

# How good would you be as a consultant?

Consultants are often asked to undertake a wide range of activities. This quiz is designed to give you an insight into the kinds of general challenges you might be asked to face as a consultant in the non-profit world. It was developed by the management consultancy team here at =mc partly for fun – but also to give you an insight into how we select and choose consultants.

There are four separate challenges below. The answers to each challenge are at the end of this PDF. You can also then score yourself in terms of your ability to work as a consultant. The quiz is primarily for adult 'edutainment'. But you can tweet your score at @The\_Mgmt\_Centre. And we're offering a prize of a bottle of champagne to the highest score.

If you liked these challenges you might well enjoy and benefit from =mc's consultancy programme in UK (London) or Belgium. <http://bit.ly/2AYkFE>. (Also happening in the US and Mexico late 2010.)

This challenging 5-day event will take you through the rigorous process that =mc uses to train its own consultants. The programme is based around 10 different toolboxes, covering change, innovation, strategy, culture etc.

(Or you might even be interested in a job at =mc... <http://bit.ly/4KHsUL>)

OK ready? You'll need around 20-30 minutes to do the whole quiz in a single pass.

## 1. Tackling a problem to which there isn't a right answer or no one has done before...

It's common in consultancy to have to deal with questions to which there isn't an exact answer – or that involve trying to tackle an issue which no-one has dealt with before. To test a consultant's ability to tackle these issues it's common in management consultancy interviews to give what are called 'estimating' questions.

These are designed either to test your ability to work challenges out logically, or to demonstrate your ability to think laterally. It's about hiring people for a way of thinking rather than a knowledge base.

So an example of a *lateral* question might be 'How would you work out the weight of a 747?'<sup>1</sup> See the footnote for the answer.

An example from =mc's real consulting work of the 'there-isn't-an exact-answer' type, concerns a project we were asked to carry out by the Greater London Authority (GLA) with the Red Cross in 2007. As part of preparation for any possible disaster we were asked by the GLA to work out how many telephone lines and call handlers might be needed to handle

---

<sup>1</sup> For this you have to do the same thing as in famous Archimedes/Eureka story. Taxi or fly the plane onto an aircraft carrier – or any ship big enough to hold it. Now paint a mark on the ship's hull showing water level. Now remove the 747. The ship will rise in the water. Next load up the ship with any cargo of items with a known weight. (For example 100kg bags of grain.) Do this until it sinks to the exact same line in the water. The total weight of the cargo will equal the weight of the jet. Voila!

donations from people calling to make contributions to a relief fund in the first two days after any disaster in London.

(In fact, ironically, the London terrorist bombings happened just a few months later in July 2007. And work we had done with the Red Cross on these calculations – and others such as ‘the value of a limb’ – proved enormously useful in the London Bombing Relief Fund.)

To help you start off on your quiz let’s try an easy ‘general’ question. This one was first developed by the famous scientist Enrico Fermi to select super smart people to work with him. (Really!)

**QUESTION ONE:** ‘How many barbers are there in Chicago?’

*Note:* you’re not allowed to look up the answer on the internet even if it was posted there. If it helps assume the population of Chicago is approximately 2.8M people.

Work out your answer and make a note of your result. See the last page of the PDF for our answer and the scoring.

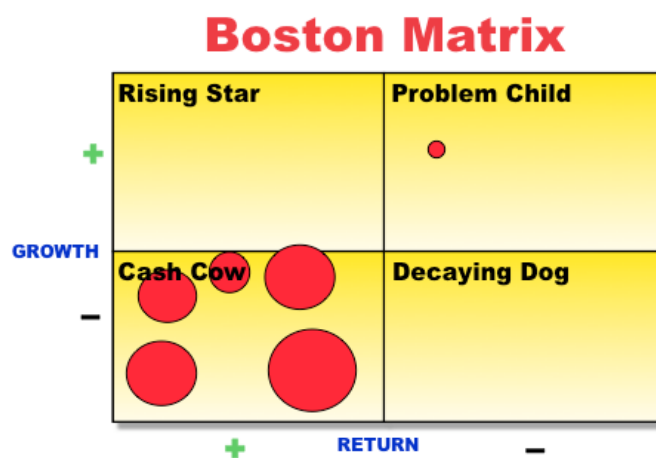
## 2. Offering strategic advice

You’re often asked for strategic advice as a consultant. (To find out more about how to use a range of strategic tools try <http://bit.ly/5hq5f4>)

A common tool is the Boston Matrix. The non-profit version of this was developed by =mc in the 1990s from the commercial model which shows logarithmic market share. The matrix is a graphical way to demonstrate the contribution and life cycles that all services or offerings go through over time. It allows you to analyse the relative value of your portfolio at any given point.

