“Whether Management Consulting Can Be Successfully Conducted Online?”

Mrs. Olessya Korytko
Olessya.Korytko@gmail.com

“02/09/2011”

Dissertation submitted in part-fulfilment of the requirements for the degree of Master of “Business Management” at the University of East Anglia

© This copy of the dissertation has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with the author and that no quotation from the dissertation, nor any information derived there from, may be published without the author's prior, written consent.
Content:

1. Introduction ........................................................................................................................................6
   1.1. Background ................................................................................................................................6
   1.2. Purpose, objectives and research hypotheses ........................................................................6
   1.3. Research framework ................................................................................................................7
   1.4. Dissertation Structure .............................................................................................................8
   1.5. Definition ...................................................................................................................................9

2. Literature Review Chapter ................................................................................................................10
   2.1. Introduction to Management consultancy ..............................................................................10
   2.2. SMEs are in need of e- management consultancy ......................................................................11
   2.3. Obstacles for online consulting ...............................................................................................12
   2.4. Two main directions in consulting ..........................................................................................13
   2.5. Focus on trust ..........................................................................................................................18
   2.6. Service Concept ......................................................................................................................20
   2.7. Conclusion of the Literature Review ......................................................................................20

3. Research Method ................................................................................................................................22
   3.1. Introduction ................................................................................................................................22
   3.2. Research strategy ....................................................................................................................23
   3.3. Data collection: site, sample selection and techniques ..............................................................25
   3.4. Framework for data analysis ...................................................................................................28

4. Results and Discussion ......................................................................................................................31
   4.1. Findings of Research Objectives ..............................................................................................31
       4.1.2. Findings of the Interview ..................................................................................................31
       4.1.3. Findings of web-site analysis ..........................................................................................41

5. Conclusion and Recommendation ....................................................................................................43
   5.1. Research Objectives and Hypotheses: Summary of Findings and Resulting Conclusions 43
   5.2. The limitations of the research project and recommendation for future research ...............49

References ..............................................................................................................................................52
List of figures

Figure 2.1.1. Boundaries of management consulting .......................................................... 10
Graph 2.4.1. Risk and Stage of Project ............................................................................ 14
Graph 2.4.2. Risk and Types of Consulting ..................................................................... 15
Figure 3.2.1. The research process ................................................................................ 25
Figure 3.4.1. The structure of the research ...................................................................... 29

List of tables

Table 2.1.1: Global management & marketing consultancy market value ........................................... 11
Table 2.1.2: Global management & marketing consultancy market segmentation ...................... 11
Table 2.4.1. Personalised and Codification consultancy work .................................................. 16
Table 2.4.2. Traditional KIBS sectors .................................................................................. 17
Table 3.3.1. Brief profiles about respondents ..................................................................... 26
Table 3.3.2. Information about interviews .......................................................................... 27
Table 4.1.1. Total rating of barriers for online consulting ....................................................... 32
Table 4.1.2. The most significant characteristics for online consulting ...................................... 38

List of appendices

Appendix A ‘Characteristics of Personalised and Codified services’ ........................................ 58
Appendix B ‘The invitation letter’ ....................................................................................... 59
Appendix C ‘e-mail interview of Expert 1’ .......................................................................... 60
Disk 1. Record A1 –A2. ‘The interview with Expert 2’ ......................................................... 65
Appendix D ‘e-mail interview of Expert 3’ .......................................................................... 66
Disk 1. Record B1-B2 ‘The interview with Expert 4’ ............................................................ 65
Appendix E ‘Transcript of interview with Expert 4’ ............................................................... 72
Disk 1. Record C ‘The interview with Expert 5’ ................................................................. 65
Appendix F ‘Service Concept’ ......................................................................................... 76
Appendix G ‘Services characteristics’ ................................................................................ 77
Appendix H ‘Codified characteristics’ ................................................................................ 79
Appendix I ‘Questionnaire –online consulting’ .................................................................... 80
Appendix J ‘The neat boxes for analysis interviews’ ............................................................. 84
Appendix K ‘Testing the proposed characteristics on SurveyMonkey’ ................................... 86
Appendix L ‘Calculation of the total rating of barriers for online consulting’ ....................... 87
Appendix M ‘Calculation of the total rating of the codified characteristics’ ......................... 88
Appendix N ‘The online models of the Management Consultancy’ ...................................... 89
Acknowledgement

It is a pleasure to thank those who made this thesis possible.
I am heartily thankful to the Secretariat of the Joint Japan/World Bank Graduate Scholarship Program for awarding me a scholarship and providing such a great opportunity to study at the University of East Anglia. I will apply the obtained knowledge to improve my society in Kazakhstan.

I would like to show my gratitude to Erika Watson who conducted the programme ‘UEA Business Start-up for Students’, which gave me a chance to become acquainted with consultants whom I interviewed for that research. I want to say thank all interviewees for enabling me to develop an understanding of the research subject.

I am grateful my Supervisor Mr. David Dowdeswell-Allaway, who encouraged, guided and helped me a great deal to improve my thesis. Additionally, I would like to thank Mr. Ian Brodie and Professor Naresh Pandit for their modules, specifically Supply Chain Management in the Service Sector, E-Strategy and Business Research Methods. Those subjects gave me the proper knowledge and idea to realise that research.

I owe my deepest gratitude to Learning Enhancement Team for supporting improve this thesis, especially to Mrs.Jones Zoe for tutorial appointments and Anita Morling for expert guidance on academic writing.

Also I would like to thank Ellen Paterson from Faculty of Social Sciences Librarians for guiding to Library resources.

Lastly, I am indebted to my many of my classmates, friends, my mother and my dear husband who supported me in any respect during the completion of the project.
Abstract

This paper contributes to the emerging area of online consulting services. There have not been many research studies conducted in this sphere. It appears that the widespread view in literature, that trust based on face-to-face communication is a great obstacle for online provision of the management consultancy, discourages researchers from studying this issue. Nevertheless, the online provision of such professional advice might be an essential option for Small and Medium Enterprises (SMEs). This thesis focuses on the nature of trust based on face-to-face communication in different stages of projects and studied Personalised and Codified approaches in consulting services to find the possibility of overcoming the obstacle in that thesis. In this way, the probable characteristics of e-consulting services are derived from theory and tested in practice through the interviews with 5 consultants and analysis of web-sites which provide online consulting services. Based on the research findings, this thesis argues that codified type of consulting services and the certain stages of the personalised projects can be realised via the Internet. Three online models are proposed in the last chapter of this dissertation. Those models and research findings might provide the different perspectives for further research to develop online consulting. It ought to make an important contribution not only to the study of e-consulting in general, but also to a richer understanding of the possibility of provision professional services via the Internet.
1. Introduction.

1.1. Background.
At present, comparatively little research has been done on the topic of online consulting or e-consulting. Within the literature the widespread view that trust in consulting projects, which needs to be established via personal contact, is a serious barrier for the delivery of online consulting. For instance, Birchall and Giambona (2007) state that trusted relationships between clients and consultant demand a greater reliance upon face-to-face communication. On the other hand, Czerniawska (2005) suggests that not all consulting projects require an equal amount of direct communication and level of trust. Meanwhile, Small and Medium Enterprises (SMEs) are currently in great need of the management consulting at an affordable price according to Evans and Volery (2001). Because of the lack of competence in management, planning and financial knowledge, which are determined as the main reasons of the bankruptcy of SMEs (Mughan, 2004), a cost effective option of online consulting may be an attractive offer.

1.2. Purpose, objectives and research hypotheses.
This research investigates the possibility of conducting management consulting services online. It will do this through understanding of the nature of trust based on face-to-face communication and uncertainty in difference stages of consulting projects, also analysing two approaches used in consulting services: Codified and Personalised services (see Consoli and Elche-Hortelano, 2010; Czerniawska, 2005; Davenport and Prusak, 2005; and O'Mahoney, 2010). Then the literature findings are tested in ‘real-life’ contexts. The end purpose of the dissertation is to propose the online models of consulting services through studying above mentioned issues, which might show the new insights for further research in that sphere.

There are eight research objectives in the dissertation:

1. Recognise the importance of e-consulting for SMEs.
2. Realise the challenges for successful provision of online consulting services.
3. Evaluate critically the impact of trust and the necessity of client’s participation in different stages, projects and types of consulting services.
4. Identify probable characteristics of e-consulting.
5. Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.
6. Find evidence of applications of the ‘Service Concept’ to reduce uncertainty.
7. Test probable characteristics of e-consulting in ‘real-life’ contexts.
8. Propose an e-consulting model.

Two hypotheses are proposed in this paper based on the Literature Review findings:

1. Management consulting services, which are specified according to the ‘Service Concept’ and have codified characteristics, can be successfully provided via the Internet.

2. When uncertainty is low in a personalised project, and it obtains the codified characteristics, it can be conducted online also.

1.3. Research framework

An overall deductive approach has been used in this research project. Thus, the researcher deduced the hypotheses based on the Literature Review chapter and then designed a research strategy to test them. The qualitative case study strategy is implemented in this project. It includes triangulation research approach. Namely, the interviews with 5 experts from different types of management consulting companies were conducted. Additionally, web-sites which provide e-consulting services are analysed. It provided a chance to investigate whether the literature findings have a place in practice and, finally, to build the online models of the management consulting. The research process of this project is presented below.
The research process.

1.4. Dissertation Structure

The dissertation composes of five chapters. The second chapter is the Literature Review. This section explores management consultancy, explains the reason why online management consultancy might be an important option for SMEs, then discusses the obstacles for online consulting. Also two main directions in consulting, namely Codified and Personalised services, are analysed in that chapter. Additionally, the different perspectives of trust in consulting projects are presented there. Finally, the ‘Service Concept’ is described. The third chapter is on Research Methods. The research strategy, information about data collection techniques and framework for data analysis are presented there. The fourth chapter is the Results and Discussion chapter. This section is dedicated to the findings of the research objectives, specifically, to results of the interview and web-site analysis. The final chapter is Conclusion and Recommendation. That section of the dissertation includes two parts. The first one presents a Summary of Findings and Resulting Conclusions, the second part describes the limitations of the research project and proposes the recommendation for future research.

Source: Adapted from Biggam (2008)
1.5. Definition

Several concepts need to be defined for the research. According to Consoli and Elche-Hortelano (2010), Czerniawska (2005), Davenport and Prusak, (2005), and O'Mahoney (2010) Codified and Personalised approaches can be presented as follows.

