Master’s Thesis

Study of the relationship between strategy consultants and entrepreneurial ventures

Challenges of advising an entrepreneurial venture. A study from the strategy consultant’s perspective.

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Abstract

This study investigates challenges inherent in the relationship between strategy consultants and entrepreneurial ventures in Sweden. Taking into account that every relationship is intertwined with challenges unique to only this specific kind of relationship, we were specifically interested in potential challenges that could occur in the mentioned relationship. In the depicted relationship every advice given by the external consultant may be perceived as an intervention by the client. Additionally, central issues connected to mission, strategic direction and restructuring are extremely hard to properly understand and decide on jointly. The consultant-client relationship can be viewed and researched from the client’s and from the consultant’s perspective. Having said that, we are going to focus on the consultant’s perspective: Which aspects do they perceive as the most challenging ones? And how do they succeed to manage the challenges in the relationship with their entrepreneurial clients?

From our literature review we derived that entrepreneurship is of crucial importance for the economic growth and development of the society, especially in Sweden where we focus our research on. Additionally, we found out that having a good strategy is an essential prerequisite for entrepreneurial ventures to grow. Since entrepreneurs frequently lack knowledge about strategic management, external strategic advice provided by strategy consultants can support entrepreneurs in their attempts to overcome their shortcomings. Moreover, external strategy consultants are regularly able to assess more realistically the client’s situation.

With the purpose of answering our research question and gaining in-depth understanding of the subject and obtaining respondents’ perceptions, we conducted qualitative research by making use of semi-structured interviews. With the objective of building the basis for our thesis, respectively our interview guide we reviewed the literature on management consulting, entrepreneurial ventures and strategic management. Through the interview process with six strategy consultants working with entrepreneurial ventures we analysed the challenges in the relationship and the ways for overcoming these challenges.

From an overall view, our empirical findings show the complexity of the relationship between strategy consultants and entrepreneurial ventures. The large number of discovered challenges and the interlinked nature of them supports this assessment. Our results contribute to the scarce literature about strategy consulting for entrepreneurial ventures. In addition, our findings also contribute from a practical point of view to practitioners by outlining potential challenges and solutions to overcome them. This knowledge can provide a helpful guideline for the strategy consultant in his ambitions to satisfy his entrepreneurial client. For the strategy consultant, this provides the basis to keep the client as his customer and through word of mouth, it is likely that this satisfied client will even recommend the consultant to other potential customers (clients).
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1 Introduction

This chapter will outline the scientific problem background of this thesis, our research question, the purpose of the study, our reasoning for selecting this particular topic and the objectives we intend to fulfil with our research.

1.1 Problem Background

“Counselling provision to meet the particular needs of entrepreneurs (or small business owners) necessitates a completely different approach to that used in the case of large companies.” (Klyver, 2008, p. 178).

Management consulting is an expanding area of service provision in the context of increasing competitiveness and rising complexity in organisational life (Fincham, 1999, p. 342). In its turn, strategy consulting is an excessively growing area of management consulting (Kubr, 2002, p. 265). Johnson et al. (2014, p. 3) in their book on strategic management define strategy as “the long-term direction of an organisation”. A similar definition of strategy is provided by Rumelt (2011, p. 6) who determines: “Strategy is about how an organisation will move forward.” Strategy consulting is concerned with “the very existence, mission, strategic direction or restructuring of the client’s company” (Kubr, 2002, p. 265).

Entrepreneurial ventures serve as an origin for new working places and can subsequently contribute to economic growth and development of the society (Damgaard et al., 2004, p. 165). Moreover, entrepreneurial ventures facilitate increased innovativeness of products and services (Lorrain & Laferte, 2012, p. 37). Considering these factors, the Swedish government in 2013 formulated the objective to increase the number of new and growing companies and to spent about 170 million Swedish crowns to support small businesses (Longui & Nystrom, 2014, p. 275). In line with that investment, Sweden, the country where we focus our study on, can be regarded as a favorable environment for entrepreneurial ventures since it strongly promotes entrepreneurship and innovation (Rasmussen & Sorheim, 2006, p. 188). Hence, we take the view that from the strategy consultant’s perspective this situation can potentially lead to a considerable number of new assignments from entrepreneurial clients.

Entrepreneurial ventures often lack several skills and competences in terms of strategic planning and problem-solving (Storey & Greene, 2010, p. 24). Several studies show that insufficient planning efforts and planning expertise are the reasons that may lead to the failure of small businesses (Storey & Greene, 2010, p. 24; Delmar & Shane, 2003; Burns, 2011, p. 291). Different authors conclude that aspiring to get help from external strategic assistance is crucial for the success of the small business (Nahavandi & Chesteen, 1988, p. 29; Robinson, 1982, p. 91; Chrisman & Leslie, 1989, p. 38). For entrepreneurial ventures it is characteristic that they on the one hand typically lack human and financial resources as well as managerial competences (Lorrain & Laferte, 2012, p. 38), but on the other hand typically strive to grow (Carland et al., 1984, p. 357). In line with these discoveries, different authors state that their shortcomings in managerial competences can especially be found in the field of strategic management (Storey & Greene, 2010, p. 291; Honig & Samuelson, 2012, p. 369). Building on these literature findings, we believe that their expectations towards the service delivery from the strategy consultant are even increased.
One interesting aspect is that the probability of seeking external help increases as entrepreneurial ventures become older and move forward, since entrepreneurs’ perceived value of engagements with management consultants increases (Klyver, 2008, p. 188). Another interesting aspect is that multiple examples show that for the strategy consultant, as opposed to the other types of management consultancies, the risk of being rejected and ignore by the client is extremely higher (Kubr, 2002, p. 265). With regard to these statements as well as the literature findings that we revealed in the previous paragraphs, we argue that for strategy consultants the need for deeper knowledge and a deeper understanding of possible challenges inherent in this relationship is very high.

As addressed above, every client when assigning a consultant has certain expectations and to satisfy him the consultant needs to meet them (Kakabadse et al., 2006, p. 425). With respect to the focus of our thesis, we take the stand that anything that prohibits the strategy consultant from satisfying the entrepreneurial client can potentially constitute a challenge for him. This assessment is of importance for the strategy consultant since generally it can be observed that the more complex the consultant’s task is (as it is true for strategic advice), the greater is the risk of having a disappointed client in the end of the consulting project (Nikolova et al., 2009, p. 294).

The literature about the consultant-client relationship predominantly treats in a more general approach the interaction between management consultants and small business clients. Hereby, these studies regularly neither distinguish between the different types of management consultancy, nor do they differentiate between the different types of small business clients (for example Christensen & Klyver, 2006; Bennet & Smith, 2004; Nahavandi & Christeen, 1988; Robinson, 1982; Chrisman & McMullan, 2004). Building on this finding, we perceive that the relationship between strategy consultants (as a special type of management consultancy) and entrepreneurial clients (as a special type of small businesses) has been treated scarcely in academic literature. This perception is supported by Damgaard et al. (2004), who - in their article about the relationship between management consultants and entrepreneurial clients - consider the existing knowledge base in this field as “nonexistent” and hence call for more research. In addition, Lorrain and Laferte (2012, p. 38) note that the existing research base with regard to external managerial support for entrepreneurial ventures is still limited. These observations supported our decision to choose this topic and lead us to our research question as stated in chapter 1.2.

1.2 Research Questions

*What are the challenges for the strategy consultant in the relationship with an entrepreneurial venture and how can he successfully overcome these?*

1.3 Purpose of the Study

The first main objective of our study is to reveal challenges in the relationship between strategy consultants and entrepreneurial ventures as their clients from the consultant’s perspective in Sweden. Building on these findings the second main aim of our research is to find out by which means a strategy consultant can overcome these challenges.
Having outlined the main purposes, in the following accomplishments we will be elaborate on them in order to facilitate the reader’s understanding of our deeper-lying motivations: To begin with, we will provide current and future strategy consultants with an extensive list of challenges that they might have to cope with when advising an entrepreneurial venture. On the one hand, for current practitioners this can prove of particular usefulness in case they lack a profound reflection upon their consulting approach. Subsequently, after having reflected upon their acting, they can modify their consulting approaches based on our empirical findings and the subsequent analysis. On the other hand, inexperienced, future strategy consultants will gain a helpful orientation and will be equipped with practical insights for effective negotiation for their first consulting engagements.

Considering that every consulting engagement is characterized by a mutual relationship involving both sides, our research findings can be also of value for entrepreneurs and help them to reflect upon their own behaviour. Taking the consultants’ statements into account, they subsequently can modify their behaviour in order to facilitate the effectiveness and efficiency of the consulting engagement. They can play their part to reduce the challenges that the strategy consultant perceives. However, since we aim to focus only on the strategy consultant’s perspective, we will make no further elaborations with regards to this aspect of our research.

We aim to fulfill those objectives by using a deductive approach to generate new knowledge in this academic field. In order to acquire the necessary data we aim to conduct semi-structured interviews with strategy consultants working with entrepreneurial ventures. Thereby we aim to gain insights from the consultant’s perspective regarding the challenges that are connected with this complex relationship. The strategy consultants will be encouraged to share their experiences of best practices and lessons learned from failures.

List of Objectives

- Providing a list of challenges for strategy consultants in the relationship with entrepreneurial ventures as their clients
- Providing insights how a strategy consultant can overcome each of the challenges

1.4 Choice of Subject

We are two master students who study the programmes “Management (M.Sc.)” respectively “Business Development and Internationalisation (M.Sc.)” at Umeå School of Business and Economics at Umeå University. The first module of our programmes “Perspectives on Strategy”, provided us with a broad approach on strategic issues for companies of all types and sharpened our interest for the academic field of strategic management. The subsequent module “Strategic Planning and Processes” in which we acted as strategy consultants for a real-life local company evoked in particular our interest for the academic field of strategy consulting.

When initially immersing ourselves to this academic field we got familiar with the huge economic dimension of the strategy consulting industry. On the one hand, this dimension can be revealed with regard to the revenues of companies that provide services in terms of strategy consulting. On the other hand this dimension can be noted with regard to the
impact that strategy consultants have on important strategic decisions within the client companies. Thereby strategy consultants have ultimately a huge influence on developments in our society.