So the diagram below shows a fundraising department’s portfolio of activities over a year. Each red blob represents a different fundraising stream. The size of the blob represents the net contribution.

The quadrant the blobs are in represent different stages in their life cycle. There are four of these: **problem children**, **rising star**, **cash cow** and **decaying dog**.



As you can see this fundraising department has lots of **cash cows** – stable but not growing sources of income – and one **problem child** – a poorly performing but high potential source. They have no fast growing sources – **rising stars** – or **decaying dogs** – sources that are

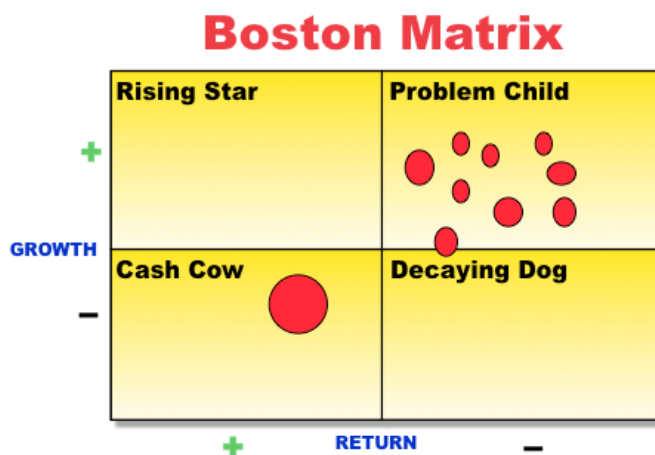
hugely underperforming and should be closed down. So things are probably going well for them.

Since the size of the blob in each quadrant represents the net income from each source e.g. direct mail, foundations, major donors etc their current income is probably pretty good. And they only have one uncertainly performing element. (The long-term prognosis for them is less secure.)

OK that's a pretty quick summary and example. If you don't know what the Boston Matrix is or still don't understand it try this download from =mc knowledge base <http://bit.ly/8ZWlpJ> before you tackle the question below)

**QUESTION TWO:** Look at the Boston Matrix below for a different fundraising organisation from the one above. Now offer two pieces of strategic advice:

- identify how the senior management team of this organisation might *feel* if this is *their* portfolio
- give three pieces of advice, *in order of importance*, on what the organisation should do now to manage its portfolio



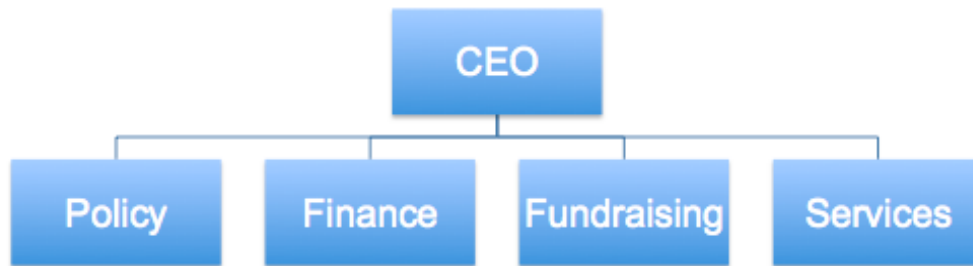
Write down your answer. And to find *our* answer look at the end of the PDF.

### 3. Helping with organisational structures

Our next challenge involves thinking about structures. Often organisations need to know how to organise themselves to have most effect for beneficiaries, to deliver services, or to fundraise. As a consultant you have to be familiar with these structures and be able to advise on their advantages and disadvantages.

The good news there are only a limited number of structures available. (Note we're talking here about *ways to organise* – like *functional* etc – as opposed to *legal structures* like 501(c)3, or charity etc.)

**QUESTION THREE:** So your next question is from a charity that is thinking about re-structuring. The charity is currently organised as below:



So in this case the organisation is organised into four departments *functionally* as finance, marketing, fundraising, and policy. Essentially this structure is positive in that it relates strongly to the skills and abilities of staff. It doesn't, however, seem very customer or user orientated.

Your task is to come up with all the other options there are for organisations including this one. So how many generic structural choices are there for organisations – including the one above? 3? 10? 100? Task one is to list the possible general structures.

If you have time, and are feeling smart, you might like to scope out the advantages and disadvantages of each. But there are no more points for this... so need to work at the top of Maslow's hierarchy.