**Codified approach in the consulting services.**

The codified approach exhibits the following characteristics:
- It might encompass with IT systems
- Such types of activities might be more easily standardised and specified
- It might have a logical sequence and algorithm
- All or most of the processes are recorded and documented.

An example of such a project might be a system integration service in a big corporation or some stages in employee surveys, outsourcing, and marketing research. The variants of available problem-solving spectrum are predetermined in this case; and the possibility to reproduce process with small modification is high. The services can be offered as standardised packages.

**Personalised approach in the consulting services.**

The personalised approach is less structured services, and focus on strategy and organisational work. It includes more interaction with clients rather than reading technical documentations. In that case, the expertise and the verbal communication dominate. It may be strategic advice about assessing a new foreign market or launching a new product in another territory. This activity is difficult to standardise because the solution ‘depends closely on task-specific information which is hard to file among existing repertoires of learned solutions’ (Consoli and Elche-Hortelano, 2010:1305). Such services require close client–supplier cooperation like legal services, or marketing.

**Service Concept**

According to Johnston and Clark (2008) the ‘Service Concept’ is a document with detailed explanation of service operation processes which is used for specification of a service to make it certain and with good consistent quality.
2. Literature Review Chapter

2.1. Introduction to Management consultancy

According to Poulfelt, Greiner, Bhambri (2005) the consulting industry has existed for 125 years, and more than 90 percent of all consulting experience was generated only in the last twenty five years, mainly because of the development of information technology and global expansion. There are different sectors in consulting, but the main focus of this paper is management consulting. The definition of management consultancy summarised by the Management Consultancies Association (MCA) is as follows: ‘The creation of value for organizations, through the application of knowledge, techniques and assets, to improve business performance. This is achieved through the rendering of objective advice and/or the implementation of business solution’ (O’Machoney, 2010:14). Also it is important to mention the various types of consulting and boundaries of them, which were identified by MCA (see the figure 2.1.1).

Figure 2.1.1. Boundaries of management consulting

*Program|Project Management, Strategy, Change Management, Human Resources, BPR, Operations, Marketing, Corporate communications

Source: O'Machoney, 2010:15
In 2009, the value of the global management & marketing consultancy market was $272.3 billion. The largest segments were Operations Management (26.3%) and Information Technology (22.6%). More information is in the table 2.1.1 and 2.1.2.

Table 2.1.1: Global management & marketing consultancy market value: $ billion, 2005-09

<table>
<thead>
<tr>
<th>Year</th>
<th>$ billion</th>
<th>€ billion</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>216.7</td>
<td>155.8</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>237.2</td>
<td>170.6</td>
<td>9.5%</td>
</tr>
<tr>
<td>2007</td>
<td>255.0</td>
<td>185.5</td>
<td>8.7%</td>
</tr>
<tr>
<td>2008</td>
<td>280.0</td>
<td>201.4</td>
<td>8.6%</td>
</tr>
<tr>
<td>2009</td>
<td>272.3</td>
<td>195.9</td>
<td>(2.7%)</td>
</tr>
<tr>
<td><strong>CAGR: 2005–09</strong></td>
<td></td>
<td></td>
<td><strong>5.9%</strong></td>
</tr>
</tbody>
</table>

Source: Datamonitor, 2010:10

Table 2.1.2: Global management & marketing consultancy market segmentation: % share, by value, 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Management</td>
<td>26.3%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>22.6%</td>
</tr>
<tr>
<td>Corporate Strategy</td>
<td>18.7%</td>
</tr>
<tr>
<td>Human Resources Management</td>
<td>10.3%</td>
</tr>
<tr>
<td>Other</td>
<td>22.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Datamonitor, 2010:11

2.2. SMEs are in need of e-management consultancy.

Today, different countries make an effort to develop small business to increase economic growth (Deakins and Freel, 2003). Therefore not only large corporations are in need of management consultancy but Small and Medium Enterprises (SMEs) as well. Because the lack of competency in management, planning and financial knowledge are determined as the main reasons of the bankruptcy of SMEs (see Mughan, 2004; Volery et al., 1997; Birchall and Giambona, 2007). ‘SMEs essentially need consulting support for information, operation and processing activities especially given their limited ability to develop in-house staff departments’ (Mughan, 2004:424). However professional services are expensive due to requirements of the high quality of knowledge and a limited number of such experts. On the other hand, the owners of the SMEs need to get business advice at affordable prices to progress. Therefore Internet consulting can be a
cost effective option (see Van Geenhuizen, 2004). Furthermore, Evans and Volery (2001) suggest that Internet can significantly assist for entrepreneurs to get access to business development services more easily. The online communication saves time considerably and it is more convenient. Also it has the possibility to increase market share and coverage of international markets for service providers (see Harris and Goode, 2004). However while the concept of e-consulting seems to be very attractive, it is constrained by some obstructions; some of them are presented in the following section.

2.3. Obstacles for online consulting

In spite of all the advantages of e-commerce, it is difficult to adapt consulting for the Internet due to some considerable interference. The examples of common obstacles for all industries are financial and technological (Evans and Volery, 2001). Tools, models and solutions have already been designed to cope with such obstacles (see Chaffey, 2009). In case of e-consulting, Internet removes borders between countries, hence it provides the possibility to work globally, but national cultures vary significantly from one to another area (see Meriläinen, et.al., 2004; Moisander and Stenfors 2009; Robertson and Swan, 2003). Thus the issue of varying national cultures and its relationship to e-consulting requires additional research as this paper focuses on other points. There is a primary encumbrance for consulting branch such as trust which needs to be grounded on personal relationship (Kolesar and Galbraith, 2000). Within the literature, there is widespread discussion that trust and personal relationship are crucial in the consulting industry; therefore such services cannot be conducted online. According to O’Mahoney (2010), the nature of consulting supposes the engagement of a client in operation process of a consulting company in order to identify a client’s problem, then find solutions and help to implement recommendations. Thus the specificity of consulting demands interaction with clients. Consequently, as stated by Birchall and Giambona (2007), trusted relationships between clients and consultant demand a greater reliance upon face-to-face communication which, therefore, restricts the possibility of consulting going online (see Czerniawska, 2005).

Also, Maister, Green, and Galford (2000) warn that trust is a foundation in all consulting interrelations. Furthermore, Kolesar and Galbraith (2000) claim: ‘High contact, customized, personal services such as legal and counseling services are likely to be very hard to deliver online, because customers perceive face-to-face contact with
employees as a fundamental aspect of the service’ (Kolesar and Galbraith, 2000:427). Besides this, Stroh and Johnson (2006) interviewed 100 successful consultants to recognise the most effective consulting principles. Thus all of the interviewees emphasised that trusted relationships between the consultant and client is one of the most important principles. ‘The client is putting an organization’s future in your hands. The client can do this only if there is a great deal of trust in both your abilities and your motives’ (Stroh and Johnson, 2006:164).

It is interesting that a recent survey showed an opposing point of view. 40 percent of clients do not think that their relationship with consultants is trustful (see IPSOS/MORI, 2007). Moreover, Fiona Czerniawska, who is a Head of Research for the Management Consultancies Association in the UK and owner of consulting company Arkimeda, argues that consulting companies have been implementing a new technology reluctantly for improving their operations (see MCA, 2011). Furthermore, she explained that under certain conditions, trust is not more important than other factors and hence it gives the possibility to provide consulting online. For instance, trust is relatively insignificant in certain types of the projects and in settled stages of projects, for example in IT services or at the data collecting stage according to Czerniawska (2005). As a result, Internet can be employed for conducting such projects. Nevertheless, she also states that the online consulting is not a substitution for the traditional face-to-face consulting. It is likely to strengthen many aspects of the traditional consulting. Such evidence suggests that it would be beneficial to investigate further into the existing perspectives of consulting industry divisions to clarify the types of the consulting services which can be successfully adapted for the Internet.

2.4. Two main directions in consulting

An examination into consulting services from different perspectives might help to clarify the characteristics of consulting services in general, and find services fitting for online provision. Thus, Czerniawska (2005) explains that trust and risk are highly interdependent in the consulting industry. As soon as the amount of risk decreases in a consulting project, the need in trust declines also. ‘And when this happens, the way is then open for online consulting’ (Czerniawska, 2005: 330). Further, she defines the three critical factors in projects which include risk: stage of consulting project, amount of face-to face interaction and life-cycle of a market.
The first is the stage of the consulting project. The amount of risk varies from stage to stage from start to finish of a project. For instance, the risk is highest during the sales process and the lowest during development stage of a project (see graph 2.4.1).

Graph 2.4.1. Risk and Stage of Project

![Graph showing risk levels at different stages of a project](image)

Source: Czerniawska, 2005:331

The second element is ‘the amount of fluidity and face-to face interaction required by the consulting task itself’ (Czerniawska, 2005: 330). Thus a project, with intangible outcomes that are highly subjective, with the interchange of a considerable quantity of information among clients and consultants, is the most risky. Conversely, the project, which is formal, with prescribed processes or employs a special IT application, is less risky. Therefore, Czerniawska (2005) affirms that there are many consulting tasks which involve less interchange of information and cooperation between client and consultant, for example, employee surveys, outsourcing and marketing research. The consultants adhere to a methodology; the outcomes are predictable and more likely to be accomplished in such types of project (see graph 2.4.2).

The third factor defining the extent of risk (and hence trust) is ‘the degree of maturity in the marketplace’ (Czerniawska, 2005: 330). This means that new and untested professional services in the industry demand more collaboration with customers in order to apply and achieve a good result. Because of this, such types of projects include high risk. By contrast, the more familiar and mature services require a less interaction with clients. Consequently, such projects are less risky. A good example of the ‘market
The maturation process of the IT consulting industry (Czerniawska, 2005: 333) particularly the methodology of Business Process Re-engineering (BPR) and Customer Relation Management (CRM) consulting were structured and codified. Thus BRP and CRM software replaced traditional consulting to a greater extent.

Graph 2.4.2. Risk and Types of Consulting

According to Czerniawska (2005) e-consulting might replace some of the types of the traditional consulting under conditions of low risk projects. Equally, the online options which complement offline consulting can improve the efficiency of consulting firms and make services at a reasonable price and more convenient for customers.