Building on our interest for the strategy consulting industry, we see a career in this industry as one promising career path for us that we can imagine to pursue after our studies. One of us even absolved an internship in one of the leading management consulting companies which further increased our interest in this topic. In addition to our interest in strategy consultancy we can also call “entrepreneurship” as an academic field of our interest since we admire people who have the courage to start an own business and thereby try to make a positive difference to the world, respectively to the society we live in.
2 Theoretical Framework

This chapter includes theories relevant and applicable to our investigation which constitute the foundation of our research. The reader will be presented and familiarized with the existing knowledge base in order to be able to scrutinize our study subject and evaluate our further proceedings. The chapter begins with the presentation of the parties under investigation and ends with our reasoning behind the conceptual model of our study.

2.1 Management (Strategy) Consulting. Purposes.

In this first subchapter we aim to outline the basic principles of management consulting, respectively strategy consulting in order to provide the reader with a profound introduction into the topic. More precisely, we strive to present the purposes of consulting practices in terms of strategy in order to make the reader familiar with the profession of strategy consultants. Building on these purposes, this subchapter has the further objective to delimit strategy consulting from other management consulting areas.

Consulting is an advisory service. With the purpose of explaining the nature of this service words such as ‘help’ and ‘assistance’ are also used frequently. Consultants are in charge of giving recommendations and suggestions, as well as training and support to their clients (Kubr, 2002, p. 7). Stroh and Johnson (2006, p. 3) come up with the following definition of consultants: “A consultant is defined as someone who either advises a client - another person or an organisation - on desirability of taking some action, who assists the client in making a decision and then assists the client in planning or implementing action as determined by the client.” Consultants are external knowledge creators and develop ideas into practices and techniques (Fincham, 1999, p. 336).

Consulting on managerial issues in a company called management consulting, is essentially a “problem finding and problem solving activity” (Stumpf & Tymon, 2001, p. 52), where the client shares a gap or an obstacle that exists and hinders his business. Those gaps may be related to further direction, performance or general understanding of the market (Stumpf & Tymon, 2001, p. 52). Creplet et al. (2008, p. 1518) regard management consultants as professionals who are aware of a large set of business problems as well as a large set of solutions. The authors point out that management consultants typically have knowledge from varying industries and possess the capability to identify a problem and match a solution to it (Creplet, 2008, p. 1518)

Turner (1982, p. 121) was the first author to present a hierarchy of purposes of consulting. He identified the following eight purposes which can be distinguished into “traditional purposes” (purposes 1-5) and “additional goals” (purposes 6-8) and which can be visualized in a pyramid:
Figure 1: Turner’s hierarchy of consultant roles. Source: Delany (1995, p. 100).

Turner (1982, p. 121) further reveals that “moving up the pyramid toward more ambitious purposes requires increasing sophistication and skill in the processes of consulting and in managing the consultant-client relationship.” Delany (1995) in his study approved that these purposes can be considered as the essential ones for strategy consultants when formulating and implementing a strategy in the engagement with the client.

While the stated framework developed by Turner (1982) can be considered as very sophisticated, a less sophisticated categorization of management consulting purposes was provided by Knight et al. (1991, p. 6). In this framework, he distinguishes between the following purposes:

1. Solve a specific problem that the client has identified
2. Solve a problem that must be identified
3. Confirm a client’s solution
4. Implement a strategy which the client’s management has developed

While this categorization, in contrast to Turner’s hierarchy of eight purposes cannot be regarded as equally exhaustive, we regard the third purpose as particularly interesting since this purpose goes beyond the scope of Turner’s framework.

Appelbaum and Steed (2005, p. 70) in their research show the reasons why the client should involve external management consultants. The authors argue that management consultants: provide competence which is not available everywhere, their experience is varied, they are focused and have time to work on a specific problem, they are independent and professionals in their sphere (Appelbaum & Steed, 2005, p. 70).

Services provided by management consultants can include most notably: strategy, human resources, operations and informational technologies (Gross & Poor, 2008, p. 62). Informational technologies (IT) consultants help companies to integrate and develop their complex technology. IT consultants possess expert knowledge in technology (Kubr, 2002, p. 287). Human resources consultants (HR) are called by the client when an
organisation lacks suitable manpower and finds it extremely hard to employ right competent staff. These consultants recruit and select the right people on behalf of the company (Kubr, 2002, p. 386). Operations consultants help their clients to increase quality and productivity of their products (outputs) as well as optimization of their production, value-chain and transportation. They act as industrial or technology experts (Kubr, 2002, p. 361).

Having outlined the other different types of management consultancy, at this point we want to emphasize that this distinction can be regarded as the ideal–typical differentiation. In real management consulting life, however, there can exist noteworthy overlaps between these different types. Having said that, in our study we will focus on advices of strategy consultants. Thereby we aim to take a broad approach on external advices in the field of strategic management. Taking into consideration the previous remarks, we acknowledge that alternatively the other types of management consultancy could have been also researched just from the strategy viewpoint.

Our focus on strategy consulting is supported by the observation that in terms of the mentioned other types of management consultancy, clients regularly let externals take care of those activities without further being involved in the process due to their perceived lack of their own expert knowledge in that field. With the objective to save money, entrepreneurial ventures frequently outsource these activities to external parties who are specialized in carrying out these activities. As a consequence, the entrepreneurial ventures are able to focus more on important activities which they are capable of doing right themselves (Scarborough, 2011, p. 412). In contrast, while engaging with strategy consultants entrepreneurs’ sensitiveness and concern increases, since “strategy is about key issues for the future of organisations” (Johnson et al, 2014, p. 3). Building on this appraisal, it can be further assessed that strategy is “vital to the future survival of (...) organisations” (Johnson et al., 2014, p. 3). In line with this assessment, the authors state that strategic issues are not only of crucial importance for all (kinds of) organisations, but also to every employee who works in these organisations (Johnson et al., 2014, p. 3). Chrisman and Leslie (1989, p. 39) state that lack of a strategy, respectively strategic planning in a new firm is likely to lead to business failure likewise lack of knowledge about financial as well as other management issues. Strategy consultants make major contributions to “the development of strategic thinking and practice” in client organisations (Delany, 1995, p. 102).

“The formulation and implementation of a strategy is a complex task for organisations, made more difficult by a rapidly changing and increasingly competitive environment” (Payne & Lumsden, 1987, p. 53). This can be regarded as one central reason why entrepreneurial ventures are seeking the help of external strategy consultants.

To define the term “strategy consulting” is not an easy task since this academic field of management studies is very complex. Michael Younger, the then Managing Director of the leading management consulting company Arthur D. Little, resumed that “there are as many definitions (of strategy consulting) as practitioners” (cited in Payne & Lumsden, 1987, p. 53). Even if a concrete definition of that term might be difficult, it can at least be pointed out what this term, respectively the profession connected to that term, comprises.

In general, there are three hierarchical levels of strategic work in companies: the corporate level, the business level and the functional level (Payne & Lumsden, 1987, p. 58).
authors, in their article on strategy consulting outline that with regard to the term “strategy consulting” there can be distinguished between a rather narrow or a rather broad perspective. The narrow perspective covers only the corporate and business level and has additionally a strong accentuation just on the formulation of strategy (Payne & Lumsden, 1987, p. 59). The authors further reveal that the broad perspective on strategy consulting includes all three levels (corporate, business and functional) and also covers the formulation as well as the implementation of strategy.

2.2 Entrepreneurial Ventures

As it can be derived from the topic of our thesis and our research question, our thesis deals predominantly with two actors: strategy consultants and entrepreneurial ventures. After having taken a closer view on the purposes of strategy consultancy, this subchapter serves to facilitate the reader’s understanding of the client’s side, in our thesis the entrepreneurial ventures.

Entrepreneurship can be defined as an act of “creation of a new enterprise” (Johnson et al., 2014, p. 17). The entrepreneurial firm differs first and foremost from the ordinary small firm in terms of traits that its owner (the entrepreneur) possesses, specifically: the need for achievement (goal orientation), the internal locus of control, the need for independence, the need for responsibility, and the need for power (Carland et al., 1984, p. 356). On the on the one hand, small business owner and entrepreneur share similar characteristics since they are regularly influenced by an uncertain environment in which they have to operate (Storey & Greene, 2010, p. 30). On the other hand, entrepreneurs, compared to small business owner typically possess proactive behaviour, are risk takers and engage in innovative activities (Runyan et al., 2008, p. 569). In line with this remark, Zahra (1993, p. 6) in his study on the organisational level of entrepreneurship, identified that what makes a firm entrepreneurial is strong commitment to innovation, risk taking and a proactive mindset. With reference to the previous exemplifications, we conclude that characteristics of the entrepreneur on the personal level overlap with characteristics of the entrepreneurial venture on the organizational level. Building on this line of argumentation, we perceive both levels as interconnected and inseparable. Because of that assessment, we make no differentiation between the personal and organizational level in our research.

Another important feature that distinguishes the entrepreneurial venture from the ordinary small firm is that - irrespective of the size of the entrepreneurial venture - the entrepreneurial venture always strives to grow (Carland et al., 1984, p. 357). Having said that, we want to point out that our literature review includes an overview of management consulting for small businesses. The reason for this decision is that, despite mentioned differences, we perceive an entrepreneurial venture still as a small business and in the relevant contexts of this thesis, the mentioned differences are not of decisive value. Ventures can be classified as entrepreneurial when their strategic behaviour includes (Carland et al., 1984, p. 357): introduction of new goods, introduction of new methods of production, opening of new markets, opening of new sources of supply and industrial reorganisation.

Entrepreneurs in establishing their businesses have their own motivations and attitudes towards their ventures. Jayawarna et al. (2013, p. 35), in their study reveal several factors that stand out as a motivation. These motivations can be divided in two categories, namely
economical and non-economic motivations. With regard to their study, the interesting finding is that entrepreneurs frequently are more concerned with non-economic motivations, and that these are of more influence to their venture. Hence, in the entrepreneurial context the purpose of the strategy consultancy may vary distinctly based on the particular motivation of the owner and decision maker (the entrepreneur).