#### 4. Big Ideas

As a successful consultant you should be familiar with the key classic ideas in management thinking and who is responsible for them. Partly this is so you can introduce your customers to them. Partly it's so you can check out your own thinking on an issue. But it's mostly so that you can impress people with how well read you are and the fact you subscribe to Harvard Business Review.

**QUESTION FOUR:** So our last question is about gurus. Who is mostly known for these ideas?

- a) **Competition:**
- b) **Relationship fundraising:**
- c) **Emergent strategy:**
- d) **Excellence:**
- e) **Change:**

List the famous 'guru' names opposite the idea. The answers are on the next page.

**Well done you've completed the 'really-hard' consultants test!**

# Answers

## 1. Estimating: tackling a problem to which there isn't a right answer or no-one has done before...

The point is not to find out the exact number of barbers in Chicago. And let's assume you can't simply Google the exact answer.

Instead we want you to go through a line of thinking. The variables you may want to consider are: the population of Chicago; the percentage that's male; the number of people who are completely bald and don't need haircuts; the rough number of times the average man has haircuts per year; the number of days per week barbershops are open; the number of haircuts an average barber can give per day; finally the utilization rate of barbers in the real world.

We worked it out to about 3,600 – after a BIG debate in the =mc office about utilization rates and sensitivity analysis. See below for the working.

Number of haircuts required by men in Chicago		Number of haircuts per barber per year	
Total Chicago population	2,800,000	working days per week	5.5
Estimated 50% of population are men	1,400,000	working hours per day	6
Assumption: Number of men needing haircuts	1,000,000	Hours available per barber per week= $5.5 * 6$	33
Assumption: men get their hair cut every 8 weeks		Assumption: haircuts per hour	2
52 weeks in a year		possible haircuts per barber per week= $33 * 2$	66
		Assumption: utilization rate per barber	55%
Total barber haircuts required in a year= $1,000,000 * (52/8)$	6500000	Total haircuts given per barber per week= $66 * 55%$	36.3
		Total haircuts given per barber per year (assuming a 50 week work year) = $36.3 * 50$	1815
Total number of barbers in Chicago = total barber haircuts required in a year / total haircuts given per barber per year	3581.267218		

(BTW, according to Google there are currently 650 barbershops in Chicago- a rough analysis of 10 shops suggests the average shop has 5 barbers or FTEs. So by that calculation Chicago has approximately 3,250 barbers... The best-fit answer, we guess, is between 3,250 and 3,600.)

Key learning here is that consultancy is often about hard work and trying to lay out your logic so others can interrogate or challenge it. A *knowledge consultant* knows or thinks they know, the 'right' answer from their experience. A *process or strategy consultant* helps you work out the answer. Often this second approach is more useful in uncertain times or to drive innovation.

**Score:**

- 3200-3,700 barbers: 5 points – great working...Excel king/queen
- 2800-3200 or 3,700-4,000 barbers: 4 points – good work
- 2000-2800 or 4,500-5,500 barbers: 3 points – did you guess?
- Other number: 0 points Sorry, too much risk and not enough sensitivity analysis.

## 2. Offering strategic advice

The question was in two parts:

**Question:** How does the SMT of this organisation feel?

**Answer:** Stressed! They have way too many problem children to manage. They probably spend lots of time fire fighting and are not clear where to focus their energies.

**Score:** so score:

- Worried/stressed: 1 point
- Any more cheerful answer: 0 points

**Question:** What are your pieces of advice on how to manage their portfolio?

**Answer:** You should have the following points and in this sequence.





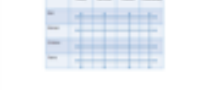

1. Defend your **cash cow**. This is the most important thing. It's the only portfolio element providing any political or literal capital. Also it's quite vulnerable since it's not very big – a competitor may well have their eye on it.
2. Eliminate your least-likely-to-succeed **problem children**. (50%?) You need to get rid of some of these to focus your attention on the more-possibles. You don't have time or energy for the least-likely-to-succeed. If you suggested prioritising the fast track ideas *without* getting rid of these others *lose* 3 points. You can't do both at the same time!
3. Within the 50% left in the **problem child** box find two or three of the most-likely-to-succeed elements and fast track them to **cash cow** status. This will need investment *and* management attention.

OK score one point for each piece of advice and two extra points if you got them in the right sequence. Remember to *deduct 3 points* if you tried to have your Boston Matrix cake and eat it.

## 3. Helping with organisational structures

There are six basic organisational structures. The chart below shows these.