The next three perspectives of dividing consulting services into different categories have something in common with Czerniawska’s arguments. Firstly, Davenport and Prusak (2005) identified two models of consulting practices. The first one includes detailed technology work. The other one is less structured, focus on strategy and organisational work. The majority of consulting agencies side with one model or another. But there are some firms running business in both directions for instance, Booz Allen (www.boozallen.com) and Accenture (www.accenture.com). Thus, in technology-focused companies knowledge is codified and structured, such as software, process designs, system specification, engineering documents or structured methodology for a change management program. The process of work is mainly in written form in such a model. All processes are recorded and documented. Conversely, the work in strategy-
focused consulting firms is more unstructured. It includes more interaction with clients rather than reading technical documentations. In that case, verbal communication dominates. It is important to mention that usage of web-based technology has been growing in support of face-to-face meetings (e.g., Webinars or Web-based conferences) according to Davenport and Prusak (2005).

The next, O’Mahoney (2010) defined the two strategies in consultancies. These are Personalised and Codified approaches (see Table 2.4.1). The Personalised strategy focuses on customers, where personalisation, customisation and expertise are prevalent. It may be strategic advice about assessing a new foreign market or launching a new product in another territory. Such projects are short-term and knowledge intensive. The consultant should be very experienced, innovative and with a creative personality to realise this (see O’Mahoney, 2010). As a result, the charge per hour for this service is high. Conversely, the codified approach encompasses IT systems, commodification, and standardisation. The example of such project might be a system integration service in corporations. Commonly, clients may have already the definite criteria, desired result, preliminary plan and approximate budget for that. Usually these kinds of projects are long-term, it requires participation of dozens of consultants, but the work is relatively standardised, the levels of skill are quite low. Such consulting projects will be a formal process, which will be controlled by clients’ procurement department. The table 2.4.1 presents the characteristics of both Personalised and Codified approaches. However, O’Mahoney (2010) mentions that there is a tendency to shift between two approaches today.

Table 2.4.1. Personalised and Codification consultancy work

<table>
<thead>
<tr>
<th></th>
<th>Personalised</th>
<th>Codified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Strategy</td>
<td>Implementation</td>
</tr>
<tr>
<td>Level of Innovation</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Balance Power</td>
<td>Consultancy</td>
<td>Client</td>
</tr>
<tr>
<td>Profit Margins</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Skill Level</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Work Type</td>
<td>Creative</td>
<td>Bureaucratic</td>
</tr>
<tr>
<td>Length of Project</td>
<td>Short</td>
<td>Long</td>
</tr>
<tr>
<td>Number of Consultants</td>
<td>Few</td>
<td>Many</td>
</tr>
<tr>
<td>Client Buyer</td>
<td>Director/Manager</td>
<td>Procurement</td>
</tr>
<tr>
<td>Selection Basis</td>
<td>Personal Relationship</td>
<td>From Selection</td>
</tr>
</tbody>
</table>

Source: O’Mahoney, 2010:21
In much the same way Consoli and Elche-Hortelano (2010) divided Knowledge Intensive Business Services (KIBS) into two main sectors: technology intensive (T-KIBS) and personal (P-KIBS) services (see table 2.4.2). They state that T-KIBS type of activities might be more easily standardised, specified and have a logical sequence. Variants of available problem-solving approaches are predetermined and the possibility to reproduce the process is high. The opposite holds true for the P-KIBS services. This activity is difficult to standardise because the solution ‘depends closely on task-specific information which is hard to file among existing repertoires of learned solutions’ (Consoli and Elche-Hortelano, 2010:1305). Such services require close client–supplier cooperation as in legal services or strategy consulting. For that reason the information product can be only partially be prepared in advance. The professional knowledge and experience, practical problem-solving, creative response, critical thinking as well as social skills are vital for consultant to provide such services.

Table 2.4. 2. Traditional KIBS sectors.

<table>
<thead>
<tr>
<th>T-KIBS</th>
<th>P-KIBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware consultancy</td>
<td>Legal activities</td>
</tr>
<tr>
<td>Maintenance and repair of office, accounting and computing machinery</td>
<td>Accounting, book-keeping and auditing activities, tax consultancy</td>
</tr>
<tr>
<td>Publishing of software</td>
<td>Market research and public opinion polling</td>
</tr>
<tr>
<td>Other software consultancy and supply</td>
<td>Advertising</td>
</tr>
<tr>
<td>Data processing</td>
<td>Business and management consultancy activities</td>
</tr>
<tr>
<td>Other computer related activities</td>
<td></td>
</tr>
<tr>
<td>Technical testing and analysis</td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td></td>
</tr>
<tr>
<td>Architectural &amp; Engineering services</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Adapted from Consoli and Elche-Hortelano, 2010:1306

Besides this, Consoli and Elche-Hortelano (2010) show that P-KIBS activities require the highest level of knowledge and educational levels, as well as two types of services from T-KIBS sector, namely R&D and Architectural & Engineering services. Additionally, they state that discretion and cognitive ability of professionals are crucial in P-KIBS sector. However, they establish that both sectors T-KIBS and P-KIBS include tasks which require high-level and low-level labor skills as well. It can be assumed that some projects or stages in P-KIBS projects might be standardised and codified too.
Overall, the above mentioned evidence suggests that there are two main directions in consulting industry: codified and personal services. This point gives the assumption that some services might be suitable for Internet. Because of this, it is important to study types of trust in depth in the next section.

2.5. Focus on trust

Trust is important to exchange ‘whether the business is offline or online’ (Harris and Goode, 2004:142). According to Johnston and Clark (2008:88) a definition of trust is: ‘The degree to which one partner depends on the work or recommendation of the other, without seeking extra justification or collaboration’. In order to better understand trust and how it can be improved, the examination of different types of trust might be useful. The formation of trust is a complex phenomenon. There is a great amount of research into trust and its formation process in different disciplines such as sociology, psychology, marketing, economics, organisational science and more recently in the study of online exchange (see Cummings and Chervany, 1998; Doney and Cannon, 1997; Gefen, Karahanna and Straub, 2003; Gundlach and Murphy, 1993; Lewicki and Bunker, 1995; Lynch, Kent, & Srinivasan, 2001; McKnight, Zucker, 1986; Stewart, 2003). That is why the context and view of trust varies significantly and reflects the breadth of perspectives.

In terms of online provision of consultancy, it is important to focus on forms of trust which help reduce uncertainty in the consulting industry: experience-based trust, reputation-based trust, and personal trust according to O’Mahoney (2010). Experience-Based Trust means that customers repeat purchases and buy additional consulting services if past projects were successful with partners. Reputation-Based Trust is described as the ‘expectation of future performance based upon the perception of past behavior’ (O’Mahoney, 2010:277). It is generated by information about the firm within industry, networks, media, also client ratings and pronouncements on the consulting company. Personal trust means personal interaction between client and consultant, which was discussed above (see also Day, 2004). On the other hand, Poulfelt and Greiner (2005) state that clients search for concrete evidence of previous project’s success rather than simply rely on the reputation of consulting agencies. ‘Even in so called trust relations poor performance soon results in the loss of follow up contacts and networked reputation’ (Armbruster, 2006:95). Again, recently, O’Mahoney (2010) found that the consulting industry has been shifting to more well-defined operation: ‘a move
away from blue-sky strategy work where consultants had considerable freedom to innovate towards a more controlled, standardised, and bureaucratic form of work where the client call the shots’ (O’Mahoney, 2010:21).

Some authors point out that uncertainty, risk and ambiguity impact on trust; they show the sources of uncertainty in consulting interrelationships (see Clark, 1993; Fincham, 2002; O’Mahoney, 2010). The first one is a type of knowledge which is used in consulting processes. ‘Consulting knowledge is often open-ended and involves considerable creativity and innovation, ensuring that neither consultant nor client knows exactly what they will actually be getting’. Secondly, the uncertainty is related with an absence of official institutional standards ‘such as professionalisation, industry boundaries, and product standards’ (O’Mahoney, 2010:275). Lastly, the source of uncertainty is located in unpredictable consulting processes and is difficult to control by clients. In addition, the quality of consulting services is vague to measure. Furthermore, consultants work with confidential information of clients and possibly will work with clients’ competitors; as a result it can presuppose a risk for competitive status of clients.

Also, the range of research confirmed that online trust is vital for e-commerce in any industry. Indeed, it is more difficult to build trust in a virtual world than in physical space. For example, clients are concerned about potential fraud and payment security (see Stewart, 2003). Nevertheless, the transformation models of trust for Internet have been already plotted (see Komiak and Benbasat, 2006; McKnight, Choudhury and Kacmar, 2002; Pavlou, 2002; Tan and Thoen, 2000; Tan and Thoen, 2002). Additionally, Riley (2009) asserts that investment into the image of online companies and their services and brands reduces the perception of risk and motivates customers to buy online services, for instance, video streams about providers and their services, profiles of consultants, feedback and assessment of services by clients via testimonials, third-party reviews, help-center for clients and direct communication with a provider.

To support this, the research of Harris and Goode (2004) has relevance. They tested a four-dimension model of trust in virtual space, which firstly was tested in physical space by Cronin, Brady and Hult, 2000; Dabholkar, Parasuraman and Grewal, 2000; Shepherd and Thorpe, 2000. Their research provides evidence that a strong relationship exists between such components as service quality, service value, satisfaction, loyalty of customers and e-trust. Almost all of these elements are the constituents of the ‘Service
Concept’ according to Johnston and Clark (2008) mentioned at the start of this section. This lends support to this dissertation’s assertion that although trust is a vital factor in all transactions, it can be created and developed in online contexts as well as in face-to-face contexts.

2.6. Service Concept

Now it is of importance to discuss ‘Service Concept’ to clarify how it might help to build and maintain e-trust. ‘The service concept is a critical element in knowing and defining what the organization is selling or providing and the customer buying or using’ (Johnston and Clark, 2008:39). According to Goldstein, et al. (2002), and Clark, Johnston and Shulver (2000) the ‘Service Concept’ is a detailed explanation of service operation processes to provide the specified services with constant quality. It simulates the fixed composition and proportion of ingredients in each product for a manufacturing company. Such service specification maybe at an organisational level or at an individual service level. It includes the organising idea, the service experience and service outcome. Firstly, the organising idea is an essential reason for buying the service. Next, the service experience should describe the service as experience by customers from the beginning to the end of their interaction with the organisation. Finally, the service outcome section in the ‘Service Concept’ defines the result of buying services for the customer; it encapsulates benefits, emotions and assesses the value for money.

