pressure and we need to do something about that. I would say that's the primary part here. Then, when you look into what we are doing with robotics and so on, it can also go into things about compliance that we are doing, the process isn't exactly the same way every time that we are tracking what we are doing and so on, so that can also be some issues about compliance and tracking transparency about the processes. So, I wouldn't say that we have many projects, at least right now, where the main focus is just providing 10 times better services for customers, or let's say 10 times better experience in processes for the customers, that's not really why we are. So, it is more on the resource side but not necessarily cost cutting as in the traditional, very traditional, way.

DM: So, reorganization?

TC: That is only partly what we are doing and that would, primarily, be in the public sector we are helping out on that, but I would say that this is seldomly that kind of projects we engage in, at least not in the racing side, it's more the focus is in processes and what needs to go around them. However, looking into the future, if it goes from, let's say, just improving optimizing existing processes to

looking into what is the process architecture, how have they been sit together, how do the intent processes look like and so on. If you start going into that direction then you also, eventually, will need to discuss organization and roles in an organization, so we will get into that, but I wouldn't say that it's in focus for most of our projects, right now.

DM: Do you also facilitate them in certifications?

TC: No.

DM: No. Because you are talking about processes and it's kind of similar with ISO.

TC: Yes, but no we are not in that part of the game.

DM: Do you also stay for the implementation of your suggestions?

TC: Yes.

DM: Is it that the consultant from you becomes like a part of the team of the company that you are working with?

TC: Yes, that would typically be the case. We have relatively few analysis projects, for example, McKinsey and so on might have, when they are analyzing, a problem of some kind and then coming up with a grand suggestion on how to do things and then hand over the report. As I said before, a number of our projects comes out of dialogue with different people we know, we have been working for before and they have different kind of problems that they want to solve, so if the starting point in some kind of problem solving, it makes very much sense to stay all the way and not just analyze the problem but also during implementation. So, if you look at it, it's sort of analysis versus implementation, and that's two important parts of a project, I think we spend quite much time on the implementation.

DM: So, it might be like 30% analysis and then the 70%?

TC: I think you would be able to find projects that look like this.

DM: It makes sense, the hard part is the implementation. Not that it's not hard for the analysis, but then also you have to do with people and then try to make all these changes.

TC: Yes, you can say when we are doing, sort of, problem solving based consulting, if we did more analysis it might turn out that the problem was another one than we discussed in the first place. So, that could be an advantage of doing even more analysis, but that's probably not, typically the case.

DM: But then it doesn't mean that the implementation would be less, I guess it's going to be more.

TC: No, then the project might just be large. But, I think that could be an opportunity in challenging the customers even more about what they want us to do, but that's of course always a balance not pushing too hard and stay, sort of, in line with our customers helping them as good as possible.

DM: Have you ever seen resistance from them? I mean, of course, not from the top management that's probably asking for your help, but from lower level employees?

TC: Yes, that of course happens. And that's also..

DM: It's part of the game.

TC: Yes, and that's of course also why you need to have sort of the right involvement, the right communication and the right way to implement things, and that's something we are quite aware of. Our operations team is, most of the partners from there come actually from another consulting company, you might know, Implement Consulting, and their approach towards projects and

implementation is something that I think we have taken with us, so we try to do things with the organization instead of apart the organization.

DM: You said that the partners of operations are previous employees of Implement [Consulting]?

TC: Yes, a number of them are yes.

DM: That's interesting.

TC: Yes. But… Implement is an old consultancy company and many of us have been in other places since Implement and then, sort of, rejoined again.

DM: It's just a coincidence?

TC: Yes, it's a coincidence in that sense, but you can say what perhaps is not a coincidence is that we know how things, when in Implement, how we wanted to do projects and then that's sort of the same here. So, for example for myself, when I entered I had a good idea about how we were doing projects, and that was way after doing projects that I liked. So, for example, if I had wanted to go to another consultancy company which I didn't know anything about, then I might be very surprised about how we did things, there might be a manual for doing everything and so on, which I didn't really want to do so I think from that perspective, old people from Implement might come here because they actually liked it but they had something else to do for a period of time and now they want to go into consulting again and that could be the way.

