

*Translation of the German article “Chance zum Comeback”, published in **Handelsblatt**, 19 June 2020. The column on **leadership consulting** is based on an interview with Raoul Nacke, CEO with global responsibility at Eric Salmon & Partners, an internationally operating executive search and leadership advisory firm.*

A chance for a comeback

As many companies struggle to survive, one group of professionals is flourishing: consultants. But liquidity and supply chain specialists aren't the only ones looking to expand their teams; there's a big demand for experts on new ways of working and leadership right now too. Experienced career changers are very welcome.

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Dennis Bücker could work round the clock right now if he wanted to. His expertise on how a company can stay solvent during the crisis, lower costs or develop new sources of income is very much in demand. At the moment, the Berlin consultant barely has a free minute. At the very most, he might manage a late-night cardio workout on his Peloton Bike. The former Roland Berger employee started his own business a year ago, his clients are CFOs. Prior to corona he visited them in person, these days his trolley case doesn't leave the house. Video conferences instead of frequent flyer status.

Cash is king. Obviously. But good advice isn't only indispensable when it comes to financial issues. Ralf Strehlau, president of the Federal Association of German Management Consultants (BDU): “From supply chain optimisation all the way to digitalising their business models – companies are going to need a lot of support in the near future. The necessity to adapt is huge.” That might involve developing new sources of supply outside Asia, ensuring home office connectivity or moving the sale of goods to the internet and attracting new customers.

There's no shortage of work. And as a result, consultants' optimism is returning. After the BDU's business climate index hit a historic low in March 2020, dropping to 70.4 as a result of the shutdown, a May survey of the association's member companies showed an increase to 75.7 points. While turnaround consultants, IT specialists and outplacement consultants – who help companies shed staff by supporting their efforts to find new work – are directly benefiting from the crisis and reporting a good to satisfactory level of business, the majority of management consultancies are expecting revenue to be similar to the comparable quarter of last year again starting from the fourth quarter of 2020.

It therefore comes as no surprise that a number of sectors within the consulting industry are already looking for permanent additions to their teams: 43% of IT consultancies are planning to hire new experts. A quarter of the BDU members in both strategy and organisational consultancies intend to recruit new staff. Experienced, competent career changers are definitely welcome – an opportunity for specialists and executives from industry who have lost their job to make a successful comeback.

Top consulting firm McKinsey is one of those sticking to its recruitment plans. It plans to bring a total of 850 new employees on board in 2020, including approx. 600 consultants. Bain & Company, another major player, is targeting its efforts at attracting people with digital transformation expertise, as well as specialists on new forms of leadership and team collaboration. It's looking to add around 250 new employees in German-speaking countries in 2020. Besides consultants, the firm is also seeking data scientists and product designers for its Digital Discovery Hub in Berlin, where specialists work on innovative concepts for clients.

Bain aims to make itself attractive to experienced career changers by wooing them with its "expert track". It's an interesting possibility, especially for IT cracks, but also for experts with industry-specific knowledge from fields like e-mobility or risk management in finance. Although this career model doesn't provide a pathway to partnership and salary ceilings kick in earlier than for classic consultants, it can nevertheless provide a perspective.

"Even medium-sized consultancies are happy to employ experts or former executives as long as they have the required expertise," says BDU president Strehlau. "That could include managers from controlling who know how to cut costs. But experience in buying and logistics is particularly sought-after as well," – provided the applicant has the necessary flexibility, is quick to learn, takes a team-oriented approach and is a strong communicator.

As to whether a new career in consulting is worthwhile when it comes to pay, there's no general answer. Strehlau explains that salaries depend on the industry being advised and the consultant's area of expertise. Whereas an experienced former supply chain manager can expect to earn about the same if he makes the change to the consulting industry, he says, a former chief digital officer will probably have to take a drop.

Those who used to shy away from a job in consulting because of all the travel involved will no doubt be pleased to hear Bain boss Walter Sinn refer to the home office as "the new normal". Before corona struck, consultants spent the majority of their working time with the client; now, virtual project work is showcasing its benefits. Sinn sees that as a huge learning curve. He estimates that between 30% and 50% of travel could become superfluous. But what concrete functions await prospective consultants? Three current consulting jobs are outlined below, together with the required qualifications.

Job in leadership consulting

Identification of weaknesses

The client's situation: The corona shutdown confirmed what many people at the medium-sized consumer goods manufacturer had already suspected: store-based distribution has had its day. Sales were dropping steadily. But the longstanding management team was half-hearted about digitalisation. Because the firm was

operating in the red, there was no money for switching to e-commerce. Talented staff members who had been hired to drive the digital transformation were resigning of their own accord. Many others at the company, which will remain nameless, were feeling frustrated and discouraged. "It can't go on like this," concluded the head of the

supervisory board. And he set a new goal for management: to achieve sustainable profitability within two years.

The solution: The supervisory board brought the global head of leadership consultancy Eric Salmon & Partners on board: Raoul Nacke. He was to examine whether the people on the executive team had the right mindset to implement a radical restructuring, including tough personnel decisions. And ascertain whether they are all pulling in the same direction. To find that out, Nacke and a colleague conducted a leadership journey with the four directors. The programme lasts several days and usually takes place in a location far removed from the office, e.g. at a monastery. Right now, video conferences are serving as an alternative.

The consultants started off by conducting one-on-one conversations with the participants in order to obtain a picture of the current situation from different perspectives. Specifically, the executives were asked to give their view on the planned realignment. Nacke: “We want to see how they deal with unforeseen things. Who clings to established but unsuitable solutions, who’s flexible, who’s a team player.”