2.7. Conclusion of the Literature Review

In summary, it might be concluded that management consulting is essential for the progress of SMEs, and online delivery can help to reduce expenses on such services. However, trust which needs to be established through personal interaction a serious barrier to the realisation of this. On the other hand, the above mentioned research shows that various types of projects require different level of interaction with clients and trust (see Consoli and Elche-Hortelano, 2010; Czerniawska, 2005; Davenport and Prusak, 2005; and O’Mahoney, 2010). The characteristics of consulting services are summarised and divided into two main types: Personalised and Codified services in Appendix A. Following the pattern of presented arguments and evidence above, it might be supposed that well tested codified services, with features which are shown in column 2 in Appendix A, might be conducted online. Briefly, the codified approach exhibits the following characteristics:

- It might encompass with IT systems
• Such types of activities might be more easily standardised and specified
• It might have a logical sequence and algorithm
• All or most of the processes are recorded and documented
• The variants of available problem-solving spectrum are predetermined
• The possibility to reproduce process with small modification is high
• The services can be offered as standardised packages activities.

Also some types of personalised services might be provided via the Internet under the conditions of low uncertainty, mature market, and on such projects’ stages as development, implementation and support. Such kind of projects or/and stages of projects needs to be codified; the process and outcomes must be defined clearly according to the ‘Service Concept’, and customers need to be confident in quality of services. Internet communication like webinar or videophone might be a substitute for face-to-face meeting to a greater or lesser extent for that purposes. It is important to notice that trust is even more important in virtual than in physical space, so service providers need to build e-trust using different tools, for example third-party reviews, video streams or the assessment of services by clients via testimonials.

Two hypotheses are proposed in this paper based on the literature review findings:

1. Management consulting services, which are specified according to the ‘Service Concept’ and have codified characteristics, can be successfully provided via the Internet.

2. When uncertainty is low in a personalised project, and it obtains the codified characteristics, it can be conducted online also.

In order to find evidence for the proposed hypotheses, semi-structured interviews will be conducted with five experts. Also, web-site analysis of the provision e-consulting services will provide the possibility to compare the characteristics of ‘real-life’ e-consulting services with proposed features based on the Literature Review chapter. This will then allow for us to focus on the main characteristics found in e-consulting, and advance these through the building of online models of consulting in the discussion and conclusion of this dissertation.
3. Research Method

3.1. Introduction

There are the research objectives:

1. Recognise the importance of e-consulting for SMEs.
2. Realise the challenges for successful provision of online consulting services.
3. Evaluate critically the impact of trust and the necessity of client’s participation in different stages, projects and types of consulting services.
4. Identify probable characteristics of e-consulting.
5. Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.
6. Find evidence of applications of the ‘Service Concept’ to reduce uncertainty.
7. Test probable characteristics of e-consulting in ‘real-life’ contexts.
8. Propose an e-consulting model.

The importance of this research relates to objectives 4-8. Namely, the opportunity to gather together the probable characteristics of e-consulting services based on literature, specify conditions for online provision of such services, and then get expert assessment of such characteristics and find cases of the practical application of them. The final purpose of the dissertation is to propose online models of consulting services. The Literature Review chapter identified the controversial debate surrounding online consulting. The majority of researchers provide skeptical views on the provision of consulting via the Internet due to the significance of trust based on face–to-face communication significance in business processes (operation) in this industry (see Birchall and Giambona, 2007; Kolesar and Galbraith, 2000; Maister, Green, and Galford, 2000; Stroh and Johnson, 2006). However, the recent study shows that it depends on stages, projects and types of consulting services (see Consoli and Elche-Hortelano 2010; Czerniawska, 2005; Davenport and Prusak, 2005 and O’Mahoney, 2010). The rational conclusion of the Literature Review chapter was that trust has a direct interdependence with uncertainty in consulting, hence the certain consulting stages or/and projects with codified characteristics might be conducted online (see pp.13-18 and Appendix A). Such an analysis might provide a new perspective, taking the development of e-consulting one step further. To test the findings from the Literature
Review, and fill the gap in literature surrounding this question, it is important to collect primary data. The interviews with consultants and web-sites analysis are conducted for this research. It ought to make an important contribution not only to the study of e-consulting in general, but to a richer understanding of the possibility of delivery professional services via the Internet in particular.

The Literature Review chapter was addressed to Objectives 1-3, namely, the researcher gathered theoretical evidences which are related with online consulting. It allowed achieving Objective 4 in that section. Objectives 5-8 move this work one steps forward. For that primary date will be collected from expert’s interviews and research online consulting services in ‘real-life’ contexts. The comparison of theory with practice helped the researcher to understand better the issue surrounding the design of online consulting services and so to contribute to knowledge surrounding e-consulting.

This chapter describes the applied research strategy and the technique of collecting data for analysis. Also this section includes the information about site, sample selection, and adapted analysis methodology.

3.2. Research strategy

As Saunders, Lewis, and Thornhill (2009) state to choose the proper strategy of research, it is very important from the beginning to define an approach and a purpose of a dissertation. An overall deductive approach has been used in this research project. Thus, the researcher deduced the hypotheses based on the Literature Review chapter and then designed a research strategy to test them.

The purpose of this research is the threefold: exploratory, descriptive and explanatory according to Saunders, Lewis and Thornhill (2009). The exploratory studies used ‘to seek new insights’, ‘to assess phenomena in a new light’ (Robson, 2002: 59). Saunders, Lewis and Thornhill (2009) explain that the interview with expert is one of the principal ways of doing exploratory research. This method requires being flexible and being ready to change direction if it is necessary. In my case, I organised semi-structured interview with five experts in the consulting industry. Such approach provided the possibility to clarify the answers and deeply understand the studied phenomena. The explanatory research helps to examine the qualitative data in the interviews. In addition, I conducted the internet research to find the companies who sell e-consulting. At this
point, descriptive research helped me to produce accurate profiles of firms. I used ‘Service Concept’ and ‘Codified characteristics’ from the Literature Review chapter to understand whether consulting companies apply them to conduct online consulting or not in practice. The combination of those three studies allowed me do the critical evaluation of collected data and synthesis them with theory. Also it increased the level of validity and reliability of the research.

There are some research strategies such as experiment, survey, case study, action research, grounded theory, ethnography and archival research according to Saunders, Lewis and Thornhill (2009). From my point of view, the appropriate research strategy research strategy for this study should include survey and case study strategies. Because of the multiple methods ‘mixed approach’ (see Saunders, Lewis and Thornhill, 2009) can help to gather the richest data, and evaluate the research issue from three dimensions. The qualitative method (examination of case study of existing e-consulting companies, and structured-interviews with experts) and quantitative method (survey of SMEs owners) should be done for that. But time constraint for this research, namely 11 weeks, forces me to focus on the most important strategy. Because the finding of the Literature Review chapter revealed a new side in e-consulting and that this perspective has not yet been highlighted in literature, as mentioned above, primary date needs to be gathered. It seemed to me that testing the proposed characteristics need to be done in the first turn. That is why I decided to implement the qualitative case study strategy. I conducted the interviews with experts. Additionally, I examined the e-consulting services in ‘real – world’ environment. Despite of the fact that case study strategy has ‘unscientific feel’, it ‘can be a worthwhile way of exploring existing theory’ and also ‘provide a source of new research questions’ (Saunders, Lewis and Thornhill, 2009:147).

Case study is ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple source of evidence’ (Robson, 2002: 178). The important feature of this strategy is that it does not have distinct frontiers between the research issue and the context within which it is being examined. Because of that it allows studying research context in depth, while, for example, survey or experiment strategies should be conducted within a highly controlled context. Because the nature of this research is an in-depth study of a modern effect (e-consulting services), in a complex context (business environment), the case study...
strategy needs be used to conduct this research. Such strategy requires using multiple sources of data. It includes triangulation research approach which means that different data collection techniques is important to use within research in order to study phenomena from different sides. In this research the multiple holistic cases are incorporated. Namely, 5 experts from different types of management consulting companies were involved; also e-consulting services of different types of consulting organisations are scrutinised. It provided a chance to investigate whether the findings of the one firm have a place in other organisations, then the common features are summarised and generalised. The research process of this project is presented in the figure 3.2.1.

Figure 3.2.1. The research process

3.3. Data collection: site, sample selection and techniques.
The case study approach seeks an individuals' perception to research questions rather than quantitative interpretation of a phenomena according to Biggam (2008). Therefore, this research focuses mainly on the gathering of qualitative data. To test the Literature Review findings requires discussion with experts. Simultaneously, web-sites of companies, which provide online consulting, are studied to compare the
characteristics of their services with proposed characteristics. So data collection technique employs in combination: interviews and web-sites analysis.

The sample of subjects for my research was fair and objective. Thus, during the first and second semesters I took the programme ‘UEA Business Start-up for Students’ (see http://www.uea.ac.uk/careers/occupations/selfemployment). That course helped me to become acquainted with consultants from five companies, which provide the consulting services in Norwich (UK). I sent them the official invitation letters to participate in my research at the end of June (see Appendix B). As a result, four experts confirmed their participation, but only three of them took part. To find additional respondents, I joined to UK Consultants Network on www.linkedin.com, and sent 24 personal invitations to members of that group via Linkedin message system. Two consultants accepted my invitation, but only one expert from Ipswich (UK) could do it in time. Also I send 36 invitations to consulting companies via http://www.sourceforconsulting.com. As a result, three consultants wanted to take part but they could not do it in time. Additionally, I met one consultant from Norway at the UEA. I kindly asked her to provide an interview, of which she accepted. As a result, five experts gave interviews. The brief background about participants is presented in the table 3.3.1.

Table 3.3.1. Brief profiles about respondents.

<table>
<thead>
<tr>
<th>Expert</th>
<th>Gender</th>
<th>Position</th>
<th>Experience, (years)</th>
<th>Geographical location</th>
<th>Business focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>Business Advice Manager</td>
<td>20</td>
<td>Norwich, UK</td>
<td>Legal field of the provision of intellectual property services</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>Director (Owner - consultant)</td>
<td>7</td>
<td>Norwich, UK</td>
<td>Research, F2F training, Business advice for SMEs</td>
</tr>
<tr>
<td>3</td>
<td>Male</td>
<td>Director (consultant)</td>
<td>4</td>
<td>Ipswich, UK</td>
<td>Business advice and coaching trainings for start-up and for consultants.</td>
</tr>
<tr>
<td>4</td>
<td>Female</td>
<td>Director (consultant)</td>
<td>3</td>
<td>Norwich, UK</td>
<td>Improving performance of employees, changing behavior.</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>HR Advisor</td>
<td>6</td>
<td>Stavanger, Norway</td>
<td>Outsourcing and business management software.</td>
</tr>
</tbody>
</table>

In terms of the context of my dissertation and for the convenience of respondents, I offered ‘one to one’ semi-structured interview in three types of means of interaction: face-to-face, via e-mail or Skype (see Kraut et al., 2004; Madge and O’Connor, 2004). ‘It was found that e-mail interviewing offers unprecedented opportunities for qualitative research. The method can be employed quickly, conveniently, and inexpensively and
can generate high-quality data when handled carefully’ (Meho, 2006:10). The interviews were conducted during one week at the end of July (see the table 3.3.2).