DM: So, it's not about changing the way things were, it's about… I mean for people from Implement…

TC: Yes, I think the traditional way in Implement was very successful, they are still very successful so there's that, but we like that and we want to take the good parts from that from Implement and take in here and I think particularly what we, in the research department, do differently now than when I was in Implement for

example is that the technology part, the digitalization part which is very strong now compare to 5 years ago for example. And that there we have a unique opportunity to combine that here in Carve Consulting since we have a number of IT guys as well. So, that's where I would say there is a big change from what we did in Implement years ago to now, because we need to combine everything we do with digitalization and digital solutions one way or the other.

DM: In digitalization, what kind of services do you have?

TC: That can be different kind of IT management things and then particularly robotics and also some different kind of AI and machine learning, artificial intelligence and machine learning, that's sort of where we are right now.

DM: Do you have engineers that they… I don't quite understand how is the consulting working in this area. Is it consulting them of…

TC: You mean in the digitalization, robotics and all that stuff?

DM: Yes.

TC: Well, you can say that, for the robotics for example, there is a specific IT tool, that is basically the robots, so our job is to help organizations get this tool installed and then start to put processes onto that tool, making the analysis and also, sometimes, the programming of it, and maintenance we also do. So, there's this IT system that does the process analysis, there's the coding of these robots and then there's maintenance. And we can do all these things, some of our customers prefer to do some of those by themselves and only have us to help them in 1 or 2 or 3 of them, but that differs. But here we are, sort of, have the full range.

DM: So, in my previous example, about digitalization of the supply chain, you could work on that?

TC: Yes and no, because I think digitalization of a supply chain is something about ERP systems, something about how the data flows here, how you set all

these things up with different kinds of master data and lots of agreements with supply and all that stuff. And that's basically not where we are, so we are not…

DM: And you are not also thinking about going in smart data industry?

TC: Big data and these different things probably yes, but not so much in the supply chain area. I wouldn't expect us to go in that direction, not because it's not interesting but we would need to have some people that were quite experienced in it and we don't have it today, for example. Perhaps, one day or the other, 2 or 3 very experienced supply chain guys enter our doors and say, well we would like to join you and so and so and so would that be interesting, and then the situation might be another one. But, as it looks right now, that is not really on the table.

DM: But this can happen, I mean, this is also a scenario of you growing, right?

TC: Yes, everything can basically happen. We might even start in doing recruitment for companies if the right circumstances were there, but it's not something that we look for activity right now. But, that's why we can say consulting is a people game. You need to have experienced people driving different things and good and experienced people in a consultancy company can generate their own revenue and make us close and so and so. So, those things go together, so I guess where we can say strategy matters is in what areas you really want to recruit consultants that perhaps do not have the same potential for sales that partners have. So, if you get a number of partners into a consultancy company they might be able to develop a new business area and that can be through opportunism, when things happen, but if you want to grow for example, and we want to do it in a planned way, then we need to, sort of, define what areas is that we are going to hire consultants in, perhaps young consultants, experienced consultants, so where's that we most likely can get more tasks, projects, and I hope you can see here would be a bit dangerous to hire a number of young consultants if we don't have, sort of, any sales, don't have the right context, don't have the right partners that eye in that area.

DM: Yes of course. You will have to investigate the market and then…

TC: So, therefore, the growth areas we'll also, right now, we'll try to grow in the areas that we have, already the process area and digitalization area.

DM: Okay, do you know your company's current market share in operations consulting?

TC: No. I haven't got a clue, I don't know how big the market is, but I think we might, let's say, I would guess we are, size-wise we are probably around the 20th largest in Denmark. It's not like I have been looking at numbers precisely but if I start of counting number of consultancy companies and look at it from that perspective, then I would guess we are around there.

DM: What percentage of your company is working in operations?

TC: That would be some 40% I would say, 40-50 it depends, because some of the robotics projects that also include process analysis, and sometimes some of our people from the digitalization team do those process analyses, sometimes it is people from the process department doing those analyses so, depending on how you define it, it could be between 40% and 50%, but it is the largest area in what we have.

DM: Who do you consider as your immediate competitors?

TC: If we look into the process area I would say those that we at least are looking quite a bit to is of course Implement. I would say that's probably the closest one. Then PA Consulting could also be, they have, to some extent, the same profile and the same thinking. And then there is a number of smaller consultancy companies in this area that we also see, and it's not like I have all the names of them right now, but they are more specialized, I can't remember what is called, but they are focusing on Lean Six Sigma for example and doing a lot of training in that areas as a way to get customers. And there is another one that has some electronic boards, electronic whiteboards, where they are trying to sell and so

and so, we see a number of small, let's say more segmented competitors. I wouldn't say that, for example, the big four, BCG, McKinsey and so on, that we would probably not really consider those as competitors, but they are sort of in another league somewhere, right? And then, I don't know so much about the public sector, but I'm pretty sure that there is some public-sector oriented consultancy companies that we also would consider as competitors.