Entrepreneurs, due to their high propensity to take risks, their optimistic nature about the outcomes of every taken decision and their desire for autonomy frequently desire not to have a detailed strategic direction for their ventures (Storey & Greene, 2010, p. 24). However, Delmar and Shane (2003) in their study of new Swedish businesses’ survival rates, found out that there is a significant benefit of written strategic documents for entrepreneurial ventures, first and foremost because they speed up decision making. Moreover, strategic planning affects positively the venture’s growth (Storey & Greene, 2010, p. 297). Burns (2011, p. 291) in his book about entrepreneurship evaluates the existence of a strategy as an important ingredient of success for the entrepreneurial venture. Moreover, the author argues that without the existence of a strategy, a business fails to survive as well as with a bad strategy (Burns, 2011, p. 291). Burns (2011, p. 345) further outlines: “To achieve growth a company should build on its strengths and core competences, shore up its weaknesses and develop a marketing strategy for each offering.” When entrepreneurs tend to be over optimistic a strategic plan can be a good reality check, and is critical, since entrepreneurs having innovative products/services need to make frequent strategic adjustments (Storey & Greene, 2010, p. 291). The authors further explain that entrepreneurs “frequently spend time on pursuing the opportunity rather than writing a plan on how to pursue it” (Storey & Greene, 2010, p. 291).

2.3 Role of Management Consultants

From the literature in this field we could derive that the specific role that management consultants take in the consultant-client relationship has to be considered particularly due to its huge influence on this relationship. Different authors have developed different frameworks when they aimed for differentiating the roles that the consultant can take in the depicted relationship. Those that we evaluated as considerable, we will present and set in relation to each other in this subchapter.

Orientating on the consultant’s level of activity in the problem-solving process, Lippitt and Lippitt (1978) propose a framework of the consultant’s roles with two extremes: “directive” and “non-directive” (cited in Pellegrinelli 2002, p. 345). As the consultant becomes less directive his role changes from “advocate” at the one extreme where the level of consultant’s activity is the highest to “objective observer/reflect” at the other extreme where the level of consultant’s activity is the least (Clark, 1995, p. 89). The emphasis of this framework is that the roles played by the consultant and the client in the relationship are mutually exclusive. Moreover, the special characteristic trait of this framework is to illustrate that the different levels of activity of the consultant can be visualized as a continuum.
Figure 2: Description of the consultant's role on a directive and nondirective continuum. Source: Lippitt & Lippitt, 1978; cited in Pellegrinelli (2002, p. 345).

Directive behaviour implies a leadership position of the consultant, when he gives directives to the client in terms of what to do. In that case, he is the initiator of activities (Kubr, 2002, p. 73). Kubr (2002, pp. 73-76), in his book distinguishes in this framework between the following roles: The Advocate role is undertaken by the consultant when he tries to influence the client and directs him in the problem-solving process. The Technical expert role of the consultant is based on his expertise knowledge and its provision. The consultant defines objectives and plays the directive role until the client gets familiar with the approach. Similarly, the trainer/educator with the purpose of helping the client to get necessary knowledge, trains him and designs learning experiences. The Joint problem solver cooperates with the client, offers several alternative solutions and objectively helps him to decide on the most suitable solution. Every decision has its costs and the Alternative identifier assists the client in discovering solutions, retrieves them, shows consequences and allows the client to make the final decision. The Fact finder role is similar to the role of the researcher, where the consultant searches for and shows sources of data and techniques involving the client in data gathering, examination and discovering areas in the need for improvement. The Process counselor raises issues of how the things are done and what can be jointly solved, mainly giving feedbacks and developing an integrative relationship. The Reflector asks questions for reflection and stimulates the client to come up with a decision regarding the specific situation.

While the previously presented framework developed by Lippitt and Lippitt (1978) stresses the mutual exclusivity in terms of the consultant’s and the client’s level of activity, the framework developed by Canato and Giangreco (2011) has a very different emphasis. Moreover, while the former visualizes the consultant’s role on a (non)-directive continuum, in the latter, the roles that the consultant can take are more distinct from each other and therefore cannot be illustrated on a continuum. Another considerable difference is that the framework developed by Canato and Giangreco (2011) only differentiates between four roles and consequently comprises only half the number of roles in comparison to the framework developed by Lippitt and Lippitt (1978). In their framework, Canato and Giangreco (2011) distinguish between the following roles: Information sources, Standard setters, Knowledge brokers and Knowledge integrators. The differences between these four types of consultant roles in terms of their main purpose, their source of legitimation and their locus of experience can be derived from the table below.
Table 1: Typology of the Role of Consultants in Innovative Activities. Source: Canato & Giangreco (2011, p. 236)

<table>
<thead>
<tr>
<th>Information sources</th>
<th>Standard setters</th>
<th>Knowledge brokers</th>
<th>Knowledge Integrators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Purpose</td>
<td>Provide customers with specific information about market or technological trends</td>
<td>Propose and diffuse the same solution for different customers</td>
<td>Help customers develop original solutions</td>
</tr>
<tr>
<td>Source of Legitimation</td>
<td>Greater expertise and established experience in a given industry</td>
<td>Reputation</td>
<td>Experience in different industries</td>
</tr>
<tr>
<td>Locus of Experience</td>
<td>Better availability of information. Multiple contacts with firms and institutions of the industry.</td>
<td>Brand; development of new standards.</td>
<td>Brokering mechanisms (e.g., contacts, use of knowledge databases).</td>
</tr>
</tbody>
</table>

In comparison to the two presented frameworks developed by Lippitt and Lippitt (1978) as well as Canato and Giangreco (2011), a distinctly less sophisticated differentiation in terms of the functioning of the consultant has been provided by Sarvary (1999). In his article, Sarvary (1999) takes a very rough approach on the matter when only distinguishing between two consultant types: the “general consultant” and the “specialist consultant”. One central distinctive feature between these two consultant types is that the “general consultant” provides only one solution to the client whereas the “functional consultant” offers a range of solutions from which the client subsequently can choose the one that he likes most. Another important distinguishing characteristic is that the solutions that the “generalist consultant” provides are more context-specific while the “functional consultant” offers highly standardized solutions (Sarvary, 1999, pp. 98-99).

Nees and Greiner (1985) provided a framework with the special focus on the role of strategy consultants. In comparison to the previously presented frameworks, in terms of its overarching structure, this framework seems to be closest to the framework provided by Canato and Giangreco (2011). We come to this evaluation since the consultant roles in both of these frameworks can be regarded as very distinct from each other and therefore cannot be visualized on a continuum. In addition, in terms of the number of enclosed roles, the framework developed by Nees and Greiner contains only one role more than the framework provided by Canato and Giangreco (2011). Having said that, in their framework, Nees and Greiner (1985) distinguish between the following roles that strategy consultants can play in the consultant-client relationship: Mental adventurer, Strategic navigator, Management physician, System architect and Friendly co-pilot. The following table explains each in terms of differences and inherent characteristics:

Table 2: Strategy Consultants Roles. Source: Adapted from Nees and Greiner (1985)

<table>
<thead>
<tr>
<th>Mental Adventurer</th>
<th>Strategic Navigator</th>
<th>Management Physician</th>
<th>System Architect</th>
<th>Friendly Co-Pilot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key characteristic(s)</td>
<td>Complex problem solvers. Multifunctional teams of highly-specialized experts: they are at the</td>
<td>Identifies critical choices that are related to the future direction of the client’s firm. Develops / offers innovative conceptual</td>
<td>Challenges and often redefines the focal problem stated by the client</td>
<td>Specializes in the design and installation of management systems. Places emphasis on achieving greater</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Sole practitioners from the local network who act as a sounding board,</td>
</tr>
<tr>
<td></td>
<td>leading-edge of knowledge</td>
<td>models and analytical tools.</td>
<td>rationality and efficiency of client’s decision-making</td>
<td>resp. shoulder to cry on for CEOs</td>
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<tr>
<td><strong>Collaboration with client</strong></td>
<td>Interaction with client’s top R &amp; D personnel, long-range planning and engineering staff</td>
<td>Marginal contact with the executives during the assignment. Conclusions are delivered at the end.</td>
<td>Day-to-day collaboration with the client’s line executives. Frequent and informal feedback meetings with client</td>
<td>Close collaboration with client required (especially accounting and personnel specialists)</td>
</tr>
<tr>
<td><strong>Quant. / qual. approach</strong></td>
<td>Quantitative: focus on hard data. Rigorous statistical analysis</td>
<td>Quantitative: collects large amounts of data / detailed analysis of hard data</td>
<td>Qualitative: interviews with client’s executives</td>
<td>Not clear</td>
</tr>
<tr>
<td><strong>External / internal focus</strong></td>
<td>External: hereby focus on technological considerations</td>
<td>External: hereby focus on economic considerations</td>
<td>Focus on internal aspects: structure, culture, management values, leadership capabilities</td>
<td>Focus on internal aspects</td>
</tr>
<tr>
<td><strong>General / specific approach</strong></td>
<td>Specific dimensions of a broader problem are tackled thoroughly in a scientific manner</td>
<td>More general: Dealing with big strategic questions about competitive positioning</td>
<td>General / holistic view. Broad diagnosis</td>
<td>Specific approach: narrowly defined problem that requires a technical solution</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Only formulation, no assistance with implementation</td>
<td>Only formulation, no assistance with implementation</td>
<td>Deeply concerned with implementation</td>
<td>The whole process until implementation</td>
</tr>
<tr>
<td><strong>Main drawbacks</strong></td>
<td>The client has to translate the scientific language used by the consultants. Lack of recommendations. The client is left alone with the implementation.</td>
<td>No support in implementation is provided to the executives. Do not help line executives in the change process</td>
<td>Lack of expertise about environmental market changes / trends</td>
<td>Lack of general perspective. Real problem might remain undetected. Has a pre-established set of tools and procedures.</td>
</tr>
</tbody>
</table>

### 2.4 Consulting Process

“Of all the relationships that executives enter into with outsiders, perhaps none is so tainted by misunderstanding as the engagement of management consultants” (Turner, 1982, p. 120).