Table 3.3.2. Information about interviews.

<table>
<thead>
<tr>
<th>Data of interview</th>
<th>Means of interaction</th>
<th>Original answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expert 1 22.07.11</td>
<td>e-mail</td>
<td>Appendix C</td>
</tr>
<tr>
<td>Expert 2 23.07.11</td>
<td>face-to-face</td>
<td>Disk 1. Record A1-A2</td>
</tr>
<tr>
<td>Expert 3 24.07.11</td>
<td>e-mail</td>
<td>Appendix D</td>
</tr>
<tr>
<td>Expert 5 28.07.11</td>
<td>Skype</td>
<td>Disk 1. Record C</td>
</tr>
</tbody>
</table>

To conduct the interviews properly, I followed the recommendation of Saunders, Lewis and Thornhill (2009). Thus I attended speaking classes in Dean of Students office at the UEA (see http://www.uea.ac.uk/dos) to improve my communication skills. I tried to make my research topic interesting. I sent official cover letters to participants one month before the research, and promised them the results of my research. I explained to the consultants that the research is conducted only for academic purposes, anonymously, according to the ethical principles of the UEA and the requirements of the 1998 UK Data Protection Act. Also I asked consultants to fix the exact data and time of the interview. Then I built the semi-structured interview with fully prepared main question and structure to reduce bias and improve quality of analysis. Next, I prepared for each interview. I sent the questionnaires and three appendices with information about the research topic in one week before to each respondents (see Appendices F-I). On the eve of the interviews, I sent kind reminders to participants to look through these documents. It helped me to engage the participants and get meaningful answers. Additionally, I got the permission from interviewees to use my voice recorder. During the interviews, I explained some questions and summarised the answers to check my understanding at the end of each response. Audio recordings gave me the possibility to carefully analyse each recordings after interviews. The interview took between 15 to 30 minutes. Before starting my research, I did four pilot tests of the questionnaire to make it clear and understandable.
I started the web-sites analysis of consulting services during the second semester when I studied the ‘E-strategy’ course. That module helped me considerably discern different business models of online companies (see Chaffey, 2009). Thus, at the beginning I gathered information about consulting companies who sell consulting services online. Then I studied their services and grouped companies into five main types (see p.41-42). Also I focused on the experts answers in the interviews and checked the mentioned companies who sell e-consulting. I compared the proposed characteristics based on literature (see Appendix A) with characteristics of services on web-sites. Finally, I choose one company which provides the consulting services online to exemplify the application of the codified characteristics in practice. In this way, the different sources of data allowed me to triangulate results which are particularly useful in the qualitative research according to Biggam (2008), and to gather the richest data and to achieve a more rounded understanding of the research outcomes. Such approach gave me opportunity to test my understanding, minimise bias in my work and contribute unique data to development of the online consulting services.

3.4. Framework for data analysis

I used the deductive qualitative data analysis in this project (see Saunders, Lewis and Thornhill, 2009). I categorised theories, derived the hypotheses, grouped collected data, and produced the textual and pictorial explanation of the research phenomenon. Thus, I have already categorised the probable characteristics of e-consulting services from existing theory, formulated hypotheses and achieved the objectives 1-4 in the second chapter. Next I set the objectives 5-8 to clarify the Literature Review findings and answer to the research hypotheses (see above). Then I identified necessary information and designed the questions. I studied the data quality issues and preparing for the interview (see Saunders, Lewis and Thornhill, 2009). Then I identified the method of analysis of the interview results. Finally I created questions and built the semi-structured interview. I included probing, specific, ranking and closed questions in the questionnaire (see Kvale, 2010; Meho, 2006). For analysis collected data, I grouped the research results in the ‘neat boxes’ (see Gibbs, 2010). For that I grouped together responses for the similar questions and analysed experts answers (see example in Appendix J). I used a word processor to find similarities and differences question by question. Such an approach helped me to analyse the collected data carefully. Then I wrote the short conclusion for each question and an overall summary for each part of the interview in the Result and Discussion chapter. Then I defined units which support, extent or
contradict the research objectives and hypotheses. For web-analysis, I used characteristics from Appendix A and ‘Service Concept’ which are presented in the Literature Review chapter. The result of test of the proposed characteristics is attached in Appendix K. Once all the required information was collected and analysed, I was able to answer the proposed hypotheses of the research and built proposed models in the Conclusion chapter.

To make the interview coherent and clear, I changed the initial order of the questions and divided them into three parts according to the topics of the discussion for the interview. To write-up the Result and Discussion chapter, I restructured the interview questions back to the original sequence according to the settle objectives. Because of that the numbers of the interview questions are distinguished from the Result and Discussion chapter. The general structure of the research is plotted in the figure 3.4.1.

To analyse two ranking questions in the interview (Question 2 and Question 11 in the Result and Discussion chapter), I converted rating to score through coefficient (see Mayer and Sykes, 1996). Thus in question 2 the rating scale was: the greatest barrier
(1), substantial barrier (2), minor (3), not a barrier (4); and in the question 11 was: the most important (1), important (2), least important (3), and not important (4).

I calculated a coefficient, coefficient = 1(maximum)/ 3 (valuable answers 1,2 and 3)= 0.33. The rating 4 (not a barrier and not important) equals 0. Thus 1 rating = 1 score, 2 rating = 0.66, 3 rating = 0.33 score.

In this way, I multiplied each rating by the coefficient. Then I summed up the experts scores for each factor. As a result, I achieved the total score. The detailed calculations are attached in Appendices L and M.

Overall, while designing the research strategy, I was concerned with the academic creditability. I explained the rationality of the chosen research strategy for testing hypotheses. The subjects for research were selected impartial. The context of the questions is strictly relevant with the research questions in the interview. Also I avoided leading answer in the questions and the analysis techniques were dictated by strategy.

The data collection and analysis techniques are transparent and can be applied by other researchers. The attached records, transcripts, email answers, calculations and documents provide the evidenced that research was conducted in a fair and objectives way. I did all these things deliberately in order to achieve valid and reliable outcomes for my research and to contribute unique data to the development of the online consulting services.
4. Results and Discussion

This section reveals the findings of the case study presented in the Research Method chapter. The research focuses on two aspects: the interview with experts in the management consulting sphere and analysis of the web-sites which deliver management consulting services via the Internet. In order to write-up the empirical results, the collected data is presented according to the research objectives and synthesised with the findings of the literature review.

The first four objectives of research have been achieved within the Literature Review chapter. They were:

1. Recognise the importance of e-consulting for SMEs.
2. Realise the challenges for successful provision of online consulting services.
3. Evaluate critically the impact of trust and the necessity of client’s participation in different stages, projects and types of consulting services.
4. Identify probable characteristics of e-consulting.

The next three objectives of the research project are discussed in this section:

5. Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.
6. Find evidence of applications of the ‘Service Concept’ to reduce uncertainty.
7. Test probable characteristics of e-consulting in ‘real-life’ contexts.

In the conclusion chapter, the final objective will be presented:

8. Propose an e-consulting model.

4.1. Findings of Research Objectives

4.1.2. Findings of the Interview

Objective 5: Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.

This objective composes of two parts which are called upon to test theory findings of the research objectives 2 and 3 in ‘real-life’ contexts. Thus, the first part was to compare the opinions of experts about challenges for online consulting services mentioned in theory.
Question 1: ‘If you currently do not use online consulting in your business, what is the greater barrier to your using this?’

Different reasons were mentioned by participants such as offline business is ‘more lucrative’ (Expert2), not being able to see ‘clear reaction’ (Expert1) and ‘body language’ (Expert4), ‘fear of the unknown’ relate to an emotional sense (Expert3). Also unclear client’s internal processes are barriers for Expert5. Moreover, Expert5 commented that ‘people think about consultancy as a human participation’. Overall, the participants suppose that face-to-face meeting helps them build relationship and trust better than virtual communication. Thus, they can interchange experiences, confidential information, documents, and emotions among parties; and go deeper for recognising genuine clients’ needs. Besides that, making online products requires time, finance, power, labour, special skills and a willingness to compete in virtual markets.

Question 2: “Please rank the following barriers for e-consulting. Please add and rank any other barriers, if necessary.”

In order to see answers for that question in the aggregate, the tables with ranks were transformed to scores (see Research Method chapter pp. 29-30).

Table 4.1.1. Total rating of barriers for online consulting

<table>
<thead>
<tr>
<th>Place</th>
<th>Barriers:</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trust</td>
<td>3.32</td>
</tr>
<tr>
<td>1</td>
<td>Face-to-face communication</td>
<td>3.32</td>
</tr>
<tr>
<td>2</td>
<td>Uncertainty of process</td>
<td>2.99</td>
</tr>
<tr>
<td>3</td>
<td>Technological</td>
<td>1.66</td>
</tr>
<tr>
<td>4</td>
<td>Financial</td>
<td>1.32</td>
</tr>
<tr>
<td>4</td>
<td>e-commerce knowledge</td>
<td>1.32</td>
</tr>
<tr>
<td>5</td>
<td>Consultants professional ability</td>
<td>1</td>
</tr>
</tbody>
</table>

* 5 score is maximum in the total column

As we can see from the table 4.1.1, Trust, absence of face-to-face communication and uncertainty of process achieved the higher scores than other obstacles.

The responses of experts appears to support and extend the main barriers mentioned in the Literature Review (Czerniawska, 2005; Green, and Galford, Maister, 2000; Kolesar
and Galbraith, 2000; O'Mahoney, 2010;). Thus trust and face-to-face communication barriers take the first places. The next one is the uncertainty of processes in consulting projects. It is notable that not all experts are really interested or concerned online consulting. It might support the arguments of Czerniawska, 2005 that consultants are reluctant in implementing technology in their own operation.