DM: What about Tata?

TC: Tata?

DM: Yes.

TC: You are thinking of them from the IT side, right?

DM: Yes.

TC: Yes. I haven't really heard the dialogues about them internally, but I guess they are around in Denmark as well.

DM: I've been hearing a lot about Tata, I actually didn't know Tata.

TC: No.

DM: And I have heard a lot about it, and then I researched a little bit, and they're a little bit in everything, that's why I am asking.

TC: Yes, and I think if you talk to Implement they might mention them, for example. I have also heard about them, when I was in my previous job, in the last bank, where they also tried to sell something. So, I think Tata would aim at a larger private sector companies, and that's, probably, not where we are focusing mostly right now, the large ones. So, therefore, we would probably not see them so much.

DM: Would you consider to adjust your services in regards with your competitors? The ones you said.

TC: Yes. Perhaps not so much as a reaction to what the competitors do, but more from, let's say, where we are right now and where we see the market grow and where we also think that we are. We can say we are doing something with different customers, and they grow, we grow, and we want to grow together with them. So, that pans out different directions that we want to work in. And, for example, since processes is, sort of, the core, then you can say the flip side of the processes is… the flip side of the internal processes is the customer's journey through the processes, right? And that's another way to look at processes, from a customer journey perspective. And that's something that we would like to do more of, we can see that there is a larger focus on customer satisfaction, that we need to please the customers in the best possible ways, in companies and so on, and there's a certain methodology, or methodologies, in that area that we want to work more with. We are in that area, but we would like to grow the number of projects.

DM: Yes, but you said that you are already in customer satisfaction, customer experience.

TC: Yes. But, you can say it's more pilots, and we want to have more big projects, than we have today. Normally, when you enter a new market, you start with different companies, making small pile-up projects, and they then need to grow into large-scale projects, that's probably where we are in that area. The same goes, for example, in looking at intern processes, looking at structure of processes and companies, how have they organized all the intern processes and how can we digitalize them even further and so on, that would be another area that we are looking into. And then of course, as I have said before, the Lean area, Lean management, operations management, those are things that we are working on, we will continuously try to improve them and keep relevant, in different ways. One of the things is that Lean is, from a traditional point of view, it has not been using IT a lot. It has been writing in whiteboards and so on, but nowadays you need to, probably, find some digital solutions for these things. So,

when we look into Lean, Lean management and so on, it's very much about how can you turn it into something that is supported by digital tools.

DM: Interesting.

TC: It is.

DM: Yes, I've been thinking also my projects now, because I did 2 lean projects with Novo Nordisk, but the one was Lean manufacturing, so it was production, and the other one was Lean product development. So, it was kind of on the service, but then I am not actually really familiar with Lean management if it's different in the…

TC: Lean management is, basically, that you are very focused on what happens on the factory floor, let's say that, and that you develop different kind of visualizations that tells you about the current condition and if you are not where you expect, then you need to act immediately and that's both operators and also the managers that need to have focus in that and figure out what can we do in order to get back on track, and do a lot of problem solving and so on. So, Lean management, from that perspective, is very much about increasing the clock speed and detecting something is wrong and doing something about it. So, in traditional organizations, from you detect the problems we have solved found a solution and done something about it, it could take months, several months for example, and in a real Lean company that should take 1 or 2 days at max. So, that's basically what the Lean management is about, setting up systems and so on, so that you can react that fast. And if you go into Novo Nordisk and Lean product development, it's sort of the same thinking, you need to break down the development into small pieces and then have them done quite fast. And that you can do with post-it notes on a wall, or you can have different kind of more electronics solutions where we can move the different things on a touch screen, for example. So, that's one of the changes you will see also in Lean product development or as most people would probably use today, different kinds of agile development, or whatever is called. That goes very much into the development part, you can say Lean is more for normal service delivery to customers, standard

products, services, one way or the other, agile is very much about when you need to develop new things that you haven't got today.

DM: The innovation part.