In our theoretical framework we have so far at first described the two actors of the relationship that is to be researched: consultants and clients. Subsequently we have elaborated on the role that the actor, from which perspective we are looking on the topic, can take in this relationship. Building on these reviews, the following subchapter has the central purpose to make the reader aware that the consultant-client relationship should not be imagined as a fixed construct, but rather as a fluent process.
This statement made by Turner reveals the complexity and profundity of the relationship between managers in an organization and external consultants when engaging on a joint project. Another aspect of difficulty in this relationship is brought forward by Christensen and Klyver (2006, p. 309), who argue that the communication between the consultant and the client is trapped between two different starting points of reflection: While the consultant is mainly preoccupied with the limits of his profession, the manager of the client company primarily is said to concentrate on the unique history and context of his business (Christensen & Klyver, 2006, p. 309).

When the client assigns the consultant to solve a detected (managerial) problem, one of the first activities of the consultant has to be to check, if the stated problem is the real problem (Turner, 1982, p. 123). In case the client should lack more profound business knowledge, the chances are that the client evaluates the symptom of the problem (e.g. a decrease in revenues) as the central problem and thereby misses to find out about the real underlying problem that needs to be solved. Because of that, consultants are required to develop a profound comprehension of the client’s industry and the external environment as well as the internal processes of the client’s company. Intervention, claims and desires of the client constrain the consultant’s freedom to a varying extent and can accordingly narrow his domain (Pelligrinelli, 2002, p. 352).

One reason for that is, as it is typical for the nature of services, that the services that the consultant provides are intangible (Nees & Greiner, 1985, p. 69). The quality of the consultant’s work and the provided results are hard to forecast and any judgement of the work can mainly only be done after the termination of the project (Nees & Greiner, 1985, p. 69). And even after delivery, the evaluation of the quality of the consultant’s work can proof to be difficult for the client (Haverila et al., 2011, p. 1356).

Another issue for the consultant in dealing with the client, is a fact that the consultant’s task consists not only of identifying needs, but also understanding client’s wants, and then relate to them through asking relevant questions. What the client presents as his needs, may be not what he actually wants, “what they say they want is not necessarily really what they want” (Stumpf & Longman, 2000, p. 128).

According to Haverila et al. (2011, p. 1356), dimensions related to the process of delivery of the service, that contribute to the post-purchase satisfaction are: understanding of client’s needs and interests (expectations); relationship and communication skills. With the purpose of meeting the client’s expectations, and thereby consequently satisfying him, we argue that the consultant should overcome all the challenges that he faces during the relationship with the client.

Kakabadse et al. (2006, p. 436), in their study show three issues to appeal representing the consulting process:
The role of the consultant influences the client-consultant relationship (Pellegrinelli 2002, p. 344) and there is a link between the role of the consultant and the level of client’s expectations (Kakabadse et al., 2006, p. 438). Client’s expectations about the consultant’s role lead to an idea generation and influences the outcome of the relationship. The interception point of the client’s expectations, the consultant’s role and the consultant-client relationship is where the business consultant perceives his own role and his contribution to the client’s organisation. In our literature review we elaborate on each of them: the consultant’s role, the relationship with the client and the client’s expectations. According to Kellogg (1984, p. 160) “lack of the role clarity leads to conflict and violation of expectations put a strain on the client-consultant relationship”.

2.5 Consulting for Entrepreneurial Ventures

“Seeking help from outside consultants is essential to the success of small businesses” (Nahavandi & Chesteen, 1988, p. 29).

After having introduced the consulting process, this subchapter serves as a more in-depth elaboration on management consulting for entrepreneurial ventures. The reason to include this subchapter is that we argue that from the consultant’s perspective, it is important to take the characteristics of entrepreneurial ventures into account.

Klyver (2008, p. 180) in his study reveals that small business owners and entrepreneurs use consulting services less than large companies. Since owners of small ventures in general are often not “capable of evaluating those services” we can derive that demand for consultancy is low also among entrepreneurs in comparison to large enterprises. This matter is inherent to entrepreneurial ventures, since entrepreneurs frequently cannot identify their own needs and their “role as a client” and they cannot act as “professional counterparts” (Christensen & Klyver, 2006, p. 300).

In addition to the above mentioned entrepreneurial characteristics they tend to break rules and do not “need structure support or an organization to guide their thinking” and like to “have autonomy in what they do” (Stumpf & Tymon, 2001, p. 51). Their perception that they already know what is the best for their business, independence and control for their own fate often serves as an impediment for an entrepreneur to seek consultant’s advice or unwillingness to cooperate and listen to him. While management consulting is all about “analysis and influence”, entrepreneurship is “concerned with vision and action” (Stumpf & Tymon, 2001, p. 51).
Johansson (1999) was one of the first authors to investigate factors which constitute difficulty in consulting an entrepreneur. He developed a matrix which consists of two dimensions: “Complexity of the advisory situation” on the x-axis and “Knowledge asymmetry” on the y-axis. Based on these dimensions it can be derived how the nature of the relationship between the consultant and the entrepreneurial venture changes from: professional knowledge transfer and manipulation to exchange of experience and dialogue (Johansson, 1999 cited in Damgaard et al., 2004, p. 168). Each proportion in terms of the two dimensions determines the degree of mutual involvement into the consultancy process and brings its own challenges.

![Figure 4: A model of four collaborative regimes in management consulting. Source: Johansson 1999; cited in Christensen & Klyver (2006, p. 307).](image)

Kubr (2002, p. 560) highlights the fact that “the counsellor must be scrupulously neutral in every aspect”, but to what extent is this actually true? Do entrepreneurs get in touch with consultants just to have an external opinion, or do they expect to be dominated by his expertise and get ready solutions that they can subsequently implement?

Going back to the framework developed by Johansson (1999) introduced above, that is again an issue of knowledge asymmetry and imprecise problem definition. Consultants, compared to entrepreneurs need to be “intelligent, and exhibit professional courtesy” (Stumpf & Tymon, 2001, p. 49). Another issue for consultants is entrepreneurs’ reluctance when they do not want to provide outsiders with the facts related to their business and struggle in identifying whether a consultant is of competence (Kubr, 2002, p. 550). Entrepreneurs may often get a negative perception of consultants, believing that the solution provided does not fit their needs and consultants just do not understand their business (Audet & Couteret, 2012, p. 518). However, it is argued that small sized businesses are in more need of acquiring external advice inputs than large companies (Bennet & Smith 2004, p. 436). Since, for larger companies there is always another way to obtain external advice and knowledge, such as open innovation, intrapreneurship and hiring an internal consultant. Especially in entrepreneurial context the need is even more considerable, since entrepreneurs need to find a good balance between their innovative trait and “creative thinking and need for structure and formalization” (McAdam & Marlow 2007, p. 375).
Robinson (1982) in his study shows beneficial outcomes of involving outsiders in strategy development for new firms. However, Chrisman & Leslie (1989, p. 47) going beyond that study concluded that strategic advice is of particular benefit when comprehensively coupled with other types of advice, i.e. administrative and operating. Hence, the well-rounded strategy consultant with knowledge in other administrative and operating areas can be of particular help for not only formulating a strategy, but implementing it as well.

The perceptions stated above are the results of shortcomings in communication and misunderstandings. Consultants should consider that opposed to large firm managers, in consultancy with small firms, respectively entrepreneurial ventures “communication has to be short, to the point and practical” (Christensen & Klyver, 2006, p. 303). It is crucial to build up personal contact and ensure that commitment and initiative is on the same level from both sides. Consultants in dealing with entrepreneurs should enable them to view the reality from several angles and come up with particular decision, without encouraging them to pick the most relevant in the consultant’s opinion (Kubr, 2002, p. 559).

2.6 Consultant-Client Relationship

“What is needed to achieve a mutually beneficial result is a complex matter that requires an understanding of the consultant-client relationship” (Stumpf & Longman, 2000, p. 124).

The consultant-client relationship is the central setting that is to be researched in this thesis. Hence, this subchapter deals with a general introduction of the depicted relationship in order to facilitate the reader’s understanding of the matter.

Many scholars have stated that the consultant-client relationship is considered as a key to a successful consulting project between the two involved parties (Davenport & Early, 2010; Kakabadse, 1980; McGivern 1983; Mohe & Seidl, 2011; Stumpf & Longman, 2000; Nikolova et al., 2009). The client assigns a consultant when he feels that something is wrong with his business, but is not fully capable of diagnosing the specific problem. The reason for this is regularly the client’s lack of knowledge and tools, which in return the consultant possesses, and through ‘joint diagnosis’ or partnership those senses can successfully be translated into specific steps (Fincham, 1999, p. 337).

The client-consultant relationship is complex (Fullerton & West, 1996; Karantinou & Hogg, 2001). In their research on the interaction between the consultant and the client, Christensen and Klyver (2006, p. 309) found out that with regard to the communication, differences can arise in terms of the level of abstractness, the situation specificity and the perception of rationality. The engagement of the consultant typically ends with the solution phase, when the consultant hands in reports that are important “deliverables” of his previous undertaking. At this point, we consider it as important to mention that the level of the client’s satisfaction is based on his immediate reaction towards the obtained advice instantly after the consulting project. In line with this notion, the client’s satisfaction is particularly not based on his perception of the advantageousness of the implemented long-term recommendations proposed by the consultant (Martin Jr et al., 2001, p. 146). This remark further underlines the importance for the strategy consultant
to overcome the challenges in the relationship with the client during the consulting project.

The relationship between the consultant and the client is not only defined by the specific legal contract that bonds the two parties, there is also a “psychological contract” involved, which is identified by their ability to interact with each other (Kubr, 2002, p. 65). Successful relationships result in successful projects, and accordingly, unsatisfactory outcomes are results of unsatisfactory relationships (Kellogg, 1984, p. 152).

There are two significant facets in the consultant-client relationship. The first facet is the actual “analysis and solution of a problem” and the second one is the “relationship between client and consultant” during the assignment (McGivern, 1983, p. 367). We will attempt to cover both of these facets since we believe that for a proper analysis of the problem (first facet), factors which are needed to manage the relationship are of crucial importance.

Pozzebon and Pinsonneault (2012, p. 38) reveal in their study three classic types of the client-consultant relationship: dependency, autonomy and cooperation. The role of the consultant and his level of control are the two factors that determine the relationship type. This framework stresses that in analyzing the client-consultant relationship it is important to look from two dimensions on their interaction: from the knowledge-dimension (role of consultant) and from the power-dimension (control of the consultant over the consulting project).

