

Consultancy Companies: A.T. Kearney

Management Consulting & Multi-Criteria Decision Aid

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A.T. Kearney is a global management consulting firm with offices in more than 60 cities and 35 countries. It provides strategy, organization, operations and technology services to help clients navigate the challenges on the CEO's agenda. It offers a combination of customized management consulting and value-driven solutions that blend industry expertise, integrated capabilities and global alliance partners.

Overview

Over the last years A.T. Kearney has been retained by numerous Federal, State and Local government organizations. Our support has been primarily strategic in nature, helping these organizations develop, evaluate and prioritize public policies.

Government projects have challenges that are very different from those consulting firms traditionally encounter when they support private and non-for-profit organizations. It is important to keep these issues in mind from the start to avoid future pitfalls that can result in project collapse or failure. The key challenges when working for government organizations are related to:

- The complex nature and dynamics of the socioeconomic and political environment in which the project will be developed and implemented, which requires that project leaders pay special attention to option risk analysis in the decision making process;
- The need to involve society through its key stakeholders, opinion leaders and experts, optimizing the effectiveness of decision making process and ensuring commitment and buy-in that are not only critical for successful implementation, but also a key for transparent processes that can withstand the test of successive audits.

Complex Challenges

The challenge is complex because both the supply and demand sides are in a constant state of transformation and flux, as new technologies evolve that significantly impact areas such as health, telecommunications and transportation, and because markets have become truly global. Globalization as a phenomenon was facilitated by the World Wide Web. It is brought home to us as a reality in the form of regional political and trading blocks and the proliferation of global and regional NGOs.

In any process of public policy development and deployment, policy makers must take into account a cost/risk *versus* benefit analysis of the options available. As the options become more extensive and more uncertain in time, due to the rapid pace of technological evolution, this task becomes much more difficult.

Complexity can be addressed by involving experts and stakeholders early in the decision making process. This means calling in recognized experts in different fields, involving academia, industry associations, citizen groups and other specific NGOs that can make relevant contributions to the policy-making process.

Structuring the Process - MCDA

An important issue is how to structure and manage large and complex decision making processes to ensure delivery of the desired end products, and that these are endorsed by all key stakeholders.

A.T. Kearney has helped clients use *Multi-Criteria Decision Aid* (MCDA) techniques together with *Decision Conferencing* methodology to successfully manage and **structure the decision making process** involving complex challenges and a multiplicity of stakeholders. This approach includes evaluating, selecting and prioritizing the options available.

This broad approach was developed together with Carlos Bana e Costa, Ph.D., a Professor at the London School of Economics & Political Science (LSE) and at the Instituto Superior Técnico (IST) in Lisbon. Dr. Bana e Costa strongly supported our consulting team in two projects that we touch on briefly in Cases I and II below.

A **structured decision making process** must be set in place early in the project. This is done by asking relevant questions, the answers to which will provide the framework and content for the project. An example of what constitutes relevant questions would include:

- What are the fundamental questions or issues facing policy makers?
- What are the key strategic objectives to be pursued by them? Are the strategic objectives aligned?
- What criteria should be used to evaluate the different options? How should the cost-benefit analysis be risk adjusted?
- How can these criteria be described so they are clear to all key stakeholders?
- Who are the key stakeholders? At which point of the Decision Conferencing process should they be involved? What form should this involvement take?
- How can one optimize the use of experts and opinion leaders to support the assessment process?

Recent Experience

For over three years we have used MCDA & Decision Conferencing in projects on behalf of government organizations throughout Latin America. We have selected two cases to highlight the key challenges faced by the consulting team.

Case I

The Brazilian Economic Development Bank (BNDES) developed a project to formulate a strategy to attract investment to manufacture integrated circuits in Brazil. A.T. Kearney was retained and used the MACBETH approach within a Decision Conferencing framework to pursue two sets of important challenges.

The first set of key challenges was to clearly define criteria for assessment and build a value tree that could be used by stakeholders to answer key questions formulated by the client: (i) what would be the impact of the electronics manufacturing complex on the country's trade balance? (ii) how would it impact the country's competitiveness? (iii) how would it contribute to technological innovation, and (iv) what would be the impact in terms of employment of qualified personnel?

The second set of challenges was how to involve key stakeholders under the umbrella of Expert Panels used to assess and validate the options developed by the project team. The success of these panels was key to the success of the final round of Decision Conferences with government authorities

Case II

The Government of Puerto Rico invited consulting firms to bid for a project to help develop a long term vision and strategic plan known as Puerto Rico 2025. A.T. Kearney won the bid by proposing a participative approach to long-range planning that included options for multi-stakeholder participation in strategy design and commitment to the implementation process.

The project was split into 4 phases as follows:

1. **Evaluation/assessment** – Where is Puerto Rico today? “The need for action”
2. **Vision** – Where does Puerto Rico want to be in 2025? “The fundamental objectives”
3. **Strategic priorities** – What are the strategies that will mostly contribute to reach the vision? “The strategies”
4. **Implementation launch** – Transfer responsibilities to the independent entity

MCDA was an important enabler of stakeholder participation, especially during the phase of strategy assessment and prioritization. This phase required a robust and structured decision making process. A.T. Kearney helped set up and conduct 10 MACBETH Decision Conferences and 2 EQUITY Decision Conferences, facilitated by Prof. Bana e Costa, mobilizing more than 100 stakeholders to prioritize over the 150 identified strategies.

Márcio V. Galvão – is an Associate Director with A.T. Kearney responsible for the Government Practice in Brazil. Mr. Galvão has over 30 years experience in the financial and management consulting industries, and is an expert in corporate finance, strategic planning and business restructuring.