TC: Yes, basically. Of course, then there's some place in between where our customers want something that looks like innovation but perhaps is normal services as well, and there you might be able to both use Lean and agile and so on. But, anyway…

DM: Okay, my last question. In your projects on processes, if you want to combine the customer experience does it make longer the implementation part of your contribution? I mean you would have to stay more in order to see how this is working in the customer perspective and then get all this feedback.

TC: Yes.

DM: Is it like and after-sale service?

TC: No, I think you are perfectly right that it would take longer time, because when we are, sort of, doing something the customers can see, we better make sure that it works well, right? We can't allow the same kind of failures that we would perhaps allow internally and then do something about it afterwards. So, therefore, I am not sure in theory that working with, sort of, the customer perspective and customer journeys should take longer than doing a proper internal process improvement. It might be that we adjusted, jumping a few corners and cutting a few corners or something internally and if shit happens and goes wrong then we can do something about it without the customers noticing. So, it might more be there and that the differences. But, of course, if you want to do it correctly with customers, you need to understand the customers first, you need to do some different kind of analysis. It's probably not sufficient just to look at data, you need to watch them, you need to talk to them, you need to do different things with them, then you need to, sort of, figure out what is it that you want to change, you need to test it, and the testing might be, since you don't

know if that will work yet, then you need to make some mockups, and test that with the customers and if that works fine then you can go into, sort of, developing the right solutions and implementing it. So, that can take some, quite long, time but that's also where you see nowadays that this agile development is closely attached to improving the customer experience, because it, sort of, breaks down what you want in, sort of, the development that you are trying to do into smaller parts, have a bit different logic so that you earlier can come up with some, they call it, minimum viable solutions that the customers can benefit from, where it's not so difficult to test it and so on. So, that you would, let's say, just introduce a number of small increments of improved customer experience. Because, else you have these very long lead time.

DM: And then the risk of it failing is even bigger.

TC: Yes, exactly.

DM: Yes.

TC: You might be perfectly wrong, you might have done the best possible analysis and found the best possible solution but then in 3 months time the customer is just in another place. So, that would be sad.

DM: Really sad. Ok, so that would be all. Thank you.

TC: You're welcome.

G. Interview Guide for Former Employee of a worldwide consulting company

➢ State name, university and aim of this meeting

1) What is your name?
2) What is your position in X company?
3) What kind of operations improvements do you currently focus on?
4) What has been a deciding factor in deciding this focus?
5) What types of services have you used external consulting companies for in your current position?
6) Why did you decide to use this service from an external company?
7) What kind of projects did you get involved with in your previous work as a consultant?
8) Which services were selling the most?
9) Did you have teams trying to identify new trends and then push them into the market? (example?)
10) How did you communicate changes or new services to the public?
11) What do you believe is the main driver/s of customers using operation consulting services?

H. Interview Former Employee of a worldwide consulting company

Company: Telecommunications
Date: 07-09-2018
Audio length: 25 minutes 08 seconds
Speakers: Former Employee (FE), Danai Michailidou (DM)
Role: Chief Procurement Officer, Former Employee in Consulting

DM: Hi.

FE: Hi.

DM: My name is Danai Michailidou, I'm studying in Aalborg University here in Copenhagen and I'm currently investigating the operations consulting industry here, and I would like to ask you some questions. What is your name?

FE: I am … from ….

DM: Yes, and your position here in …?

FE: I'm the Chief Procurement Officer.

DM: Ok. What kind of operations improvements do you currently focus on?

FE: So, I think that's quite a broad question, but we have been taken over by new ownership in the start of May this year and they are looking to separate the company in to two, so I think it's not really operational improvements but it's a complete operational transformation, so that is taking a lot of time. If we look more at the operational improvement of the running core business, then for that we are moving towards a carrier greatness, which is another word for increased stability of our networks and platforms, so our in products is basically to deliver communication services and entertainment services to users in Denmark, a number of our platforms has been challenged historically and therefore our key

improvement area at the moment is really to improve the stability and quality of our platforms.

DM: And this is all part of the new strategy, let's say, of the new ownership that you talked about?

FE: New owner is around splitting the company, so it's not really an operational improvement but it is an operational task that takes a lot of energy and a lot of the focus at the moment is, you could say, our new owners they come in with a complete different strategy than we were used to, and therefore a lot of our focus is to turn around the business. Which is not really daily operational improvements, but it's more just an operational task that takes a lot of time.