The purpose of the second part was testing the Literature Review findings in practice about trust and face-to-face issues in different stages, projects and types of consulting services.

Question3: ‘Various types of consulting projects and stages of projects require different level of client’s interaction and trust. Do you agree?’

All participants agreed with this statement. The majority stressed that it is very important to meet face-to-face to establish trust at the beginning of the relationship. Thus, Expert2 said that ‘Trust is the most important at the early stages of project and, actually of the relationship’. A similar response was given by Expert3 ‘the beginning of the relationship needs to be face-to-face in order to build proper rapport’. Again Expert4 underlined that she needs to meet with clients face-to-face to develop trust. Expert5 showed in detail the stages of projects which demand a great deal interaction with clients such as: collecting initial data from customers; diagnosing customer’s needs and problems ‘analysing stage’; testing the system to check how it fits to clients; the ‘implementing’ stage. Also she exemplified some stages which can be done by consultants without client engagement: adapt consulting service to clients’ operations to ‘build the system’; facilitate system after testing. Again, Experts 2, 3 and 4 said that latter stages of consulting projects can be done virtually.

Question4: ‘The more uncertain the project is, the greater the level of trust and interaction with clients is needed. Do you agree?’

All interviewed experts shared this statement. Expert2 insisted that it is important to carefully investigate client’s problems because clients can diagnose their needs erroneously. To overcome uncertainty, Experts 4 and 5 define each stage of the projects and outcomes. Expert3 specified that consultants need to go deep into clients’
operation, to study necessary documents. This might be because not all clients keep documents in digital format.

The views of experts have the similar pattern which was presented on the Graph 2.4.1 in the Literature Review (see below).

Graph 2.4.1. Risk and Stage of Project

Thus, almost all respondents stressed that initial stages of consulting services such as acquaintance with clients and sale, also analysis and specification of projects requires face-to-face communication to build trust, and close collaboration with clients to define the right goals and stages of a project. After those stages the consultants work apart from clients. They do 'homework': they adapt templates and models, adjust software and systems, modified training and other consulting tools to customise their services for client needs ('development' in graph). Some respondents have already been doing these stages virtually (see Experts 2, 3, 4, 5). The later stages of projects, when relationship with clients is established, need significantly lower face-to-face interaction than in the first stages. But it is very important to meet periodically with clients to maintain trust and monitor the implementation of consulting services to achieve settled goals and to satisfy clients (see Experts 1, 3, 5). Overall, the level of face-to-face interaction must be highest at the beginning of projects to build trust. Then it might be lowest at the middle stages, and medium at the end of projects.
The arguments of authors from the Literature Review chapter (Consoli and Elche-Hortelano, 2010, Davenport and Prusak, 2005; O'Mahoney, 2010) set up the impression that uncertainty is high in consulting projects because consultants improvise a great deal. Consequently, consultants need to meet face-to-face often to explain to clients what is going on. In this way consultants build and maintain trust. I wanted to check in practice whether uncertainty can be reduced through specification of services, hence increase the possibility to go online. The next objective presents the research findings about that matter.

**Objective 6: Find evidence of applications of ‘Service Concept’ to reduce uncertainty.**

Question 5: ‘Uncertainty can be reduced if the processes of providing service, quality of results, outcomes and costs will be clearly defined at the beginning in projects. Do you agree?’

All interviewees agreed that it is very important to make the consulting processes clear to build the solid relationship with clients. Actually, all the respondents try to specify the operation processes as clearly as possible. But even when stages, schedule, expenses, responsibilities of parties and outcomes of a project are clearly defined, it does not make such project fully predictable. Any project includes uncertainty factors due to change internal or external factors.

Question 6: ‘Do you use a ‘Service Concept’ to make it clear to clients what service you offer?’

All respondents use other types of documents instead of ‘Service Concept’: ‘Proposal document’ (Expert2), ‘Letter of Engagement’, ‘Coaching Agreement’ (Expert3), ‘Standard service document’ (Expert4), ‘standard sales contract’(Expert5) and special documents (Expert1). Documents used by the experts interviewed have the similar purposes as the ‘Service Concept’ (see p.20)

Question 7: ‘The ‘Service Concept’ or other similar document can reduce uncertainty in a project. Do you agree?’
All participants agreed it is important to reduce uncertainty as much as possible in these processes. It helps both parties: consultants and clients. Thus, Expert2 explained ‘the client goes off on a tangent, and the proposal document reminds them what the agreement was’. Expert1 stated that the ‘client needs to know what they are getting in exchange for their money’.

Question8: ‘Clients prefer to rely on business process rather than rely on consultants when trust and relationship have been established among parties. Do you agree?’

Nobody from the interviewees supported this point. They argued that clients need to rely on both the consultants and business processes. Experts 1 and 4 warned that relying only on process can lead to a poor result in a project. On the other hand, the Expert3 noted that after establishing significant level of trust: ‘clients may be willing to rely on a process as long as the consultant makes it clear that they trust the processes’.

All respondents realise the uncertainty problem in consulting projects. They bend their effort to overcome it because each client has a unique business processes. Consequently, consultants need to study a client’s operation and 'commercial secret'. It requires a trust relationship and client’s permission which should be acquired at the initial stages of a project. After that, the project can be specified and moved from physical to virtual space. To specify services, the interviewed experts use documents which have the same purpose as ‘Service Concept’ (see Clark, Johnston and Shulver, 2000; Goldstein, et al., 2002; Johnston and Clark, 2008). On one hand, such documents help consultants to be protected from unexpected changes by clients. On the other hand, it is a guarantee for clients to get settled results at an agreed price at the end of projects. However uncertainty remains anyhow in most cases because consulting projects take some period for delivering outcomes. Hence initial conditions can change. It maybe the impact of external factors (e.g. market) or internal processes (e.g. additional client's needs, requirements to change something in a project). But, all experts absolutely agreed that specification of projects reduce uncertainty to a minimum, and it is vital condition to build long relationship with clients. In addition, because of some consulting functions need to be adjusted to each customer, the consulting operations are flexible. Consequently, the processes are changing from projects to projects. That is why the clients can rely on processes only if they have been made clear by consultants. Furthermore, if clients rely only on processes, it can lead to
a poor result and their dissatisfaction. Overall, my conjecture that the reason for uncertainty in consulting services is due to unspecified processes, was not confirmed. But it has become clearer that documents like the ‘Service Concept’ are vital to run consulting successfully.

**Objective 7: Test probable characteristics of e-consulting in ‘real-life’ contexts.**
The result of test of the codified characteristics, which were derived from theory (see pp.13-18) and presented in Appendix A, will be presented in this section.

Question 9: ‘In terms of personalisation and standardisation of services, there are two types Codified and Personalised service in consulting according to literature. Which of your services already exhibit Codified characteristics?’

Three respondents (Experts 1, 2 and 4) answered that they offer some services with Codified characteristics such as trainings, employee surveys and market research. Two Experts, 3 and 5, sell some services with some Codified characteristics. Thus Expert 5 defined that services in her company are of ‘more personalised level’. Despite this, she stated that to a certain extent, there are some of the codified stages in selling ERP systems. ‘It is a standard package everyone can buy it. And we just make it special for them’. Also it was mentioned that some services combine both Codified and Personalised characteristics, for example ‘Mentoring and Design management’ (see Expert 1).

Question 10: ‘Services with Codified characteristics can be conducted online. Do you agree?’

Four experts agreed with the statement, but Expert 1 did not support it. Expert 2 noted also that you need to be competitive on the Internet space and that promoting services online requires special skills, and this is an additional barrier for small consultancy. Expert 3 stressed that ‘giving feedback on the work is better done face-to-face’. On the contrary, Expert 1 did not support that statement. He claimed that ‘since it takes away the human contact and as such reduces the value to the client, even with a strict code to follow… the way in which a client knows whether or not they have been served well is difficult to quantify’.
The participants who answered ‘yes’ in Question 10, went to Question 11. Thus, four experts ranked the offered criteria. The method to get aggregate answers is described in the Research Method chapter (see pp.29-30).

Question11: ‘Please rank the Codified characteristics depending on importance for e-consulting’.

21 characteristics from 36 took the higher positions in the rating list; each of them got more than score of 2 in total score. They will be included in online model in the next chapter. The full list with the ranked Codified characteristics is attached in Appendix M. 12 characteristics which got a score of 2.98 or higher are presented in the table 4.1.2.

Table 4.1.2. The most significant characteristics for online consulting.

<table>
<thead>
<tr>
<th>Place</th>
<th>Codified characteristics</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Product:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Result</td>
<td>8. Tangible</td>
<td>3.32</td>
</tr>
<tr>
<td>6. Essential principle</td>
<td>2. Codes-based</td>
<td>2.98</td>
</tr>
<tr>
<td>7. Quality</td>
<td>7. Stable</td>
<td>2.98</td>
</tr>
<tr>
<td>8. Uncertainty of project</td>
<td>9. Low</td>
<td>2.98</td>
</tr>
<tr>
<td>5. Process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Methodology</td>
<td>23. Prescribed</td>
<td>3.66</td>
</tr>
<tr>
<td>2. Possibility to reproduce</td>
<td>34. High</td>
<td>3.66</td>
</tr>
<tr>
<td>4. Possibility to use IT application</td>
<td>35. High</td>
<td>3.32</td>
</tr>
<tr>
<td>11. Time consuming for finding decision</td>
<td>20. Little</td>
<td>2.98</td>
</tr>
</tbody>
</table>

- 4 score is maximum in the total score column

According to the Literature Review chapter (see pp.13-18) the chosen characteristics might be described as follows. The methodology of producing services online is prescribed; software might be applied for that. The possibility to reproduce such services with constant quality without adjustment of operation processes is high. Outcomes of services are clear and tangible. Also the information about services must
be structured and have a logical sequence, be clearly explained in documents, and have instructions in written form. Processes of projects are prescribed and fully prepared in advance. The service idea and operation process are specified at the beginning. Tasks are standardised options for clients. Variants of problem-solving are predetermined in advance. It might be standardised service packages.

Question12: ‘Some projects or stages of the services with Personalised characteristics can be provided to existing customers using Internet communications under the conditions: familiar service and well defined ‘Service Concept’. Do you agree?’

