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Market Analysis, Management Consulting, and Miscommunication

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Endnotes Rosa Caiazza, Identifying International Market Opportunities: The Case of Italian Companies in Egypt. Benchmarking p. 21. 2004. Belle Xia Selene and Peng Gong, Review of Business Intelligence through Data Analysis. Benchmarking, 2003. Ibid pg., 306 Kimihito Tanaka, Architecture Analysis of Business Structure in Japan. Journal of Management Information and Decision Sciences. 2015. Neil G. Shaw, Strategies for Managing Computer Software Upgrades. Idea Group Inc, pg. 35 2017 Adesi, Owusu-Manu, and E. Badu. Rethinking Methodology in Management Consulting International Journal of Construction Project Management pgs. 71-100. 2015 M. Bronnenmayer, B. W. Wir., and V. Göttel, Success factors of management consulting. Review of Managerial Science, pg. 10, 2016 Jason Sutton, "Where Consulting Firms Spend Marketing Resources vs. Where They Should" Rattleback, July 23, 2013, http://www.rattleback.com/focusing_planning_marketing_in_consulting_firms, accessed March 2017. Ibid p. 3 Ibid p. 4 Ibid p. 6 David Court, Dave Elzinga, Susan Mulder, and Ole Jørgen Vetvik, "The consumer decision journey" Rattleback, June, 2009, <http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey>.

Market Analysis, Management Consulting, and Miscommunication

By Brian Stout

Rosa Caiazza, market analysis researcher, claimed that market analysis is irreplaceable in domestic and international market expansion. Likewise, consulting firms and individual consultants strengthen their presence in the market as they utilize market analysis effectively.

Consulting firms can establish effective market analysis in the following ways: (a) commit to understand technology, (b) collaborate in action research and, (c) align management and marketing strategies.

Commit to Understand Technology

Consulting firms need technology to be competitive; however, while training in technology is made more available, consulting-firm employees lack capability to stay up to date. Therefore, consulting firms need to invest in technology learning techniques. Simple software is excellent for interpreting and reproducing data simply and understandably. The first technology that consultants need to be understood in market analysis is business intelligence.

"BI is a concept, methodology, activity, or IT system that holds a significant amount of data internally and, externally and enables a company's results to be analyzed, with the results utilized during business administration decision making."

Business intelligence (BI) helps consulting firms to compare their productivity with other consulting firms. This comparison informs consultants so that consultants can make strategic decisions in a competitive market. BI is a powerful tool, but only if BI is used properly.

Neil Shaw, author of *Strategies for Managing Computer Software Upgrades* wrote that 90 percent of consultants do not understand business information, 70 percent ask for help, and 28% find help. Figure 2 portrays the difference between the consultants who get help with BI and those do not.

Figure 1
Percent of Consultants Who Get Help for BI



Data Source: Neil G. Shaw, *Strategies for Managing Computer Software Upgrades*. Idea Group Inc, pg. 35

The left column shows that 90 percent of consultants know that they need help with understanding BI. Strikingly, a significant portion of consultants do not for help to understand BI. The right column shows that 28 percent of Consultants find help. However, the middle column shows that most consultants that are engaged in market analysis do not find help to understand BI adequately. This problem can be solved with action research as described in the following section.

Collaborate in Action Research

The widening gap between market analysis and academic research contains a trustworthy bridge known as action research. Figure 2 portrays the gap between consultants who need BI and researchers who can give BI to consultants.

Figure 2
The Bridge of Action Research

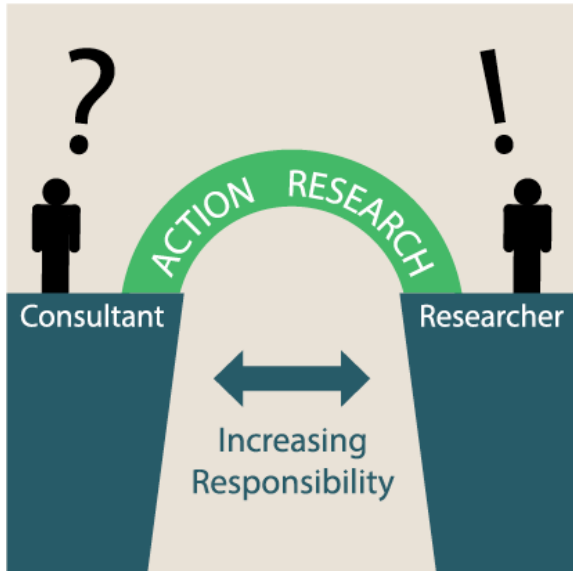


Image Courtesy of Chloe Stout

The consultant on the left needs information to make informed decisions in the market, but unfortunately is not always a researcher. The researcher on the other hand has the research that the consultant needs to make the most informed decisions in the market. Consultants and researchers work less and less together through the increasing number of tasks that fill their everyday responsibilities, as portrayed by the arrows between the consultant and the researcher. The bridge in the center connects the consultant and the researcher to optimize the consulting firm's ability to make informed decisions about the market.