DM: Have you ever used the services of external consulting companies?

FE: Yes, we used it quite extensively.

DM: In what type of services would you say?

FE: I think it goes into different areas, but there is one area which is non-core for us, so our non-important things, where we basically outsource it fully, so this could be canteen services is outsourced fully, some of our IT development of old platforms which is basically just legacy and needs to be done on more than maintenance part and the operation of our IT service and so on, these kind of things is outsourced. So, that's the first bucket, is basically just things that are fully outsourced.

DM: Ok.

FE: And then, there is a second bucket, where we use externals to give us additional capabilities and capacity within specific areas. So, this could be IT development where some of our app development or stuff like that, we would go in and use consultants for that. And then we do also have some, you could say, is transformational, basically improving the way we work, which is actually more

what I would think of if you say operational improvements at least from consultancies and there we would work with some called presidents at the moment who helps us redefine our processes into int to basically improve the customer journeys and design new customer journeys and new processes for the companies we are working with other consultancies that basically helps us do transformational tasks so consultancies also help us to rebranding, so one example is that another company has just rebranded themselves fully end-to-end, in terms of the vision impression and the slogan's keywords, the advertising and so on, that is not done in house that is basically done by an agency which is then, you would say, a use of external consultants or an external party at least.

DM: Ok, let's go a little bit back. You said something about redefining your processes?

FE: Yes.

DM: And you said about president?

FE: Yes, President is basically just a company that we are using.

DM: A consulting company?

FE: Yes, a consulting company, but I don't know them that well, but there's a list of these type of roles where we use companies. We also, a couple of years back, we did a Lean transformation of the organization where all of our sales, sales teams and basically went from the traditional way of just running around selling into more Lean and standup meetings every morning and pipeline to of the progress and much more visual management and so on, there we also use consultants to basically drive that transformation. At the moment we are moving it out of our business into agile ways of working, so especially where we have an IT component but where we do more agile teams that covers both the IT competences but also the business competences and so on, into one shared team and there again we use some consultants to help us facilitate and get this new way of working implemented.

DM: And this Lean transformation that you said is it many years before?

FE: Five I think, or six. I think it ended in 2012 the external support, there's obviously carried on and it is part of the DNA still today. I think, basically, from 2009-ish to 2012 there was support from a consultancy to help us do this Lean journey and implement it and go through organization unit by organization unit and transform them into a new way of working.

DM: And this is something that you still follow?

FE: I think, to some extent, right obviously over time it goes from being a transformation topic to be the way we are working, and in part of that is also some of the ideas they fall down and we basically go away from them again, other ideas develop further and then there's some that makes it as defined. I think if you go to the teams that were transformed 6 years ago, likely they have taken other round of new kind of transformation looking into new ways of working, but you still see components of what was introduced in that period with the consultants, so you would probably still have some stand-up hurdles, you would still have some of the visual management, you would still have the pipeline discussions and so on, but I think it's taken then to a 2018 agenda with probably a couple of other operational improvements on top.

DM: Yes, but it makes sense that you keep whatever can be adjusted to you and your ways.

FE: Yes.
DM: Why did you decide to use external companies for these services, for Lean transformation and redefining your processes?

FE: Yes, I think that's probably 4 things. First one is to get an outside-in view, which is also including getting new ideas, understanding best practices from other areas and so on. So that's the first bucket, just having somebody who has an independent view and can look at what we are doing with fresh eyes. I think

the second one is then having someone that's done it before in a sense, so first one is a bit getting the inspiration but the next one is then getting the confidence that he can actually be replicated and can become successful. Third element to me is around capabilities that sometimes it could also be that we have some people who's leaving the company, or we will need to rout scale-up our capability or something else, and then it takes if I need to hire a new guy within procurement it would take me 6 months from my deciding I need a new guy to restart and then 3 months to wrap him up so if I today decide I need a new person then he would basically be ready to work from June next year.

DM: Yes.

FE: What the consultants can do and where they really help us is that if I decide today I want to have a consultant tomorrow, depending a bit back and forth, but then he could be here Monday morning. Which goes to the fourth element which is capacity. So, capability is one thing, but also capacity, that sometimes we have in our call centers as another example, there we have fluctuating demands for calls and it's not economical feasible for us to have full time employees on our terms throughout the full year, and therefore we can also then use consultants of some kind to, in the peak periods where we know there would be more activity, then to offload some of our teams so that we deliver the quality we need, and that's only capacity. So, it's basically buying capacity from the market instead of having it inhouse.

