



ASSOCIATION OF MANAGEMENT CONSULTING FIRMS
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**MANAGEMENT CONSULTANTS GATHER TO EXAMINE UPHEAVAL IN
THEIR INDUSTRY**

--Internet and Globalization Revolutionize Consulting Industry--
--Services Demanded by Clients Change with Unprecedented Rapidity--
--Consultants Stress Ethics with Inaugural "Award of Excellence"--

The Annual Fall Meeting of the Association of Management Consulting Firms (AMCF) kicks off on **Tuesday, September 21** in San Francisco with a look at the revolutionary and unprecedented pace of change facing management consultants today. Traditional businesses, challenged by the opportunities in the ever-widening web cast by the Internet, are turning to management consultants to help them chart new directions in this fast-changing world.

The broad range of skills required to help clients cope with these challenges has resulted in a wave of mergers and acquisitions in the consulting industry. Mergers and acquisitions in management consulting in the first quarter of this year alone have surpassed the annual total of such activity in each year prior to 1997. This trend is being fueled by a growing number of alliances between traditional consulting firms and cutting edge Internet companies. *Global IT Consulting Report* reports that the world's 50 largest IT consultancies grew nearly 35 percent in 1998, surpassing 1997's 27 percent growth rate.

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"The incredible number of IPOs and mergers are creating new opportunities for management consultants, but it's also forcing them to revisit the way they operate and the services they provide," said A.W. (Pete) Smith, Jr. chairman, AMCF, and recently retired chairman of Watson Wyatt Worldwide in Bethesda, MD. "This profession is now so dynamic that consultants must stay current to remain competitive." Indeed, the meeting's theme is "Playing to Win: How the Fittest Firms Compete and Survive."

"Since July alone, we've seen Cisco Systems invest \$1 billion into KPMG LLP in order to deliver Internet-based services to clients. And the venerable Mitchell Madison Group was sold to USWeb/CKS, another Internet consultancy," said Mr. Smith. "With this kind of high tech action, it's difficult to comprehend what the future holds in store."

Back to the Future: Y2K and Beyond

However, that's not stopping consultants from gazing into the crystal ball. Setting the tone for the gathering is the highly regarded expert on business growth and economic change, David L. Birch, president of Cognetics, Inc. in Cambridge, MA. Dr. Birch's keynote address on September 22 will explore "Revolutionary Changes in Economic Structures: New Markets/New Opportunities." He will examine who will hire management consultants as we enter the new millenium, and will probe what these new clients will need.

Introducing Dr. Birch and providing his own brief overview of the future of management consulting is Lanny Cohen, consulting services east area director, Ernst & Young, LLP, New York City.

Dr. Birch is known for his landmark research that first identified the critical role of innovation in job creation. His company has studied the cumulative behavior of more than 30,000 businesses and the ways by which they grow.

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Expanding on this theme, three experts in the management consulting profession will hold an interactive discussion, "The Competitive Playing Field," following the keynote speech. Karl Wilhelm Vogel, partner, Roland Berger & Partner GmbH, Munich, will look at how the rules of the profession are changing.

Michael Winkleman, senior vice president of editorial and production for *Chief Executive Magazine* and Wayne Cooper, president, Kennedy Information, will round out the discussion with data on consulting trends and market share.

"Clients demand not only our skills, but our foresight and vision, especially when the business world is changing as dramatically as it is today," said Ben DiSylvester, chairman, Robert E. Nolan Company, Dallas and chairman of the meeting's planning committee.

E-Business: Where I.T. Meets the Internet

One trend that is receiving a great deal of attention by management consultants is the monumental growth of the Internet. Consultants have seen the e-commerce share of their revenues grow at the phenomenal rate of more than 200 percent annually.

This is because e-business, which combines the Web's connections with the core processes that form a business, requires the planning and resources that management consultants bring to the table. The impact of e-business is evident in how service delivery channels operate, as well as in decisions related to marketing, branding and knowledge transfer. It dramatically changes how companies interact with customers, suppliers and employees.

"The Internet is revolutionizing how clients do business, driving how consultants serve their clients," said Elizabeth Ann Kovacs, president and CEO, AMCF. "This revolution is bringing about a marriage between traditional strategy-oriented consulting firms and young IT firms. E-business presents a totally new paradigm for consultants and their clients—an opportunity for further business growth."

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Kathleen Knous, principal with the IBM Consulting Group in Roswell, GA, will probe the ways in which e-business leverages the Internet to integrate and transform business processes into a single efficient system. She will present in the session "Managing the Firm in an e-Business Environment," on September 24.

It's a Small World After All: "International" is Not Necessarily "Global"

As the Internet makes it ever easier to reach out across the world, globalization of business continues to be a primary issue for consultants, especially for international firms.

Deloitte Consulting has spent three years defining the word "global" for the World Economic Forum in Davos, Switzerland. On September 22, Tom Doorley, a Boston-based partner with that firm, will reveal for the first time the variables that make an organization truly "global," not merely "international." The next major release of this information will not be until early 2000 in Davos.

On September 24, experts from Europe and Asia speak out. Jacques Reijniers, partner, PricewaterhouseCoopers, the Netherlands, addresses "Global Branding--Differentiating the Brand in the Competitive Market Place." He will investigate how to create global brand loyalty, how to leverage a brand across borders and how to take a national brand global.

Becoming a global company is enormously difficult because organizations tend to export their own domestic agenda, when what they must do is transcend it. Global marketing, in particular, requires sensitivity to local cultural issues and nuance.

Consultants who do business in Asia need to understand the issues that are critical to that corner of the world. Shunsuke Takahashi, representative with People Factor Consulting in Tokyo, will explain what it takes to consult in Asia and will provide specific examples from this work in human resources (HR) consulting in his talk, aptly titled "The Asian Perspective." HR consulting overall is expected to grow at an annual rate of 13.5 percent, according to *Consultant News*.

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Inaugural Award Recognizes Professional Values and Standards

As consultants change their practices to meet the needs of their clients, it becomes more important than ever for them to stay focused on unyielding and consistent guideposts. Among the most important are the industry's professional values and standards.

This year, AMCF will present its first-ever Award for Excellence in Management Consulting. Each year, this award will honor a person in the field of management consulting who has shown exemplary leadership, vision and professionalism. This first-time award goes to Professor Carl Sloane of the Harvard Business School. As further recognition of the high standards he has set, this award will from this point on be named "The Carl Sloane Award for Excellence in Management Consulting."

Professor Sloane is the Ernest L. Arbuckle Professor of Business Administration at Harvard University, Graduate School of Business Administration. At Harvard, his principal focus is on leadership of organizations undergoing significant change, whether strategic redirection, rapid expansion or organizational restructuring.

Prior to joining the faculty, Professor Sloane spent 30 years in management consulting, the last 20 with the firm he co-founded, Temple, Barker & Sloane, Inc., and its successor firm, Mercer Management Consulting, where he served as chairman and chief executive. He also has served as an advisor to the White House, other branches of government and to industry groups on issues involving business/government relations and policy formulation.

"When the business landscape is rapidly changing, it's paramount for consultants to hold fast to traditional values, or we lose our footing," said Mr. Smith. "I can't think of anyone who raises the bar higher than Carl Sloane."

AMCF is the premier international association of firms engaged in the practice of consulting to management. Founded in 1929 as ACME (Association of Management Consulting Engineers), AMCF today is the voice of the industry, promoting excellence and integrity in the profession.

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