<table>
<thead>
<tr>
<th>Types</th>
<th>Roles (knowledge-related)</th>
<th>Control (power-related)</th>
<th>Examples (metaphors) from the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependency</td>
<td>Consultants are experts, authorities; clients elect to play a more passive role, they are local ‘information providers’</td>
<td>Consultants often hold ‘technical’ control of and responsibility for the results. Total outsourcing can be considered a typical governance modality</td>
<td>Expert (Schein, 1999); Lee, 2002; guru (Clark and Salaman, 1998); doctor (Llewellyn, 2002)</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Clients assume an active role and see consultant as a coach, an extra ‘pair of hands’; consultants take a more passive role</td>
<td>Clients hold control over and responsibility for the results. Consultants are often engaged by meticulous and temporarily well-defined contracts</td>
<td>Pair-of-hands (Schein, 1999); facilitator (Landberg, 1994); coach (Bennett, 2001)</td>
</tr>
<tr>
<td>Cooperation</td>
<td>Consultants and clients play active roles; they aim to be partners</td>
<td>Clients and consultants share control and responsibility over the mandate and results. Partial outsourcing often emerges</td>
<td>Collaborative (Schein, 1999); interdependent (Williams)</td>
</tr>
</tbody>
</table>

**Figure 5:** Three types of client-consultant relationship. Source: Pozzebon & Pinsonneault (2012, p. 36).

The determinants of successful management consultancy can be derived from Jang and Lee’s (1998, p. 68) study. These are: competence of consultant (role of the consultant), consultation mode (clarity of goals, methodological compatibility, standardisation of procedures, client’s participation) and client organisational characteristics.

The relationship is successfully established when the role of the consultant, is “compatible with the client’s cognitive style and influence orientation” (Kellogg, 1984, p. 152). The fact that in contrast to bigger firms, small firm owners, i.e owner of an entrepreneurial venture, are more involved in the consultancy process, requires the consultant to be even more informed of the “cognitive situation” of the client (Christensen & Klyver, 2006, p. 301). According to Ford (1974, p. 2) in unsuccessful consultant-client
relationships either the consultant failed to do what he was supposed to do, or the client acted not how he should have done. Having said that, we want to stress that our study is from the consultant’s perspective. Building on this notion, we take the standpoint that whenever there is a challenge in the relationship with the client the consultant should immediately think of ways to overcome this challenge. More precise, the consultant should do whatever is needed to ensure that the relationship with the client stays intact at every point in time.

While we throughout our paper write about “the client” or “the entrepreneurial client”, we want to outline that there can be distinguished more sophisticatedly between different types of clients. Schein (1997, p. 202) in his study provides a very profound distinction on this matter by distinguishing between the following types of clients: The contact clients are the individuals in the client’s company who first contacts the consultant. The primary clients are the persons who “own” the problem or issue and who accordingly pay for the consulting services. As the intermediate clients, Schein designates the employees in the client’s company who participate in the joint meetings with the consultant during the consulting project. The unwitting clients are the employees of the client’s company who will be affected by interventions but who are not aware about that. On the contrary, according to Schein, indirect clients are the employees who know that they will be affected, but who are unknown to the consultant. Finally, as ultimate client can be regarded the total organization.

In addition to the outlined framework (Schein, 1997, p. 202), Brooks and Edwards (2014, p. 25) name user clients. According to the authors, these are employees of the client’s company who actually do all the work and implement the recommendations given by the consultant. Having elaborated on the different types of clients, we would like to point out that for the strategy consultant when engaging with entrepreneurial ventures, the decisive client is frequently the owner, who is also the founder of the business, and hence, several types of clients are represented in one person.

There are two dimensions of the client organisation: technical and human. The technical dimension concerns problems faced by the client organisation and how they can be resolved, while the human dimension concerns relationships of employees within the company, as well as the relationship of the client with the consultant (Kubr, 2002, p. 5). “In the case of professional services, the contact will almost invariably be personal and face-to-face” (Karantinou & Hogg, 2001, p. 264). “There is a human problem behind any organisational problem” and “technical and human issues of the business are always interwoven” (Kubr, 2002, pp. 5-6). Best solutions and successful relationships with the client are the result of the consultant’s joint approach on both aspects, i.e on micro (individual) and macro (organisational) factors (Ben-Gal & Tzafrir, 2011, p. 663).

Martin Jr. et al. (2001, p. 154) in their study highlight the importance of the management consultant’s focus on the client’s side. The authors state that the client’s well-being should be of primary interest for the consultant. Furthermore, the authors revealed several suggestions how the consultant can increase the client’s participation:

Navigating through clients' management styles and organizational politics
The authors state that for the consultant it is of central importance to get familiar with deeper-lying details of the client’s organisation, especially in terms of managerial issues. First of all, the consultant should get an understanding of the decision-making style and
decision-making processes in the client’s organisation. In line with that requirement, the consultant should familiarise himself with issues with regard to the power distribution in the client’s organisation. What is more, the consultant should get a deeper feeling especially for the norms and values of the client’s organisation which are part of the client’s organisational culture.

*Keep personality profile of consultants and map that with individual key members of the client team*

The academic field of management studies is part of the superordinate social sciences. That fact emphasises the importance of an appropriate human interaction in the relationship between two partners when goals are intended to be achieved. This dimension stresses that, apart from his technical profile, the consultant should carefully reflect upon his personality, respectively his behaviour in the interaction on the interpersonal level with the client. More precise, the consultant should aim to match his personality with the client’s personality in order to reach that the chemistry between him and the client is right.

*Use everyday language*

It is not rarely the case that the consultant, as contrasted with the client, originates from the world of academia. Hence he is typically used to a much more sophisticated use of language and vocabulary than this is true for the client. Having outlined that difference, the consultant should negotiate in a way that facilitates an easy transfer of information between him and the client. More precise, he should avoid an overly sophisticated language and use of vocabulary in order to not to overexert the client.

*Design adaptive scripts for handling clients' queries and reactions*

The consultant, especially based on his previous experiences in the engagement with various clients, might be capable to anticipate a considerable amount of client’s reactions with regard to his proposals of how to proceed. However, he will not be able to foresee all the possible reactions that the client can show when being introduced to the consultant’s suggestions. Based on this notion, it can be of huge value for the consultant to always have different scenarios for further proceeding prepared. This allows him to select the suitable scenario, depending on the client’s reaction to a certain suggestion that he has made previously.

2.7 Key Factors in the Consultant-Client Relationship

“Consulting is an emotional “duet” played out between the consultant and the client. If you can't learn to recognize, deal with, and respond to client emotions, you will never be an effective consultant” (Stumpf & Tymon, 2001, p. 49).

After having introduced the reader more generally into the consultant-client relationship, from the literature review we could derive that there are key factors that determine the dynamics of this relationship. In their attempts to explain these dynamics of the consultant-client relationship several authors have found out different relevant factors that they regard as ingredients for a successful relationship. These we aim to present here.

For our study we selected the factors which we perceived as the most important ones. With reference to these remarks, in total we selected seven factors that have an important influence on the dynamics in the consultant-client relationship. In line with our
accomplishments with regard to the inseparability of the personal and organisational level in the depicted relationship, we included factors that predominantly lie on the personal as well as factors that predominantly lie on the organizational level. We believe that this list of determinants is exhaustive and will allow us to take a holistic view on the complex client-consultant relationship.

- **Clarity of the goals**
  It is commonplace for consultants and clients not to have exactly the same objectives when engaging in their mutual relationship with each other. However, it is necessary that both parties understand what is truly required of them in their relationship and that any hidden agendas are made explicit (Kakabadse, 1980, p. 8). That is a factor introduced by Jang and Lee (1998) and mentioned by Powers and Reagan (2007), where having a joint goal is of importance for the relationship between the consultant and the client since this factor has a noteworthy influence on the dynamics in the relationship. Having clearly defined goals helps to keep both parties focused toward a common project outcome (Jang & Lee, 1998, p. 69). Failure to clarify clearly from the beginning of the collaboration what the mutual responsibilities are and what the outcome should look like may leave the client highly unsatisfied. This, in turn, is one central sign for an unsuccessful consultant-client relationship (Ford, 1974, p. 5; Nikolova et al., 2009, p. 294; Appelbaum & Steed, 2005).

- **Interpersonal skills**
  The extent of the requirement of the consultant’s interpersonal skills is another factor that has an influence on the dynamics of the relationship (McGivern, 1983, p. 369). Examples of interpersonal skills are: empathy, probing, feedback and challenging, as well as respect and genuineness (Hayes, 2002, p. 152). The author further explains that they are of particular importance in relationships where one party is responsible for helping the other (Hayes, 2002, p. 152). For a successful relationship with the client the consultant’s ability of social networking and his personal approach to the client’s problems, as well as his diagnostic skills (listening, reflecting, and altering service offering according to the client's needs) are of critical importance (Stumpf & Longman, 2000, p. 125). Without thorough listening to the client and involving him in the process, the consultant will probably end up handing in a report which will ‘gather dust on the shelves’ without any further contribution to the client’s business (Kitay & Wright, 2004, p. 9). In line with the previous accomplishments, Ben-Gal and Tzafrir (2011, p. 664) in their study found out that the management consultant’s ability to show understanding and support for the client affects the relationship positively.

- **Clarity of the problem**
  Johansson (1999) in his model distinguishes between four types of the consultant-client relationship. In his model the two factors that determine the type of relationship are: the complexity of the problem and the client’s ability to identify the problem. When the problem is very complex, the consultant’s type of advising is either “manipulation” or “dialogue”, depending on the degree of knowledge asymmetry between the two parties (Johansson, 1999 cited in Damgaard et al., 2004, p. 168). When the problem is relatively less complex the consultant’s type of advising is “knowledge transfer” or “exchange of experience” (Johansson, 1999 cited in Damgaard et al., 2004, p. 168) again depending on the degree of knowledge asymmetry between the two parties. McGivern (1983, 369) in his study also shows that the degree of the clarity of the focal problem client faces can be one of the decisive factors in the relationship.
• **Need for trust**

Mutual trust, confidence and likeability are crucial elements of the relationship between the consultant and the client, first and foremost, since the latter provides the former with very sensitive information about his business (McGivern, 1983, p. 368). Powers and Reagan (2007, p. 1235) also identify trust as a crucial factor that influences the relationship. Stumpf and Longman (2000, p. 129) argue that when trust is established the “relationship can become intimate to the point of unreserved information sharing.” The strategy consultant advises on the future of the client’s business and major steps to undertake towards that future. A trustful consultant-client relationship may be first and foremost established based on the duration of the relationship and the management consultant’s reputable knowledge that he has acquired from his extensive work experience in the relevant field (Fincham, 1999, p. 345). The existence of trust should be present on the interpersonal as well as on the task level (Kakabadse, 1980, p. 7).