DM: Yes. And then, you also have experience as a consultant from your past, right?

FE: Yes.

DM: Do you remember in which kind of projects you were involved mostly?

FE: Yes.

DM: Would you like to share?

FE: I was a consultant for 7 years, and I did a lot of strategy efforts. Over time, I basically, but that's a personal preference for me, I liked really more tangible operational projects, so I ended up doing more and more outsourcing, which also explains why I ended up in procurement, but I did these outsourcing projects where we're going to use 9 months to a year to go down and then understand what are actually the activities we are doing, why should we be doing them, which one of these can be done either better or cheaper or both by an external company, find the potential external partners and then reach an agreement to sign a deal to move some competencies to the party. And then that ended being significant part of what I was doing. I was also part of doing Lean transformations, not here, but doing that earlier, so I did a couple of transformation in companies which was these kind of 4 months extend to go in and 8 weeks to basically set and understand the baseline and so on, 4 weeks to make the future assignments, then 8 weeks to implement. So, a lot of this type of 16 to 20 weeks programs.

DM: Was it that quick? Isn't it fast for the Lean transformation?

FE: No, that was the way we basically did it in my previous company, it would basically be just go in, and then it was not for the full company, but we would select a subscale of the company saying 100 to 200 people, and then say ok for these 100-200 people, across the Lean lenses, so processes and efficiency, performance management, organization and skills, mindset and behaviors, and voice of the customer, with these 5 different lenses let's understand what is the as-is and design the future state over the first 8 weeks, and then do the transformation where we gradually adjusted the way of working over 8 weeks and then obviously there is a continuous improvement phase afterwards where we stay close and continue to improve the way you work, over there was basically the approach we used.

DM: Ok. Did you also have teams in your previous company, for example trying to identify new trends, trying to push new services to the markets or was it, mostly, a pull-based strategy, regarding your services?

FE: No, it's a combination in the sense that, what I think consultancy firms need to do and all do is to try to do what they do with one client's packages and use it for others. I think that's the common, it's difficult to just sit behind a desk and then develop something completely new. If you take Lean as an example, the way Lean developed was that Toyota did it themselves and that then created a precedent for somebody to then start and roll it out to others. I think it's the same with the consultancies. So, you want to be forward leaning, you want to challenge, but you want to do that together with a good client. So, the typical thing would be for consultancies to find a client that is visionary and they want to push the envelope within an area, and then co-invest with them to basically develop this and do all the mistakes together with them, but then find out the way together with one client, and then once you have done that, package it and replicate it. That's the general model, so it is a combination in a sense that you want to create a push for the first client, because there is something you haven't done before or nobody has done it before, there you need to be on the forefront of the thinking and so on, and you need to really develop the need at the client side in order to figure out what is actually the demand we are fixing for him and what's the problem we are solving, and then once you believe you have the right thing that you need to convince one client to do it, once you have then done it for the first time, you need to codify it and figure out what was actually, why did we do this, what was the success criteria, how can we replicate it, then you de-package that one, push it to 2 or 3 more clients and then you'll create the pull, because then eventually people start talking about Lean and say Toyota did it then 2 other companies also replicated it and it was super successful, then you have basically the fourth guy in the line and he will have to pull because he will be a new CEO and his role, he needs to do something, everybody is talking about Lean, so he will call you if he believes you are the guy who can help him deliver Lean. So, it is a bit of a mixed model.

DM: But then, this leads us to my next question which is, what do you believe that is the main drivers for the customers that used your operation consulting? And I guess that, you described a lot, it has to do with copying one another at one extent.