Group discussions are the next step. Working in groups of two, the participants

develop proposals for dealing with concrete issues: how can distribution of product A be switched from bricks-and-mortar to online? What profitability goals are realistic? What does that mean for the organisation?

After the tandems had presented their results, all four participants developed a concrete plan that was intensely debated by the group as a whole – under the observation of the leadership experts.

These individual and collective assessments revealed that the management team needs to be reconfigured. One of the directors, who proved to be of the “Mr Know-All” variety, had a closed mind about the transformation in general and didn’t want to relinquish his position of power; he had to go. A new manager was appointed. Nacke’s conclusion: “The leadership team made a joint decision to strengthen online business through targeted investments over the next two years and to radically realign the organisation in keeping with the new objective. With its new member, management has acquired an expert who has already successfully implemented such a transformation. That’s a good starting point for the changes ahead.”

Consultant qualifications: an in-depth knowledge of leadership skills, empathy

Job in IT consulting

Creation of a webshop

The client’s situation: As a result of the lockdown, fashion chain Defshop had to close its eight shops in prime major city locations like the Köln Arcaden mall in Cologne. The company had also been selling its own hip-hop fashions and streetwear creations via other vendors, but that line of trade also

collapsed when shops all over the country were ordered to shut down. At the same time, online trade dropped by 30%.

“We were shocked,” says CEO Franco Lucá. But one thing was very clear to him: “What we need now is not just clever marketing

ideas; we have to update our webshop with state-of-the-art technology.” Up until then, the company’s digital presence had been homegrown.

Embracing the motto “If not now, when?”, the boss of a workforce numbering approx. 200 employees took action: in order to remain competitive and expand online sales beyond the borders of the EU, the Berlin entrepreneur, who makes annual turnover of approx. €110 million with fashion, invested more than €1 million in a new online shop.

The solution: Nexum, a specialist consultancy for platform systems based in Cologne, developed a master plan. One aspect was to create a modern look for the online shop and launch a number of multimedia gimmicks for turning the purchase of sneakers, shirts and co. into an experience. That included the possibility of sending targeted newsletters so as to alert customers to special offers that are particularly relevant to them.

However, it became apparent that there is a much bigger challenge in the background: the homegrown shop solution has to be translated into a new, expandable system designed for the smooth exchange of data not just with customers but with service providers too

– for dealing with payment transactions or logistics, for instance.

In the meantime, the virtually connected 10-strong consulting team is working flat out to implement the plan. Its members include a UX consultant with navigation expertise, IT specialists and developers. Nexum CEO Georg Köhl: “Our systems architects who take care of process optimisation and ensure the smooth integration of data within the complex software environment are particularly busy.” The devil is in the detail. Every day, a tandem consisting of one representative from the client company and one consultant swaps information in order to prioritise the upcoming tasks. In addition, at weekly meetings of the steering committee, the Nexum project leader reports to Defshop’s management on how things are progressing or where risks are becoming apparent. Because the timeframe for the investment is tight: the new system has to be up and running glitch-free by the time the Black Friday discount bonanza comes around on 27 November. Defshop CEO Lucá: “I don’t want any unpleasant surprises.”

Consultant qualifications: expertise in e-commerce, web design and UX, programming skills for cloud computing

Job in transformation consulting

Supply chain optimisation

The client’s situation: When commercial customers had to shut their businesses down overnight, some of the ladders, scaffolding, wheelbarrows, metal boxes and wheeled containers came back to the same Werner Co. distribution centres in France, the UK, Hungary, Germany and Scandinavia that they had been dispatched from.

“When we couldn’t drop the goods at the loading dock, it didn’t just mean everything

had to go all the way back to the depot. We also had to put everything in temporary storage and reschedule delivery, and then organise deliveries with the hauliers again,” says Thomas Erbedinger, Director Supply Chain Europe. As a result, costs for shipping and delivery were climbing while revenue was falling.

Erbedinger had already been thinking about optimising the downstream supply chain before the crisis struck. Werner Co., which generates

annual revenue of \$1 billion from B2B sales all over the world, had seen its warehousing and logistics structures grow unchecked as a result of various acquisitions. Even before the pandemic, that had led to scenarios like a German company in the trades sector having to wait longer than usual because the delivery came from various warehouses, which meant it didn't get the goods the day after they were ordered. Erbedinger was convinced that there had to be a better and more efficient way.

The solution: Düsseldorf strategy consultancy Advyce, which had been awarded the contract shortly before the shutdown, framed the Supply Chain Network Design Europe project as quickly as possible. Advyce partner and project leader Stefan Hecht explains the thinking behind it: "In order for Werner Co's customers to be served faster, more reliably and more cost-effectively, the flow of materials and goods at the group's European affiliates has to be optimised."

The starting point for shortening transport times, improving service and reducing

warehouse capacities is to extract and harmonise data from 10 different computer systems. Three experienced data specialists are currently tasked with collection and analysis prior to the deployment of a special software tool. Artificial intelligence will be used to identify savings and performance potential by comparing warehouse capacities, order volumes for individual products, consignment structures, key account locations, transportation modes and freight costs. The results will serve as the basis for developing logistics scenarios in several workshops to be held with the client in August; the most suitable approach will be implemented starting from November. The objective: to establish a new, efficient distribution structure in Europe – while simultaneously ensuring that it is better equipped to deal with logistics problems, regardless of whether they're caused by a strike or another pandemic.

Consultant qualifications: expertise and experience in IT and digitalisation projects, English skills, strong presentation skills