• **Contingency of the approach**

Every company and the problems that it faces are ultimately unique. In case the consultant fails to adapt his consulting approach to the unique circumstances of the client the relationship is likely to suffer and accordingly, the client will probably end up being unsatisfied. This notion is supported by Ford (1974, p. 5) who argues that the consultant’s failure to adapt his approach to the specifics of the client-company tends to result in unsuccessful service provision. One of the major points of criticism against management consulting is the consultant’s selling of standardised solutions and his role as a fashion setter (Kitay & Wright, 2004, p. 3). Clients favor a consultant who possesses extensive experience and a wider perspective of ambient complexity, who has previously been engaged in consulting projects with a huge number of customers and is capable of disseminating his knowledge within the client’s company (Beh-Gal & Tzafrir, 2011, p. 662; Kitay & Wright, 2004, p. 8).

• **Influence of power**

Powers and Reagan (2007), among thirteen factors also list the power/interdependence aspect as influencing the consultant-client relationship. Power is determined by the consultant’s skills and knowledge in comparison to those of the client, and leads to either his dominant position or a balanced, equally distributed contribution of each actor in the relationship. Subsequently, from the studies published by Pozzebon and Pinsonneault (2012) as well as Davenport and Early (2010), we derived that the power/control is one of the factors which shapes the consultant-client relationship.

• **Degree of interaction**

In the previously mentioned model developed by Lippitt and Lippitt (1978, cited in Pellegrinelli, 2002, p. 345) the authors detected how the level of the consultant’s activity shaped the role of the consultant, and the role of the consultant, in turn, affected the consultant-client relationship. Combining these two insights we argue that the degree of interaction affects the consultant-client relationship indirectly, first influencing the role of the consultant. Jang and Lee (1998, p. 70) emphasize that the probability of a successful implementation of the consultant’s recommendations is highly affected by the collaboration between the consultant and the client throughout the consulting project. Moreover, it can be noted that a successful consultant-client relationship is greatly influenced by the degree of interdependence and co-operation between both parties.
during the problem identification as well as during the problem resolving phase (Mitchell, 1994, p. 333). This notion is supported by McGivern (1983, p. 368) who emphasizes the crucial importance of interdependency and balance between the consultant and the client (McGivern, 1983, p. 368).

2.8 Client’s Expectation and Satisfaction

“Consultancy work therefore consists not merely of communicative actions but is also shaped by expectation structures, which give meaning to and provide the risks of the consultancy process and outcome” (Nikolova et al., 2009, p. 296).

As stated in the problem background of our thesis, to satisfy the client can be regarded as the central aim for the consultant. Taking this assessment into account, this subchapter will provide the reader with a deeper understanding about and the importance of the client expectation and client satisfaction.

Most of the challenges faced by the consultant in the relationship with the client originate from a fact that the client has certain expectations and to satisfy him the consultant needs to meet these expectations. The client’s expectations are “the desires”, however customer perceptions are the “customer experiences or behaviors” after or during service delivery (Hsieh & Yuan, 2010, p. 1136). Customer expectations are wants or desires of clients, their beliefs regarding what should be offered, rather that what would be offered. For the consultant as service provider this is of crucial importance if he strives to achieve client’s satisfaction (Hsieh & Yuan, 2010, p. 1130). If the consultant fails to carefully manage the client’s expectations, it is likely that the client will end up disappointed, even if the consultant is able to deliver a good service in the end (Kakabadse et al., 2006, p. 490).

With regard to the previous remarks, we can derive that from the consultant’s perspective the goal of consultancy is meeting the client’s expectations and thereby satisfying him, while simultaneously ensuring that the client’s demand for his services will be sustainable (Stumpf & Longman, 2000, p. 124). From the consultant’s perspective there are three central stages in the consultant-client relationship: pre-assignment (acquiring consulting projects), during assignment (consulting practices) and post-assignment (communicating results) and the consultant is required to manage the client’s expectations continuously through all these three phases. (Delany, 1995, p. 104; Nikolova et al., 2009, p. 292).

Discrepancy between the client’s expectations prior to service delivery and the client’s perception of the actual service delivery, results in a gap generation between those factors. “As the customer expectation is higher, the gap is wider. Then, the higher customer perception of the delivered service leads to the decrease of the gap. Once the gap becomes narrow, it can result in high customer satisfaction” (Hsieh & Yuan, 2010, p. 1136). The more the consultant is aware of the client’s expectations, the better he can coordinate his activities in order to meet them. In so doing, he can increase the client’s perceptions of his services, and is subsequently able to narrow the previously explained gap. We take the standpoint that the consultant needs to overcome all potential challenges in the relationship with the client to meet the client’s expectations. Our standpoint is supported by Nikolova (2009, p. 296) who outlines that gap convergence is the result of shared values, understandings, norms between the consultant and the client and consultant’s ability to manage the relationship.
Chelliah (2007, p. 146) in his study states that formal and psychological contracts constitute the basis of the consultant-client relationship. In order to reach a positive outcome of the consulting engagement (satisfied client) the consultant is required to not only meet overt expectations, but also fulfill unwritten psychological expectations of the client. The previously introduced expectation gap occurs as a result of not expressed and perceived by the consultant psychological contract. A successful consultant is capable of meeting implicit expectations of the client (“not explicitly written into a contract or orally expressed”) along with the technical requirements and explicit expectations of the client (Chelliah, 2007, p. 136; Martin Jr, 2001, p. 147).

Ojasalo (2001) in his study about external business services reveals different types of expectations: fuzzy vs. precise expectations, implicit vs. explicit expectations and unrealistic vs. realistic expectations. For reaching client satisfaction the service provider should be capable of “making explicit expectations precise, implicit expectations explicit, and unrealistic expectations realistic and for ensuring auspicious expectations of the client” (Ojasalo (2001) cited in Edvardsson & Strandvik, 2009, p. 329). In the end any cost of failure to match expectations of the client may become “greater than the fees expected”, that is why it is crucial to ascertain every aspect of the relationship and overcome any challenges (Nees & Greiner, 1985, p. 69). The consultant should never expect that initially unnegotiated misunderstandings would deplete themselves in the course of the time, since initially unresolved issues are likely to lead to worse complicated situations and a dissatisfied client (Martin Jr, 2001, p. 147).

2.9 Conceptual Model of the Study

Based on our literature review that we have outlined in the previous chapter, we were able to develop the conceptual model of our study. This conceptual model will build the foundation for our interview guide with which we conduct the semi-structured interviews. In line with our research approach, this conceptual model is developed from the strategy consultant’s perspective.

As depicted in our conceptual model (Fig. 7) seven facets determine the dynamics in the consultant-client relationship, respectively the role of the consultant in this relationship. We derived these facets from our thorough literature review as outlined in detail in chapter 2.6. These facets build the left part of our conceptual model and influence one-sidedly either directly the client-consultant relationship or the role of the consultant.
On the one hand, the relationship between the consultant and the client has an impact on how the consultant perceives his role (Kakabadse, 2006, p. 435). On the other hand, the role of the consultant (power and knowledge balance) has an influence on his relationship with his client (Pozzebon & Pinsonneault, 2012, p. 36). Building on these notions, we can conclude that there is a mutual influence between the consultant-client relationship and the role of the consultant. These factors build the middle part of our conceptual model.

Having clarified these influences, we want to stress that it is common knowledge that every client has an expectation of the relationship with the consultant. From the consultant’s perspective a satisfied client can be considered as the most important success indicator of the consulting engagement (Simon & Kumar, 2001, p. 367). In line with this remark, to satisfy the client is of high importance for the consultant, since once satisfied, the client will be probably retained and most likely will recommend the consultant to other potential clients (Delany, 1995, p. 105; Glucker & Ambruster, 2003, p. 282). For the consultant it is beneficial to retain long-term loyal customers, since client retention is always cheaper than client acquisition (Karantinou & Hogg, 2001, p. 263). With regard to these considerations we reasoned to take this goal as the final outcome of our conceptual model. Hence, this goal builds the right part of our conceptual model.

In our study we will research the consultant-client relationship from the strategy consultant’s perspective in terms of the perceived challenges. Hence, we argue that challenges can be inherent in each of the elements of our conceptual model. Accordingly, challenges can await the strategy consultant in each of the eight facets on the left side, in the two factors in the middle and subsequently also on the right side. Our reasoning for this approach is that from the strategy consultant’s perspective to satisfy the client is the overarching challenge in the relationship with the client.

**Figure 7:** Conceptual model of the study based on literature review.

### 2.10 Summary of the Framework

In the previous subchapters that outlined the theoretical framework of our thesis, we firstly elaborated on the two actors of the particular consultant-client relationship that we aim to research on in this thesis: strategy consultants and entrepreneurial clients. Moreover, we provided the reader with a deeper understanding of the dynamics in the consultant-client relationship. Lastly, before presenting our conceptual model, we have elaborated on client satisfaction since this can be regarded as the central purpose from the perspective of the (strategy) consultant.
Our theoretical framework that we have presented in the previous sub-chapters was constructed based on our review of the respective literature. As outlined previously, our conceptual model which resulted out of our thorough literature review, will serve as the basis for our interview guide when conducting the semi-structured interviews. Based on our literature review, the main factor to consider during the consultancy process is the interdependency between the consultant and the client and the balance between these actors. In order to satisfy the entrepreneurial client, the advice and approach of the strategy consultant should be in line with the client’s expectations. We will investigate how consultants can succeed to overcome challenges associated with each aspect of consultancy process, and what is of crucial importance for them to consider while managing these challenges.
3 Research Methodology

This chapter contains our reasonings behind our selection of particular methodology approaches. The first part of this chapter deals with theoretical considerations, while the second part introduces our proceeding from a practical standpoint to the reader.