FE: I think that they use is a bit by to the four things before, right? So, one is getting outside-in perspective, it's difficult to get, if I go to my team now and say can we do procurement better, then there is, probably we could, we know that there are these things wrong but it's all the others faults. They would not say, yes half of what we do is stupid. They would say, yes we could do something but we already tried it 5 times and it's all the other guys fault. So, having somebody outside-in that says what you're doing there is stupid. I think that's number one. Number two is then having somebody, now we know that this is stupid, then having somebody that can credibly say, this I've done it before, I've seen it done, so somebody who brings in the experience and knows what does the path look like, it might not be the persons who have done it hands-on but at least they can paint the picture, they know the phases you will go through and so on, I think that's the second one. And then the third one, then capability, it's just if we then say, ok I want to do this transformation then I need some skills and I need somebody who knows what is the Lean framework or how do you work agile and so on, and within that I need to just do a lot of process mapping and a lot of different things that my people who work day-to-day, they don't know how to do a process mapping and they've never done it before, so the capability of some things you need in order to do the journey you'll go to the consultants. And then the last element of just capacity, because if I go to my team and say, we should standardize all of our contracts and we should do them much better then intellectually they would agree that it would actually be good if we had better contracts, on the other hand they have a day jobs so they say, yes it's fine but I have negotiations all day tomorrow with these vendors and I need to do this IFB [Invitation for Bid] by Friday, I need to do this, so conceptually I agree, we should review our contracts. Capability-wise, my team also have the skills, but capacity-wise they don't have the time to do it and, therefore, if from management point-of-view you believe it's actually important to improve this area, then a consultant could be part of the solution. The alternative would often be to either extend the timeline and say, instead of doing this in 2 months I will do it over 3 years, alternatively you need to do some kind of hard prioritization, and then start telling to your team, ok but you need to do this so we need to stop these 2 activities, or it's fine that you have planned to have negotiations every Monday for the next

half a year, but basically you should free up your Monday for this, so you need to cut down half of your projects and so on. I think that's the alternative, right?

DM: That's true, but then the first step of the customers, meaning when they want to identify if they need the external services of a consultant, do you think that it has to do with them copying competitors, like listening to success stories and then…

FE: Partly, it's because you hear others are doing interesting stuff and so on. I think more though, with the economy we have as it works today, right, with the capital markets then, everybody wants to do more and better in a way, and there are some owners who have quite freedom but everybody else in the corporate landscape gets a salary every month for delivering some results, and if you had a management devil then the results are often aspirational in the sense is not something that, hey I planned to do this and then I go do it and then everybody is happy. It's much more somebody tells you, you need next year to have 10% lower cost and 5% better customer experience score. And I think that's more the driver that you come up with this need because then you sit down and say, ok if I should have 10% less cost next year what should I do? Then I talk to my team and then say, we have tried everything, we have no ideas. Then you have heard in a magazine or something, that's something called Lean and then you basically say, what about Lean? Can that be the lever to get my 10% cost out? And then you start having a need for operational consultancy that can help you. There's the thing, that would be the typical driver, that's the one way I think, the other one when needs more capacity or more capabilities, then it's much more just, you have 2 guys that are saying, we don't have time to do this, you want to get it done, and then you need a consultant, right?

DM: Is it the same for you here, because you said that you are redefining the processes with President?

FE: Yes, for the processes I think this is to us very much both capacity and capabilities. Because I think we have people who have done process redesign and so on, on the other hand not at the scale we are doing now, because we split

142

the company and we redesign everything and all of our resources are constrained because there's daily business, there's other separational activities, there's new things we want to do and so on, so we just don't have 20 people that we can find within the organization and we can pull out and say, now you need to work full time on processes. And even if we are able to find these 20 guys then they wouldn't have the capabilities to do it, they might have tried it one or two times, but we cannot take all the people that we have here who understands processes and put them into this transformation team, because then everything else would fall down. So, basically we have a need to find 20 process people who can just sit down and do the specific task, is a task we didn't have yesterday and is a task eventually we will not have any more so it doesn't really makes sense for us to hire and train 20 people, it makes much more sense for us to find somebody who can step in and cover the need we have. I think we are running out of time and…

DM: Ok, my last question actually.

FE: Yes, ok.

DM: What about the digitalization of the supply chain and all this smart and big data, have you implemented that in your department?

FE: To some extent not really, right, so I think that's also an area within my scope of responsibility, consultants could be relevant at some point, right? So, we do have a spend tube, for instance, where we do try to put in our historic spend day and so on, however it needs a lot more cleanup so, just an example, if a vendor sends bill in two different names often it will have two different lines, just a bit of cleanup as a minimum would be good and then you would do all kind of advance things on top and link it to all parts development and all of these other things, we haven't done any of that. If I go to my team and say, I want to do that then they will look at me like, you are crazy that you cannot do within the date that we have, it's impossible it would take 10 years, so if I were to believe that that would be the most important push in the future then very likely I would need to turn to some consultants and then say, hey I want… and even if I knew exactly what would be

