

### **Executive Summary of Research Assessment #3**

As I continue to research about the strategy consulting field - a subfield of management consulting - I focused on how data analytics is currently affecting the field and how the field is impacted by new technologies.

### **Research Assessment #3**

**Date:** September 18, 2020

**Subject:** Data Analytics and the Effects on Strategy Consulting

#### **MLA Citations:**

Ramić, Mario. "How Big Data Analytics Are Disrupting Strategy Consulting." *LinkedIn*, 24 Nov. 2019, [www.linkedin.com/pulse/how-big-data-analytics-disrupting-strategy-consulting-mario-rami%C4%87](https://www.linkedin.com/pulse/how-big-data-analytics-disrupting-strategy-consulting-mario-rami%C4%87).

#### **Assessment:**

As I continue my research in the field of strategy consulting - a subfield of management consulting - I decided to focus on how data analytics affects the field in the modern business world. So, for this week, I read *How Big Data Analytics Are Disrupting Strategy Consulting* by Mario Ramić, which discusses how data analytics and Big Data are affecting the field of strategy consulting.

Based on my knowledge that I have gained from past research assessments, strategy consulting deals with consulting firms providing insight for a company's future growth. As I have mentioned in previous assessments, strategy consulting piqued my interest, but now I think this field may be a risk to take in the future based on Ramić's article.

Ramić begins his article by talking about Clayton Christensen's Disruption Theory. Based on the Christensen Institute, the theory is used to explain "the

phenomenon by which an innovation transforms an existing market or sector by introducing simplicity, convenience, accessibility, and affordability where complication and high cost are the status quo." So, the basic idea of Christensen's theory is how data will affect the adaptability and the evolution of a company. Although, there are some critics, especially Joshua Gans, who thinks that Christensen only discusses the 'what' and the 'why' and not "how it happened in detail and which issues affected the disruption" (Ramić). I think that Christensen's theory adequately shows companies there is always room for innovation, but also his theory does not give the right guidance for companies to get to the next innovation.

After discussing Christensen's theory and some basics of strategy consulting, Ramić provides his own view on Big Data Analytics and Christensen's theory, and then discusses the reasons why the field strategy consulting has evaded disruption for so long. The first reason is opacity; opacity allows for consultants to have a both "a lack of transparency...[and the] analysis tools/processes" that clients did not know of until the arrival of technology (Ramić). The other reason why disruption had not caught up with strategy consulting for so many years is agility. Agility gave consultants and the consulting firms the advantage of both a "lack of too many fixed costs and a highly adaptable workforce," which allowed both firms and consultants to have the "potential to reinvent themselves" (Ramić). I believe that opacity was a huge advantage for consulting firms back in the day when information was not readily available for all, but I also believe that agility is a key factor in both development of a consulting firm's

innovation and in its consultants' skills; I would consider it as a key because at this point, it's basically Darwin's idea of "survival of the fittest."

Next, Ramić delves into the major reasons for the disruption of the field of strategy consulting. The first reason is that strategy consulting is being disrupted is that former client companies are using new analytical software; the software that these companies are using "Looker, Tableau or Microsoft Power BI [which] instantly analyse Big Data and generate reports and dashboards" (Ramić). I originally thought that such technology would be useful for strategy consultants, but it seems like client companies are using them just fine without the added insight from consultants. The next reason that strategy consulting seems to be jeopardized by disruption is the use of artificial intelligence. Client companies are now utilizing "AI software and analytics systems such as Accenture's Sheldon" which gives them the ability to take advantage of consulting firms' agility (Ramić). After looking at how the companies are taking away consulting firms' agility, it makes me want to reconsider my future career, because there is a possibility that technology will overtake the field by the time I join the workforce. The final reason behind the disruption of the field of strategy consulting is the availability of knowledge to everyone who uses the Internet; with the Internet, client companies are able to see "all the new data being shared publicly" (Ramić). I see this as a loss of consulting firms' opacity since they had little or no transparency in the past about their information.

Then, Ramić focuses on who the disruption is caused by both with generalizations of companies along with examples of each. The disruptors include: payment system providers (i.e. Stripe Square), market research firms (i.e. Gartner and Forrester), database providers (i.e. IMS Health), customer relationship management (CRM) platforms (i.e. Salesforce), Big Data analytics startups (i.e. Narrative Science, ScienceSoft, and BeyondCore), and marketing analytics startups (i.e. Cambridge Analytica and Motista) (Ramić). All of these examples that Ramić provides gives me some perspective for future reference when I start looking for work because I need to be cautious about what role I choose to play in a consulting firm due to technology reaching new heights at client companies.

As I continue my research, I think the best course of action is to focus on a management consulting subfield that is prospering and not one that is at risk of becoming obsolete.