3.1 Scientific Method

In this subchapter we will argue for and motivate our choice of philosophical stances, and explain how we viewed the nature of social entities and the nature of knowledge in terms of our study. Further, this chapter will present our research approach as well as the research strategy and the research design of our research project. In the end of this chapter the reader will be familiarized with the methods of data collection and sample selection.

3.1.1 Research Philosophy

Ontology is a research philosophy which deals with issues connected to the “nature of the reality and its characteristics”. Both, the researcher and the respondents embrace, see and perceive different realities (Creswell, 2013, p. 20; Saunders et al., 2012, p. 130). The main consideration in ontology is whether social entities should be viewed separately from respective actors, or if they play a major role in building those constructions by acting (Bryman & Bell, 2011, p. 20). There are two ontological stances: objectivism and subjectivism (Saunders et al., 2012, p. 131).

Objectivism indicates that any phenomenon or subject under consideration is “beyond our reach or influence” and is the separate reality to the entity or individual studied (Bryman & Bell, 2011, p. 21). In contrast, in our study we believe that phenomena we strive to investigate which are the challenges in the consultant-client relationship can be influenced by the individuals who we investigate in our study: the strategy consultants. We take this standpoint since we believe that strategy consultants cannot only manage existent challenges, but also proactively avoid the occurrence of challenges. Having said that, we advocate the subjective ontological position, where the actors are the ones who construct, build up and have significant influence on the social world (Saunders et al., 2011, p. 132). In the depicted relationship the consultant is in charge of managing those challenges, i.e plays the primary role in shaping the reality.

Epistemology is another research philosophy which embraces “what constitutes acceptable knowledge in a field of study” (Saunders et al., 2012, p. 132). Epistemology concerns whether researchers are involved in knowledge creation or are external participants to it. There are three epistemological stances: positivism, realism and interpretivism (Saunders et al., 2012, p. 134-136). With the purpose of developing knowledge in positivism, the objects researched are part of the observable reality and have causal relationships. That way a researcher conducts value-free research in a structured way, without interpreting the data the way he perceives it. (Saunders et al., 2012, p. 134). In the philosophical stance called realism, all objects exist “independent of human mind”, that is “external reality” to which the researcher does not give his own description and his own view (Bryman & Bell, 2011, p. 17; Saunders et al., 2012, p. 136).

Having said that, the philosophical position which we capture in our research is interpretivism. In interpretivism, the researcher includes his own values and
interpretations in the knowledge generation and views the reality from his own perspective (Saunders et al., 2012, p. 137). Our choice is supported by Langley and Abdallah (2011, p. 205) who reveal in their study that interpretivism deals with “capturing and modeling of informant meaning” and “searching for informant’s understanding of events”. Hence, interpretivism can be labelled as entering social worlds of the respondents with the aim to understand the world from their point of view (Saunders et al., 2012, p. 137).

We take the standpoint that the complex world of business which is part of the social sciences cannot be researched with the same methods as natural sciences, i.e as in positivism or realism (Bryman & Bell, 2011, p. 16). Considering that we are researching the consultant’s perspective, there is the need to understand the respondents’ world from their point of view, and meanings they attach to the phenomena under investigation (Saunders et al., 2012, p. 137). In our study these phenomena under investigation are the challenges inherent in the relationship with entrepreneurial clients from the strategy consultant’s perspective. We are trying to get as close to the respondents as possible in our research, and in interpretivism we aim to gain knowledge through the respondents’ subjective experiences (Creswell, 2013, p. 20).

3.1.2 Research Approach

After defining the research philosophy the next step for the researcher to undertake is to define the research approach. Every research involves theoretical concepts and based on the way how the researchers uses these there can be distinguished between two research approaches: deductive and inductive (Bryman & Bell, 2011, p. 11; Saunders et al., 2012, p. 143). In inductive approach the researcher first collects the data and then derives a theory out of the gathered data (Saunders et al., 2012, p. 143). In contrast, in deduction, theory always serves as a basis for subsequent data collection and analysis. In our study existing theories that we derived from our literature review guide our thoughts for structuring our interview guide and relating the results to the existing knowledge base. Hence, theoretical concepts appear at the beginning of our research project, and will not be generated from our findings. Because of these considerations our research approach can be categorized as a deductive research approach.

By making use of deduction the researcher may identify components, variables and issues, as well as assumed relationships between them (Saunders et al., 2012, p. 549). Any interpretation is deduction, we “are deducing what is going on based on data, but also based on our reading of that data, along with our assumptions about the nature of life, the literature that we carry in our heads and the discussions that we have with our colleagues” (Strauss & Corbin, 1998, p. 137). As the outcome of our research project we expect to get data, not theoretical concepts, relying on existing theories and the knowledge base in that sphere.

3.1.3 Research Design

“Qualitative research attempts to understand the meaning or nature of experiences of persons or to gain novel understanding” (Strauss & Corbin, 1998, p. 11).

The researcher when conducting a research project can generally choose between the following three research designs: qualitative, quantitative and multiple methods study
(Saunders et al., 2012, p. 161). Quantitative study is based on theory, however, in our case, when quantitative measures are not suitable and existing theories do not cover sufficiently the complexity of the issue, the most corresponding type of research design is qualitative (Creswell, 2013, p. 48). The qualitative research design is conducted when the phenomenon under investigation cannot be studied using a quantitative method, when the researcher brings meanings from other studies or theories, without understanding specific details connected to the feelings and emotions of the respondent through the process (Creswell, 2013, p. 44). Qualitative research is all about observing “interactionally constructed realities” and making a sense out of it (Miller & Dingwall, 1997, p. 3). We use qualitative research design, since the consultant-client relationship and challenges that take place within it, are of a highly complex nature and we aim to get a detailed understanding of this complex issue (Creswell, 2013, p. 48).

3.1.4 Research Strategy

“The key to your choice of research strategy is that you achieve a reasonable level of coherence throughout your research design which will enable you to answer your particular research question” (Saunders et al., 2012, p. 173).

Before selecting the suitable research strategy it is necessary for the researcher to identify his research purpose, which in turn is linked to the research questions he intends to answer. Depending on the nature of the study, the researcher can choose between the following studies: exploratory, descriptive or explanatory (Saunders et al., 2012, p. 170). As stated in the first chapter of this thesis, the purpose of this study is to explore, from the strategy consultant’s perspective, the challenges inherent in the relationship with entrepreneurial clients and the ways how he challenges can overcome these challenges. Taking these objectives into account, we chose the exploratory research strategy. Characteristic for an exploratory study is that it is flexible in its direction so that it may change during the data collection process (Saunders et al., 2012, p. 171). In addition, the explorative study can be considered as useful when the researcher tries to discover and gain deeper insights in the topic that is to be researched (Saunders et al., 2012, p. 171). Taking these objectives into account, our study is descriptive in its nature. Characteristic for a descriptive study is to get a clear direction and describe accurately events and situations described by the respondents (Saunders et al., 2012, p. 171). In addition, the descriptive study can be considered as useful when the researchers has a definite picture of the phenomenon that he wants to investigate but, at the same time, intends to dig deeper during the research process (Saunders et al., 2012, p. 171).

Saunders et al. (2012, p. 173) define the term “research strategy” as “a plan of how a researcher will go about answering questions”. Five research strategies can be distinguished in terms of qualitative research: action research, case study research, ethnography, Grounded Theory narrative research (Saunders et al., 2012, p. 164). In contrast, Saunders et al., (2012, p. 173) state that experiment strategies and survey strategies are related to quantitative research. Thus, we will not focus on them. According to Saunders et al. (2012, p. 179) case study investigates a phenomenon “within its contexts or a number of real-life contexts”, as opposed to survey strategy, where even though research is done in a context, the opportunity to investigate it further is limited. In terms of case studies there can be distinguished between two different types: single and multiple case studies (Yin, 2003, p. 46). When conducting a multiple case study, each case should be attentively selected by the researcher (Bryman & Bell, 2011, p. 60). After having
performed all the case studies the researcher should draw cross-case conclusions to find the common patterns in the empirical data (Bryman & Bell, 2011, p. 60). In line with the previous considerations, in our thesis we will use multiple case studies. Hence, in the end of our research project we intend to combine data collected from multiple respondents and aim to find the common patterns in the empirical data that we have gathered.

Another decision of importance for the researcher is selecting the time horizon of his study. Our research aims to study within each case “a particular phenomenon at a particular time” (Saunders et al., 2012, p. 190), taking into account the limited time frame of our research project. Thus, our research will be cross-sectional (Saunders et al., 2012, p. 190).

### 3.1.5 Data Collection

In our thesis we are going to apply a mono data collection method which implies the use of only a qualitative or a quantitative method (Bryman & Bell, 2011, p. 628; Saunders et al., 2012, p. 165). The interview as a data collection method is extensively used in qualitative research (Bryman & Bell, 2011, p. 465). The interview helps to generate data about studied phenomena by asking respondents to share their experiences, leading to a form of interactional conversation between the researcher and the respondent (Silverman, 1997, p. 113). The mono data collection method that we will use in our research is the semi-structured qualitative interview. The semi-structured interview is “non-standardised” (Saunders et al., 2012, p. 374). The semi-structured nature of the interview guide allows the researcher to probe further when the interviewee mentions interesting aspects in the course of the interview. In addition, the semi-structured interview enables the interviewer to ask additional questions concerning unmentioned factors resulting in an interactive communication between the researcher and the respondent.

Although conducting face-to-face interviews is our main desire, due to geographical distances and limited time of our research project we will contact individual respondents via Skype call. We will record all interviews, since we believe that when researchers try to take notes during face-to-face interviews, they regularly struggle to communicate and take part in the interview process in a natural way. In addition, the recording of the interviews will allow for a precise transcription of what has been said by the interviewee. In the semi-structured interview the researcher has some key aspects and questions which he intends to cover in the course of the interview. Having said that, it should be remarked that those questions may vary in different settings with the purpose of answering the research question and fostering discussion between the interviewer and interviewee (Saunders et al., 2012, p. 374).

