



## Management consultancy: It's efficacy in small-scale business development in Nigeria

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### Abstract

The objective of this paper is to provide an insight into the role that consultants play on the development of small-scale businesses in Nigeria. It basically deals with the small-scale businesses because small-scale business acts as a spring-board for the industries. People do not make use of them due to lack of knowledge, as most people claim they do not really know what value it has to add to their businesses. Most large businesses tend to appropriate the work of management consultants more than smaller industries, as a greater number of the latter do not attempt to make use of this service. Their reasons being that the fee charged are enormous. They see the fees without the result that will be obtained when the services are put into use. Small-scale businesses are therefore advised to make use of consultancy services to improve their businesses.

**Keywords:** consultancy, strategist, efficiency

### INTRODUCTION

The American Management Association suggested that consulting is the ability to cope with unknown conditions as unfamiliar personalities while it obtains the desired results. Stede (1975) opined that consulting process is a form of providing help of the content, process, or structure of a task or series of tasks, where the consultant is not actually responsible for doing the tasks itself but helping those who are. The evolution and application of management system and technique used to predict and manage the future has since been influenced by increasing turbulence in business environment. It could indeed be noticed from the foregoing, that the business environment is a turbulent one, and management consultant should match this ever trouble shooting environment with the utmost professionalism and building bang of adaptation and bars of defense for the organization against every hydra headed monster of the future.

However, if this turbulent environment is not properly matched, it could be constricting the smooth running and operation of the organization and hence emerging a state of stagnancy, dysfunctional, and paralysis and eventually this may lead to a natural death of the organization in particular. This tends to poise uncertainty and threat in the life of corporate existence which will in turn affect the ordinary citizenry of a whole nation.

Management consultancy therefore, is the knowledge of these oracles, gurus, mentors, trouble shooters, generalists, tycoons, company doctors, business healers, as they claim to be, to manure in the face of turbulences and uncertainties and sailing the corporate to an expected destination efficiently and effectively and hence achieving a state of continuous homeostasis for the organization. Therefore, the significance of the article is to bring to the attention of potential owners and owners of small-scale businesses, the efficacy of management consultancy on the development, growth, and survival of their businesses.

## Management Consulting

Management consulting is the ability to cope with unknown conditions with unfamiliar personalities while it obtains the desired results. Steele (1975) says it is any form of providing help of the content, process, or structure of a task or series of tasks, where the consultant is not actually responsible for doing the task himself but helping those who are. Block (1981) suggests that you are consulting anytime you are trying to change or improve a situation but have no direct control over its implementation. Most people in staff roles in organizations are actually consultants even if they are not officially identified as such because their role as management engineers is to make the business move towards aims and objectives which is always towards the maximization of profit. (Oparanma, 2008).

The definitions above suggest that consultants are helpers and assume that such helps can be provided by persons doing wide range of different jobs. So a manager can also be consulting if he renders advice and help to a fellow manager or his subordinate. According to Greiner and Meltzer (1983), management consulting is an advisory service contracted for and provided to organizations by specially trained and qualified persons who assists in an objective and independent manner, the client organization to identify management problems, analyze such problems and recommend solutions to the problems and help when requested in the implementation Kubr (1977). Like Greiner and Meltzer (1983) defines management consulting as a professional service for managers to analyze and solve practical problems and transfer successful management practice from one enterprise to the other. The definitions show that in management consulting, there are two parties, the helper and the helped in which the client is an organization with potential or actual problem. Olowu(1983) defines management consultancy as the process of client and consultant joint activity aimed at solving the desired changes in the client's organization. The five phases in consulting are as follows: entry, diagnosis, action planning, implementation, and lastly termination.

## Uses of Management Consultant

Kubr (1977) expressed the fact that managers turn to consultants if they perceive a need for problem solving. Hence consultants are used for any of the following reasons. When the problem at hand requires special knowledge and skills that can be provided only by consultants. In several cases organizations do not have all the expertise it requires in all its operation and so requires the assistance of the consultants who have special expertise in that particular area where it is lacking. It may involve knowledge of new techniques and methods. Organization consulting seeks to solve the problem to ensure the advancement of its principal purpose and bridge the gaps in knowledge concerning general management, policy co-ordinations or leadership.

The lack of time on the part of the client or senior management of the client company to cope with the demands of business. Time is one element that most managers never seem to have because of the geometric increase in dimension to their schedule. Difference in perception enables the best people within the organization to be influenced by their personal involvement and existing traditions and values to see a problem in its true light and think of feasible solution. So the involvement of a consultant who is neutral will provide fresh view point and be impartial in situation where no member of the organization itself would be. Consulting serves as an educational tool that teaches clients and their staff to manage better for themselves. Many clients go to consultants not because they have a problem at hand to solve but rather to acquire the consultant's knowledge in the area where the consultant is specialized on. Consultants may be used in justifying management decisions. This is possible when a consultant is called in for a purpose, and after presenting his report to the manager, the manager keeps the report for future reference purpose to create the impressions that he is acting on what the independent consultant has said.