The process of action research includes the following: (a) find an area of improvement, (b) collaborate with researchers and consultants to make an informed strategy, and (c) act on what was learned.

Find an Area of Improvement. Consulting firms can find an area of improvement in their market as they look to the parts of the market that

would give the biggest impact to the consulting firms success if only that part were to change. Simply put, consultants need to agree, not on what improvement is the most important, but on what improvement makes the biggest impact for success.

Collaborate with Researchers. A common issue that consulting firms find, with action research, is that research is scarce. Management consulting has only grown in popularity in recent years. Even though the amount of consulting research is growing exponentially, research is still in the beginning stages of being any help to consulting firms. Thus, consultants have a greater incentive to work with researchers so that consultants find more research than their competitors. Dave Court, from the McKinsey Quarterly stressed that market research is among the key skills necessary to retain market share. Whichever consulting firm has more research has an advantage in informed market decisions.

Act on What was Learned. Most problems in incorporating change in consulting firms happen when the change is forgotten. Consulting firms need to be consistent with their findings and apply it to the market. As consulting firms commit to understand technology and collaborate in action research, consulting firms are sure to make informed decisions to gain the market advantage.

Align Strategies

All too often, management and marketers misunderstand each others' market analysis strategy. By aligning strategies, the consulting firm solidifies its goal in market analysis. This process can be complicated as illustrated in Figure 3.

Marketing Consulting Firms in the New Decade found that management and marketers in the same consulting firm commonly have the following misunderstanding of strategies. The disconnect between management and marketers can be minimized with three procedures, thought leadership, market planning, and online content.

Figure 3

"Where Consulting Firms Spend Marketing Resources vs. Where They Should"

According to Mgmt.	According to Marketing	Where they Should Go
Market/Client Research	Developing Brochures/ Collateral	Case Studies, Thought Leadership
Thought Leadership	Press Relations	Events, Industry Specific Marketing
Online Content	Online Content	Planning, Online Content
Case Studies	Case Studies	Direct Mail
Planning	Thought Leadership	

Source: Jason Sutton, "Where Consulting Firms Spend Marketing Resources vs. Where They Should" Rattleback, July 23, 2013, http://www.rattleback.com/focusing_planning_marketing_in_consulting_firms, accessed March 2017

Thought Leadership. Marketing innovation should originate throughout the entire consulting firm, even from bottom up. Leaders in consulting firms have a great temptation to collaborate with management and to exclude marketers in order to conserve time. However, temptation can lead the marketers to misunderstand the marketing strategy. Similarly, if the marketing strategy only originates from the marketing department, then management will not achieve other goals in the industry.

To combat this disconnect, management should utilize thought leadership to gather ideas about market strategy from marketers and other management. This teamwork should happen consistently so that the strategy remains understood throughout the consulting firm.

Market Planning. As consulting firms clean up miscommunication through thought leadership, another problem arises—consistency. Often, strategy planning happens routinely, but not intentionally. This lack of intention excludes some strategies that could have benefited an individual marketing project.

How much better would marketing projects serve the company if management and marketers were united about the purpose of the project from the beginning? Management and Marketers should include market planning consistently with

each marketing project. This consistency might be unfamiliar and detracting when first effected; however, with time, consistency will be a part of the normal method of effective strategy setup in market analysis.

Online Content. Aligning management and marketer strategy usually works smoothly until the presentation of the strategy. If the creator of the strategy does not do a good job presenting the strategy, then all employees are left worse off than before the strategy was instated.

When a new strategy is presented in a variety of channels, the audience or audiences have a better chance of understanding the strategy. Individuals use different forms of communication than other individuals. Therefore, the presentation of the strategy needs to be tailored toward the audience, whether it is the newest recruit or the most experienced consultant in the firm.

Conclusion

How does a consulting firm pinpoint market advantage? The steps are simple yet profound: commit to understand technology, collaborate in action research, and align management and marketing strategies. By doing these steps, consulting firms will take the lead in their market.