the path to get that I will need some consulting, because I think step 1 will be just clean up this database and understand what we have in them, what are the rules and so on, and I don't have the capacity and the setup I have in the moment.
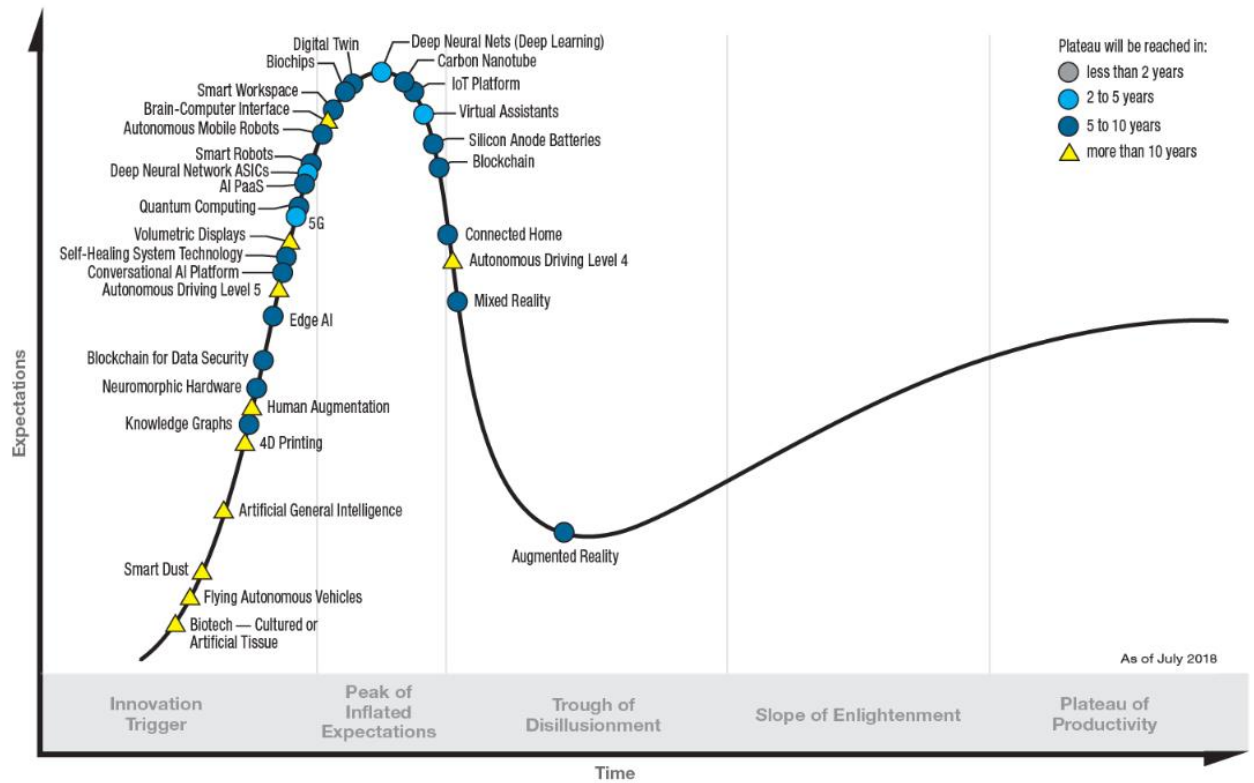
DM: But do you believe that you will need it in the future?

FE: I think within procurement less so. Within other areas, more. So, even always the argue back and forth, and it's probably in a not that sophisticated way of looking at procurement, but I think just the used cases I have seen for advanced analytics and so on within procurement at this stage, are quite limited, so the tools that are on the market and so on is much more just aggregating your data and presenting it nicely, which is nice but we can do that ad-hoc when we have a project. So, I believe much more in advanced analytics and big data and all of these different things within preventive maintenance of the network. Because there, I mean, we have so much data in the network and we spend a lot of money on maintaining it, if we would do that slightly better by analytics, which I fundamentally believe we can do, then that just seems much more significant, or similarly deployment of network assets. So, we built a lot of mobile antennas and so on, if we can deploy that smarter, then it's a lot of money we'll save. So, I actually believe more in those applications than in procurement per say.

DM: Thank you very much.

FE: No worry, thank you. I hope it was helpful and let me know if you have any follow up.

I. Hype Cycle for Emerging Technologies, 2018

Source: Gartner (August 2018)