## Who Needs Management Consultant?

According to Kubr (1977), that management consulting as a professional service and method for implementing change is not confined to a particular type of organization and economic or business situation. It has been spreading to new areas of human activities, new countries and new regions from this is deduced three areas in which consultants are being used.

### An ailing or excellent organization

There was a time when turning to a consultant was known as last resort to resolve an organization's problem and admission of incompetence and inability to handle the situation with the organization's own resources, so long as the business is usual, spending money on consultant was seen as a waste. If a business deteriorates, the pressure of events may be so strong that reluctantly a consultant is brought in, but it may then be too late. No wonder as exclaimed in (Oparanma, 2008). Those consultants are still regarded by some managers as "trouble shooters", "those consultants

are still regarded by some managers as “trouble shooters”, “company doctors”, “business healers”, and the likes. Experience has shown that big, strong, and reliable organizations have developed many ideas for action and hence seized major business opportunities through the help of the consultants.

### **Progressive Problem**

This involves the very common task of taking condition and improving on it. They may concern partial element of management such as accounting and cost control techniques, administrative procedures or record keeping. A consultant may have models or standard used elsewhere and his main job will be to examine the conditions of their application, determine affected personnel and employees by an improvement procedure.

### **Creative Problems provide the Consultant with the smallest amount of starting Information**

There might be little more than a desire for change and some bright ideas. This is usually the case when an excellent organization turns to a consultant not because he has urgent problem that needs solution, or to prevent potential difficulties but rather to find new areas of business to be looked into, develop new services to customers' experiences with unconventional ways of motivating people.

In general, any situation should be seen in the perspective of future opportunities. If called on by ailing organization to deal with a corrective problem, the consultant will always ask whether rectification of deteriorated situation is really what is needed or whether instead the organization should not look for new ways of defining its purpose and objects and for new strategies and clients. Beyond the organization management, consulting has its roots in private business, the growth and diversification of consulting is interwoven with the challenges in ways of doing things.

Large and successful organizations find themselves useful to employ consultants and have become useful in using them effectively. Many organizations have their permanent consultants, use several consulting firms and have learned how to benefit from the expertise that various consultants are able to offer. In a small industry however, the decision to use management consultant may be a difficult one. The manager or owner finds such a professional service expensive and often does not see how an outsider can help in his unique situation. Notwithstanding, however, the volume of consulting services provided to small firms has increased steadily overtime in fact some management consultants are specialized in problems of small-scale businesses. They (management consultants) are increasingly used in central and local government agencies and services and public enterprise.

### **Factors that Influence Demand for Management Consultants**

#### **Level of Country's Economic Development**

Management consultant services have become a common practice in the industrialized countries. There are about 3,500 management consulting firms in Nigeria which constitutes a major sector of the professional services. In the last 2-3 decades, the growth of management consulting has been very impressive in the European countries.

#### **Sectors of the economy and social activities**

Most consulting assignments have traditionally been in industrial and commercial enterprises. Presently, management consultants are used in any sector where management problems exist and have to be solved and this applies to all organized sector of human activity. Others have preferred to specialize in a sector.

#### **Size of an organization**

Large organizations still use management consultant in spite of their considerable management experience and specialist staff in various management functions and techniques. Some of the large organizations maintain permanent consultants available to help quickly if the need arises.

#### **The economic and political setting of the country**

Management consulting has its origin in free market economy where independent business companies use consultants in many different ways at their discretion. The use has since spread to government (Jubr, 1977).

## CONCLUSION

The profession of management consultancy was known in Nigeria about three decades now. During this period, it was seen more as a situation in which a firm runs into trouble; it would ask for advice or help from retired worker of the firm who had handled a situation before. Many management of organizations in Nigeria realized that they do not possess or have an effective update knowledge and skill required to cope with these problems so they do not understand what the organization can use in the solving of business problems. There was no established tradition of using external consultants (experts), in a society like Nigeria. They are used to giving of action to be taken. In Nigeria, the emergence of the consultant posed a problem because older persons enjoy their social status and are not supposed to receive advice from the younger person (from cultural background).

Most small-scale Nigerian businessmen are not safe in their businesses, this is why they find it difficult to confide in a consultant, because they do not know whether or not the information divulge to the consultant would eventually be made available to the government for tax and consequences that follow. Managers turn to consultants when they perceive a need in problem solving. The individual or Nigeria is within an environmental system in which he finds it difficult to monitor the development and rates at which they occur, and the difficulty of having the knowledge and ability to cope with the result and development.

Changing times and the risks and uncertainties associated with the modern small-scale business environment create the need for the provision of wide range of professional services for varied client. So, there is useful need for some specialized information either technical or economic. Many small-scale organizations need consulting services but they have not been able to acknowledge such needs.

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