Four experts agreed that some elements, stages or some projects based on facts can be done online after adaptation of those services to client’s needs and after developmental stages. Expert2 foresees such possibility to ‘fulfill the latest stages of the Personalised projects’, such as ‘legal services’, which she provides. However, Expert1 did not agree with the statement. He claimed that ‘Lack of human contact is unsatisfactory to the user and can lead to complacency or unprofessional behavior from the service provider’.

Question13: ‘When services with Personalised characteristics acquire Codified characteristics, the probability to conduct such services online will increase. Do you agree?’

Five experts agreed with the above statement in certain extent. Thus, Expert2 said that ‘you could combine two, if you first have Personalised stages. Because when we have a structured question, the other stages are actually very codified’. The example of that are the latest stages of legal services for developing charity and social enterprises. Expert3 offered that ‘homework’ can be done online but regular face-to-face contact is essential to maintain strong rapport’. On the other hand, he cautioned that ‘Consultants should consider why they would want to move towards an on-line service’. Besides this, Expert1 stated that services ‘may well increase in quantity, but for the reasons outlined above I fear they will decrease in quality and satisfaction levels to the user’.

The questions in this segment tested the probable characteristics for e-consulting, which were generated based on works of Consoli and Elche-Hortelano (2010); Czerniawska, (2005); Davenport and Prusak (2005) and O’Mahoney (2010) (see pp.13-
The results of interviews showed that the experts provide some Codified services or some Codified stages in Personalised services. Also all respondents pointed out that in most cases their services combine both Personalised and Codified characteristics. It is interesting to note that case of Expert5 diverges from findings of the Literature Review section ‘Two main directions in consulting’. Namely, although ERP system exhibits codified characteristics (e.g. result fixed, packaged product, using IT application and possibility to reproduce are high), Expert5 argued that she provides highly Personalised services. Indeed, it can be seen from her answer in question 1, when she exemplified the stages of services. Furthermore, she explained that clients' business processes need to be studied at first, and then systems can be adapted to meet clients' needs.

Four experts suggested that services which are highly codified can be provided online. The characteristic gained 2 scores and more in rating list is included in the model of online consulting in the next chapter. However, even though only Expert1 did not support such ideas, the response of Expert1 was very valuable for this research. It might be that Expert1 provides highly confidential services. Additionally, he stressed that removing human contact might make quality of services worsen; consequently the value to the client might reduce. It can be supposed that not all companies would like to increase volume and decrease price for their services.

The fact that experts already fulfill online some elements, stages or projects with Personalised characteristics appears to support the arguments of Czerniawska (2005) in the Literature Review chapter. However, in spite of the fact that consultants already use documents to make consulting processes clear, uncertainty in Personalised services remains. It relates with the necessity to adjust the projects to unexpected internal or/and external changes. Hence it includes some difficulties to fully predict processes in Personalised services. As a result, this is the important obstacle to providing such services online. In addition, despite the fact that experts assumed that it is possible to conduct Personalised services with Codified characteristics online, they stressed that initial stages require face-to-face meetings and it is vital to interact during the whole project to maintain trust between parties. Also, it is very important to focus on the total interview of Expert1. The phrases mentioned by that consultant give the sense that he feels a threat that e-consultancy might replace human job by machine,
consequently reduce consultants’ positions. Perhaps, it could be a serious barrier (resistance of consultants) for the consulting industry to go online.

4.1.3. Findings of web-site analysis

The codified characteristics were tested on e-consulting companies for triangulation. In summary, services of Survey monkey company (http://www.surveymonkey.com) match almost all codified characteristics, even some of them advanced (see Appendix K). Survey monkey provides e-marketing survey tools which are widely used by businesses (e.g. Facebook, Samsung), medical users (e.g. NHS, Health Partners), academic institutions (e.g. UEA, and independent researchers) and others. The company involves the clients in operation process a great deal. Using that web-site, clients carry out research, analyse data and create their presentations independently. Instructions and tutorial materials are placed on web-site for clients (http://help.surveymonkey.com/app/tutorials/categorylist/nolIntercept/1/session/L3NpZC9WZjVzeV9Baw%3D%3D). In this way, one the codified principle, namely ‘3.Labour intensive’, which means that service require a lot of time to realise a project, was transformed from company side to clients’ side. Also, a wide choice of service solutions can fit for special customers' needs without personalisation. However, personalisation of services is available for an additional fee (http://www.surveymonkey.com/pricing/?utm_source=seo). Survey monkey implements different tools to build and maintain trust online: third-party reviews, free assessment of services, feedback of clients, help-centre, and information about employees (see Riley, 2009).

The results of analysis of web-sites revealed interesting side of online management consulting. Specifically, the studied consulting firms or their e-mediator use different business models to generate income online. Five main models are used to provide consulting services online.

1. Traditional consulting companies create their own web-sites or pay other web-sites to promote their firms online (see http://www.starttalkingideas.org, http://www.sourceforconsulting.com, www.the-guild.co.uk).
2. Online consulting companies provide services and products with codified characteristics such as software, tools, video trainings to help clients improve their business independently (see http://www.surveymonkey.com, www.SmartDraw.com, http://www.marketingteacher.com)

4. Professional-portals which gather professional consultants on their web-sites, then promote and sell consulting services online such as mentoring, training, business advice, articles, books and other services (see http://www.advicenetwork.com, http://www.horsesmouth.co.uk, http://www.startupnation.com).

5. Offline&Online consulting companies run traditional consulting offline and additionally sell information online via membership fees (http://www.freshbusinessthinking.com).

Some companies use mix above mentioned models.

In summary, the analysis of online and offline consulting companies leads to the conclusion that their interaction with clients are different. In the traditional consulting, consultants adjust their own services to their clients’ needs because clients operations are unique and not always fully set out in writing. Consequently, consultants need to investigate the processes offline to diagnose the core of problems and offer proper solutions. Because of that, it is very important to meet face-to-face, build trust and get permission from clients to study their 'commercial secret' at the initial stages of projects. After that, projects can be specified and moved from physical to virtual space. Clients play more a passive role in this case. Consequently, fees for such services are high. In online consulting this is the opposite; the clients need to be more active, invest their own time and make an effort to choose appropriate consulting packages and products or find information for improving their operation. Because of that they pay a significantly lower price than if they were to meet face-to-face. But, according to the results of the interviews, the clients can diagnose their problems incorrectly; as a result it might lead to poor results and dissatisfaction at the end of projects. The solution of this might be to meet face-to-face to diagnose clients’ problems at the first stages in Personalised services, even at the beginning of Codified services, and then clients can use special tools, models, instructions for improving their operation themselves. Moreover, it is very important for clients to get support and be in touch with consultants during all projects.
5. Conclusion and Recommendation

The overall purpose of this research was to further the understanding of possibility to conduct management consulting online. This is specifically in relation to overcoming uncertainty in consulting projects; assess the necessity of face-to-face communication for establishing trust in different project stages and Personalised and Codified consulting services. The final aim of the dissertation is to propose online models of consulting services. The particular research objectives were:

1. Recognise the importance of e-consulting for SMEs.
2. Realise the challenges for successful provision of online consulting services.
3. Evaluate critically the impact of trust and the necessity of client’s participation in different stages, projects and types of consulting services.
4. Identify probable characteristics of e-consulting.
5. Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.
6. Find evidence of applications of the ‘Service Concept’ to reduce uncertainty.
7. Test probable characteristics of e-consulting in ‘real-life’ contexts.
8. Propose an e-consulting model.

This chapter will summarise the settled objectives and the research findings, discuss the offered hypotheses and propose the online models of consulting services. Next the limitations of the research project and recommendation for future research will be offered to advance this topic.

5.1. Research Objectives and Hypotheses: Summary of Findings and Resulting Conclusions

The first four objectives of research were achieved in the Literature Review chapter.

Research Objective 1: Recognise the importance of e-consulting for SMEs.
The research of Birchall and Giambona, 2007; Mughan, 2004; Volery et al., 1997 indicated that management consulting is very important for the progress of SMEs; and e-consulting might become the essential and more affordable option for SMEs according to Evans and Volery (2001); Van Geenhuizen (2004).
Research Objective 2: Realise the challenges for successful provision of online consulting services.

Along with common barriers for doing business in virtual space, there is specific obstacle for online provision of consultancy, namely trust based on personal interaction according to Czerniawska, 2005; Kolesar and Galbraith, 2000; Maister, Green, and Galford, 2000; O’Mahoney, 2010.

Research Objective 3: Evaluate critically the impact of trust and the necessity of client’s participation in different stages, projects and types of consulting services.

The level of interaction with clients and trust alters in various types of consulting projects or/and stages of projects (Czerniawska, 2005; Evans and Volery, 2001; Rahman, 2004). The projects or/and stages of projects, which are code-based, and have well-defined processes and outcomes, can go online.

Research Objective 4: Identify probable characteristics of e-consulting.

According to Consoli and Elche-Hortelano (2010); Czerniawska, (2005); Davenport and Prusak (2005); O’Mahoney (2010) consulting services divide into two direction: Personalised and Codified in slightly different way. All characteristics of two directions were gathered together and presented in Appendix A. It might be supposed that well tested codified services, with features which are shown in column 2 in Appendix A, might be conducted online. Briefly, the codified approach exhibits the following characteristics:

- It might encompass with IT systems
- Such types of activities might be more easily standardised and specified
- It might have a logical sequence and algorithm
- All or most of the processes are recorded and documented
- The variants of available problem-solving spectrum are predetermined
- The possibility to reproduce process with small modification is high
- The services can be offered as standardised packages activities.

Also some types of personalised services might be provided via the Internet under the conditions of low uncertainty, mature market, and on development, implementation and support stages of projects. Such projects or/and stages of projects needs to be codified; the process and outcomes must be defined clearly according to the ‘Service Concept’, and customers need to be confident in the quality of services.
Two hypotheses of the dissertation were formulated based on the Literature Review findings:

1. Management consulting services, which are well specified according to the ‘Service Concept’ and have codified characteristics, can be successfully provided via the Internet.

2. When uncertainty is low in a personalised project, and it obtains the codified characteristics, it can be conducted online also.

In order to find practical evidences of proposed hypotheses and test some Literature Review findings in ‘real-life’ contexts the objectives 5, 6 and 7 were set.

*Research Objective 5:* Explore expert views and practices raised through the Literature Review findings of objectives 2 and 3.