Of course most organisations combine them in some way. So the primary organisational principle might be **geography** – and then underneath is a **functional** structure in each geographical location. The **project** structure is often used by campaigning or emergency relief organisations who basically structure themselves along events with fixed start and stop times.

Structure	Diagram	Explanation	Advantages	Disadvantages
<b>Functional</b>		Based around the skills that staff have or are trained to do	<ul style="list-style-type: none"> <li>Plays to professional competencies</li> <li>Normally efficient internally</li> </ul>	<ul style="list-style-type: none"> <li>Not very customer/user focused</li> <li>Can create silos and challenges connecting</li> </ul>
<b>Customers</b>		Based around the people who access services- donors, users etc	<ul style="list-style-type: none"> <li>Plays to customer, user, or donor needs</li> <li>Normally efficient internally</li> </ul>	<ul style="list-style-type: none"> <li>Not very customer or user focused</li> <li>Can restrict synergies and make service access difficult</li> </ul>
<b>Geography</b>		Based around the places where the service is delivered	<ul style="list-style-type: none"> <li>Services can be locally or culturally relevant</li> <li>Important as organizations grow</li> </ul>	<ul style="list-style-type: none"> <li>Functions can be duplicated in geographies</li> <li>Can be hard to decide territories</li> </ul>
<b>Offerings</b>		Based around the services or offerings that the organisation delivers	<ul style="list-style-type: none"> <li>Plays to customer, user, or donor needs</li> <li>Allows flexibility in terms of the services provided</li> </ul>	<ul style="list-style-type: none"> <li>Can restrict new offering development</li> <li>Not necessarily customer or user friendly</li> </ul>
<b>Matrix</b>		Based around a combination of offerings and functions/customers.	<ul style="list-style-type: none"> <li>Customers can flow easily through processes</li> <li>Flexible working- avoids silos</li> </ul>	<ul style="list-style-type: none"> <li>Can create staff/manager responsibility confusion</li> <li>Requires organisational coordination and clarity</li> </ul>
<b>Project</b>		Based around a series of specific major activities	<ul style="list-style-type: none"> <li>Extremely flexible in work and staff process</li> <li>Opportunities for staff development.</li> </ul>	<ul style="list-style-type: none"> <li>Plays to customer, user, or donor needs.</li> <li>Allows you to be flexible in services provided</li> </ul>

**Score:** you get one point for naming each structure. So including the one we gave you at the start you can get up to six points.

You just get to feel smug if you know the advantages and disadvantages.

#### 4. Big Ideas

- Competition: Michael Porter**
- Relationship Fundraising: Ken Burnett**
- Emergent strategy: Henry Mintzberg**
- Excellence: Tom Peters**
- Change: John Kotter or Rosabeth Moss Kanter**

Score one point for each name you got right. And if you got two names for e) you can have two points, dammit. Total points possible six.

#### Your total score and objective guide to your talents as a potential consultant

Question	Possible points	Your score
1 Estimating	5	
2 Strategy	6	
3 Structures	6	
4 Ideas	6	
<b>Total possible</b>	<b>23</b>	

Your score	Means...
18-23	Would you like a job? Pack your bag! ( <a href="http://bit.ly/4KHsUL">http://bit.ly/4KHsUL</a> )
15-18	You think like a consultant – congratulations
12-15	Some potential – have you thought of a programme to improve? (Try... <a href="http://bit.ly/2AYkFE">http://bit.ly/2AYkFE</a> )
9-12	Hmmm... we could help. Visit <a href="http://www.managementcentre.co.uk">www.managementcentre.co.uk</a>
6-9	Hmmm stick to the current job?
Less than 6	You may be destined to work in a senior banking position... and bring the economy to its knees.

To find out more or for harder questions try:

[www.managementcentre.co.uk](http://www.managementcentre.co.uk) or



**Bernard Ross** – [b.ross@managementcentre.co.uk](mailto:b.ross@managementcentre.co.uk)

or



**Quinn McKew** – [q.mckew@managementcentre.co.uk](mailto:q.mckew@managementcentre.co.uk)  
– who checked the barber numbers for accuracy!

### **We hope you found this download useful and enjoyable.**

If you want to access more downloads, visit [www.managementcentre.co.uk/knowledgebase](http://www.managementcentre.co.uk/knowledgebase) where you can search for a range of management and fundraising tools, ideas and case studies.

### **About =mc**

The Management Centre (=mc) is an international management training and consultancy agency working exclusively for not for profit organisations worldwide. We provide help in management consultancy, fundraising consultancy and training.

To find out more about us, please visit our website at [www.managementcentre.com](http://www.managementcentre.com)