The experts’ opinions agreed with the Literature Review findings of objectives 2 in certain extent. Namely, Trust, face-to-face communication and uncertainty in consulting projects got the higher scores in expert rating than other obstacles to move consulting online. In addition, the research revealed two additional barriers to move consulting from physical to virtual space. Thus, some of the interviewed experts supposed that absent of a human contact might negatively affect the quality of outcomes in consulting services, and hence lead to dissatisfaction of clients. The second one is that consultants might resist adapting services for online provision because it threatens them to be replaced by machine.

Also, the results of the interviews supported the findings of objectives 3. Namely, initial stages of the projects need to be face-to-face to build trust; middle stages of the projects can be conducted in virtual space, and the final stages of projects can be done partly offline and online. The stages which should be done offline are: sale (acquaintance); specification of services (analysis), test of services. Some stages can be realised online: development (adapt consulting service to client’s operation) and facilitation service after testing; or partly online: implementation of projects and supporting. The interviews showed that to achieve successful results in consulting projects and hence to satisfy clients, it is vital to diagnose clients’ problems correctly.
Not all clients can do it properly. Because of that the initial stages of projects need face-to-face interaction and clients’ permission for consultants to go deep in their operation. Then consultants can offer bespoke solutions for clients and go online.

*Research Objective 6: Find evidence of applications of ‘Service Concept’ to reduce uncertainty.*

The interviews with consultants confirmed the fact that uncertainty in consulting projects can be reduced through the ‘Service Concept’ (see Goldstein, et al., 2002; Clark, Johnston and Shulver, 2000). All participants overcome uncertainty through specification of projects and stages of projects using documents similar to ‘Service Concept’. It is vital to reduce uncertainty to minimum for achieving success in consulting projects. However, uncertainty remains in projects because the internal or/and external conditions change from original positions while consultants are delivering outcomes.

*Research Objective 7: Test probable characteristics of e-consulting in ‘real-life’ contexts*

The majority of the interviewed experts agreed that consulting services which exhibit codified characteristics can be provided online. The characteristics which got the higher total scores can be described as follows. The methodology of producing services online is prescribed; software might be applied for that. The possibility to reproduce such services with constant quality without adjustment operation process is high. Outcomes of services are clear and tangible for clients. Moreover, the information about services must be structured and have logical sequence, clearly explained in documents, instructions in written form. Processes of the projects are fully prepared in advance. The service idea and operation process are specified at the beginning. Tasks are standardised options for clients. Variants of problem-solving are predetermined in advance. It might be standardised service packages. Additionally, most of the respondents acceded that also some elements, stages or some projects with Personalised characteristics based on facts can be done online after adaptation of services to their client’s needs and after analysis stages. Actually they have been already realised in the virtual space (see Experts, 2,3,4,5). Nevertheless, uncertainty in Personalised services remains. As a result, it is difficult to make the processes absolutely clear and constant. This is the important obstacle to providing such services purely online. Beside of initial stages in projects which require the bulk of face-to-face meetings, it is also vital to interact with clients over the whole projects.
The web analysis of ‘Surveymonkey’ exemplified the application of advanced codified characteristics in ‘real-life’ contexts. Thus, the company involves clients to Surveymonkey operation process to make business lucrative. Also personalisation of service is realised through provision of the wide range of services. The firm offers from basic to professional options of services which suit for different industries. The flexible price strategy attracts a large number of clients from different segments. The advanced codified characteristics of Surveymonkey services will be included in the online consulting model also.

Five following models use to provide consulting services online.

1. Traditional consulting companies which only advertise their services on the Internet.
2. Online consulting companies which offer highly codified services on web-sites.
3. Advertising-portals which offer clients free consulting support and charge sponsors for placing ads on their web-sites.
4. Professional web-portals which are intermediators among consultants and clients in virtual space. They promote consulting services online. Additionally they sell package products online.
5. Offline&Online consulting companies conduct traditional consulting services offline and simultaneously sell consulting information online.

Sometimes companies use mix of those models.

Overall, the research results made it clear that not all stages of the personalised consulting services can be done purely online due to the uncertainty factor and necessity of physically studying clients’ operations for starting projects. Hence, trust and face-to-face communication factors are so important at the beginning. Because clients can diagnose their problems not correctly; consequently it might lead to poor results and dissatisfaction at the end of projects. As a result, such direction of consulting services is more reliable to run offline. However, after specification of projects, some stages or elements can be realised virtually to decrease consulting operation cost, or increase speed of projects, or cover bigger geographical area. Also codified services, which suit clients without adjusting for their operations and are not strictly confidential, can be successfully conducted online. It is important to mention that roles of consultants and clients change significantly depending on offline or online business models. In traditional consulting, the consultants play an active role in projects, they adjust own services for
their clients’ needs. Clients play more passive role in this model – hence such services expensive. In the online model, clients need to make greater efforts than consultants; and the lower price is a reward for that.

The answers to the proposed hypotheses of this project, based on the Literature Review findings and research results, are:

1. Management consulting services, which are specified according to the ‘Service Concept’ and have codified characteristics, can be successfully provided via the Internet.

Yes, it is. But such services must suit to clients without customisation and be not strictly confidential.

2. When uncertainty is low in a personalised project, and it obtains the codified characteristics, it can be conducted online also.

Yes, it is, but only part of it. Homework stages can be done online: development (adapt consulting service to client’s operation) and facilitation service after testing. Also implementation and supporting stages can be partly conducted online.

Research Objective 8: Propose an e-consulting model.
Based on the Literature Review findings and the research results, the online models were built and presented in Appendix N. It includes three models. The first one is ‘Online codified model’, which exhibits the codified characteristics. The included characteristics in that model were grouped and advanced according to the research findings. The second model is ‘Mix personalised services’. The majority of the stages in this model are realised offline, but some stages are fulfilled online. The third is the ‘Hybrid model’, which combines the two previous models. The model means that a company can provide traditional services offline, and some stages online; simultaneously consulting agency can offer packaged services with codified characteristics online.
5.2. The limitations of the research project and recommendation for future research.

There were some positive and some negative points related to the application of three types of means of interaction used to conduct the interviews in this research, namely e-mail, face-to-face and Skype. E-mail interviews were convenient for participants; they provided answers when they had time. I did not manage discussion, so the bias is minimised in this type of interview. Also, it seems that the respondents provide more outspoken and honest answers. Thus Expert3 showed his weakness. Perhaps, he would not like to show it if he provided face-to-face interview. Or, in case of the Expert1, he showed his true attitude to online consulting. Hence, the problem which can exist in face-to-face interview, specifically that the stated behavior of interviewees might be different from actual behaviors, might be not a matter here. Also those consultants had time to think more carefully about questions before writing their answers. That is why the problem of memory was minimised here also. On the other hand, they did not provide a lot of details in their answers. Moreover, it should be taken into account that questions must be very clear in such type of interview, because respondents tend to not clarify them. In my case, this situation was with the Expert3. Even though he doubted the meanings of the question 3 in Part 2, he did not clarify the question which was not perspicuous for him. Fortunately, he understood it in the right way and provided a proper answer. Additionally, it is important to set out the reason of the research for consultants in order to omit aggressive answers. It seems to me that Expert1 interpreted the purpose of the research as a threat to his career. When I found that, I mentioned in the invitation letter that the purpose of the research is to help SMEs and not to replace consultant by machine. But it needed to be done at the beginning. On the other hand, this situation helped to reveal the important issue for that research. That is why the problem of meaning of words should be considered carefully in future research via e-mail.

Face-to-face interview allows getting the rich data and precise meaning of questions and answers interactively. Also the reaction of participant can be observed here, and provides the additional information for a researcher. Furthermore, an interviewer can absorb respondents’ attentions better than in other e-mail and Skype interviews. The great advantage of the face-to-face interview is that respondent cannot ignore any question, if it is a case, an interviewer can persist in getting answer or rephrase
question to get an answer. But, the minus here is that interviewees tend to be friendly and agree with an interviewer.

The argument for Skype, and e-mail interviews also, is that it can be applied for covering any geographical area if the preparation is done appropriately. For example, I conducted two Skype interviews when my respondents were in different countries from me. Additionally, Skype interview has the same advantages as face-to-face, namely live discussion allow clarifying unclear issues at once and getting more specific information and going deeper, as it was in the interview with Expert 5 in my research. Conversely, it has some serious defects. Firstly, the internet quality depends on countries, and it might be not the same as in the UK or the EU. Because of that I asked the mobile numbers of my respondents and got their permission to call them if the telecommunication via Skype is poor. Secondly, the noise from both sides can affect the discussion badly. This was a case in the interview with the Expert 4 in my research. I started the interview in a calm place, but some noise unexpectedly disturbed our discussion. To be confident in the results of that interview, I sent the transcript to Expert 4 to approve it. Then I posted sweets to Expert 4 as apology for that. This should be taken into consideration for future research via Skype. It must be conducted in an absolutely calm place and/or it might be important to find option to use headphones accessories and record discussion simultaneously. Also, face-to-face and Skype interviews require high level of listening and speaking skills to ask additional questions and write transcripts properly; and it is time consuming. It seems to be useful to apply all three types (face-to-face, e-mail and Skype) interview in one research. In my case, that approach provided additional possibility to reveal some interesting points.

If future research revisited this topic it would need to clarify and test additionally the question: ‘Clients prefer to rely on process rather then rely on consultants when trust and relationship have been established among parties. Do you agree?’ Also the codified characteristics in Appendix A need to be united as much as possible as it was done in Appendix N. Additionally, it is important to provide the brief explanation of each feature to respondents. It would make it much easier for those interviewed to understand them. If I could conduct this research again, I would seek to consultants who have already provided online consulting. Thus it could be respondents from the firms which use one of the next models: online consulting companies, professional web-portals or offline&online consulting companies (see pp. 41-42). Perhaps, they can provide a
different point of view on the research issue. Also it might be important to do survey of SMEs owners for getting the opinion of clients’ side. Namely, it is important to identify whether entrepreneurs are ready to make greater efforts to improve their operation independently using inexpensive online consulting or not. In additional, the issue of varying national cultures and its relationship to e-consulting requires additional research as well. Because the Internet removes borders between countries and provides the possibility to deliver consulting globally, but national cultures vary significantly from one to another area (see Meriläinen, et.al., 2004; Moisander and Stenfors 2009; Robertson and Swan, 2003).
References
http://www.datamonitor.com Date accessed 07/07/11.
http://www.ipsos-mori.com. Date accessed 07/06/11
Linkedin 2011:Consultants Network | UK,
MCA (2011) MCA Team