### 3.1.6 Sampling

In order to collect data with the purpose of answering the research question it is frequently impossible and unnecessary to do research with the whole population. With regard to this notion, the researcher collects data from the sample, which is part of the whole population and serves as a valid representation of it (Saunders et al., 2012, p. 260). The researcher can choose between two types of sampling techniques: probability (representative) and non-probability (judgemental) sampling (Bryman & Bell, 2011, p. 176; Saunders et al., 2012, p. 261).
With the purpose of establishing a sampling frame needed for probability sampling, we chose the non-probability sampling technique. In non-probability sampling the technique involves the element of **subjective judgement**, i.e. the researcher’s reasoning behind sample selection (Saunders et al., 2012, p. 281).

There are no rules for a suitable sampling size in the non-probability sampling technique. Suitable size is rather determined by the researcher who conducts the research (Saunders et al., 2012, p. 283). Whenever additional data collected does not reveal any additional insights **theoretical saturation** is reached (Saunders et al., 2012, p. 283). In terms of purposive sampling, also known as **judgemental sampling**, the researcher decides himself which participants to interview with the purpose of meeting the objectives, along with getting answers to the research question (Saunders et al., 2012, p. 287). For answering research question, we will use purposive sampling until we reach a satisfying degree of theoretical saturation in the answers that we get. Our decision for this sampling technique is further supported by Bryman and Bell (2011, p. 441) who state that purposive sampling is a sampling technique used in most qualitative studies.

### 3.1.7 Summary of the Research Proceeding

In this chapter we described and explained our research philosophy, our research approach, our research strategy and our research design, along with the data collection and sampling method. Moreover, we gave a justification for each specific decision. To make it more convenient for the reader to understand our proceeding, we include a graph representing our methodology choices. With regard to the consideration that our goal is to collect qualitative data, in the end this report will include “the voices of participants, the reflexivity of the researcher, a complex description and interpretation of the problem, and its contribution to the literature and a call for change” (Creswell, 2013, p. 44).

![Figure 8](image)

**Figure 8:** Research onion adapted for this study.

### 3.2 Data Analysis

“Analyzing interviews presents a critical methodological challenge” (Miller & Dingwall, 1997, p. 30). After collecting the empirical data for the subsequent analysis, for the researcher there remain the questions of what exactly to do with this data and how to use
it beneficially. Our data analysis will consist of two-steps: interview transcription and data categorization.

For interviews in qualitative research it is characteristic that they are first audio-recorded and then subsequently transcribed (Bryman & Bell, 2011, p. 482). For the researcher there are lots of advantages connected with the practice of recording and transcribing interviews: One important advantage is that he can fully concentrate on the interviewee’s statements and can focus on asking profound following-up questions and is not occupied with taking notes during the interview (Bryman & Bell, 2011, p. 482). In line with the previous benefit is the notion that the transcription has the convenience of “keeping intact with the interviewee’s words” (Bryman & Bell, 2011, p. 483). In terms of the process of transcribing several consecutive interviews the authors recommend to transcribe the interview as soon as possible after the interview has taken place mainly for two reasons (Bryman & Bell, 2011, p. 483): on the one hand a timely transcription allows for an ongoing data analysis which in turn provides the researcher with the opportunity to modify his interview guide and to probe for even more profound follow-up questions in the interviews. On the other hand this means prevents the researcher from suffering from a backlog at a later stage of the research project.

Heritage (1984, p. 481, cited in Bryman & Bell, 2011, p. 481) identified among others the following advantages of recording and transcribing interviews:
- It helps to correct the natural limitations of our memories and of the intuitive glosses that we might place on what people say in interviews
- It allows more thorough examination of what people say
- It permits repeated examinations of the interviewee’s answers

Having depicted several advantages of recording and transcribing qualitative interviews, it also has to be stated that these established measures have their disadvantages: Commonly the process of transcribing interviews is regarded to be cumbersome and time-consuming for the researcher (Bryman & Bell, 2011, p. 481; Saunders et al., 2012, p. 550). This notion can be said to be expressly true when the researcher lacks professional auxiliaries or cannot afford to pay for professional transcription (Bryman & Bell, 2011, p. 483). These circumstances can be considered to be accurate for student theses. Another possible disadvantage can be that the interviewee might be intimidated when knowing that his words will be recorded (Bryman & Bell, 2011, p. 482). The authors point out that this can negatively affect the quality of the interviewee’s responses and thereby the gathered empirical data (Bryman & Bell, 2011, p. 482).

3.3 Ethical Considerations

“Ethics refer to the standards of behaviour that guide your conduct in relation to the rights of those who become the subject of your work, or are affected by it” (Saunders et al., 2012, p. 226).

According to Bryman and Bell (2011, p. 122) and Saunders et al. (2012, p. 208), the researcher in business and management studies has to deal at a variety of stages of his research with ethical issues. Hence, the authors come to the inference that “ethical issues cannot be ignored, in that they relate directly to the integrity of a piece of research” (Bryman & Bell, 2011, p. 122). Diener and Crandall (1978, cited in Bryman & Bell, 2011, pp. 128-138) have established an useful categorization of deviations from ethical
standards: harm to participants, lack of informed consent, invasion of privacy and deception.

Throughout our research project we had these four main categories of unethical research as well as the strict rules of our business school concerning ethical aspects in mind. Hence, we took the following actions in order to make sure that our research project fulfills the requirements in terms of the established ethical standards. The following points are primarily structured in terms of their chronological occurrence in our research process:

- When a potential respondent was called and it became clear quite soon that he was not willing to take an interview because of any reason, we did not oppress him to change his mind, but accepted his unwillingness and said goodbye in a friendly manner.
- Potential respondents were only called at ‘normal’ day-times and not on Sundays.
- In case a potential respondent showed initial interest in taking part in the interview, but requested us to send him information about our research project via e-mail, we did not call him again when he did not contact us himself in order not to oppress him. In addition, we also avoided to send a ‘follow-up’ e-mail in order not be too intrusively.
- When recruiting potential respondents via phone or e-mail they were always told the truth about the approximate length of the interview. In case it became clear during the interview that it will take longer due to very elaborately answers of the respondents, we asked the interviewees in a friendly manner if an extension of the interview-time is possible.
- It was always up to the respondent to propose a time and place for the interview that would suit him best.
- Before the start of the actual interviews, participants were informed (once more) about the topic of the interview as well as the purpose and nature of our research.
- Before each interview, the particular respondent was asked if he agrees that we audio-record the interview.
- Before each interview, absolute anonymity was guaranteed to each respondent and of course adhered to by appropriate means.
- During the interview, the respondent could terminate the interview at any time.
- With regard to data management we made sure that no unauthorized persons got access to relevant material. We avoided to upload or send sensitive data to each other via Facebook.
- All sources that are taken from the literature are referenced to appropriately.
4 Data Analysis

4.1 Participant Selection

To begin with, we would like to state that we only contacted consulting companies in Sweden, our adopted country with regard to our university studies. More particularly, the majority of the companies we contacted have their main office in Umeå, respectively in the province Västerbotten Län. One important reason for our focus on this geographical area was that we perceived the feasibility of conducting personal face-to-face interviews here as the highest. In particular the limited period of time for our research project did not allow to plan for and embark on time-consuming travels. Another important reason for the decision to narrow down the geographical focus was that we wanted to reduce the complexity in terms of the data interpretation. If we had done interviews with respondents from different countries we might have had to take cultural differences between the countries into account when interpreting the data. A final motive for the sole focus on Swedish respondents was the language aspect: While we doubted that the respondents in our home nations Germany and Azerbaijan possess the required English language skills to answer our questions properly, we were confident that (at least the majority of) the Swedish respondents was capable to do so.

Our particular respondent selection was a multistage process: As a first step we used respective internet registers for the Umeå region. In this search we used the particular sector categories as well as enter relevant key word combinations (in Swedish and English) to specify our research, for example: “strategi” or “strategy”. The well-known national register allabolag.se provides for the vast majority of the registered companies the purpose of a company. This feature we used as a first evaluation in terms of the suitability of the company as a potential respondent for our study. Additionally, we paid attention to the company’s years of establishment as well as the company’s revenues. Our rule of thumb was that the longer the company is in the market and the higher their revenues are, the more experienced and knowledgeable is this company.

The companies that seemed to be suitable from the pure information that could be detected from the internet we listed in an excel-chart. As the next step we called the majority of the companies on our list since we were worried that a sent e-mail will perish in the company’s mailbox or will be responded too late. In this phone call, we - beside the commonplace introductory accomplishments -, asked the straightforward question if the person has (profound) experience in terms of strategy consulting for entrepreneurial ventures in order to evaluate the suitability. If this question was affirmed and the telephoner was willing to take part in our research an appointment for the interview was agreed on. The outlined measures we took since - in line with the topic of our thesis - we wanted to have a clear focus on strategy consulting for entrepreneurial ventures, but did not aim to limit the respondent selection in terms of their exposure to certain industries.

In total we tried to contact 76 management consulting companies. Unfortunately we could by far not reach all of them due to different reasons. Out of the management consulting companies that we could reach a considerable number did not fulfil our requirements, was unwilling to take an interview or asked us to send an e-mail for further considerations if and when they want to take part in the research. We regard it as worthwhile to mention that from those companies that we provided with further information via e-mail, none of
them came back to us. We finally managed to conduct six interviews, out of which five were done in person (face-to-face) and one was done via Skype call.

4.2 Interview Design

The interview guide that we used for the semi-structured interviews is attached in the appendix of this master’s thesis. It basically consists of four parts. In the very beginning, previous to the actual interview, we named at first again our research topic in order to give the respondent a frame of orientation for answering the upcoming questions. The next step was to ask for the respondent’s permission to record the interview. With the purpose of getting as honest responses as possible, supplemented by concrete examples from the respondent’s professional experience, we guaranteed absolute anonymity to them.

The introductory part that built the first part of our interview consisted of five questions. We actually aimed to ask these in the stated order since we did not expect overlapping answers between these five questions. The first question in which the respondent was asked to share with us his professional background as strategy consultant served to get to a more profound picture of the respondent’s experiences in the relevant field. More precise, we aimed to find out if the respondent is really qualified to be included of our sample. The following two questions in which the respondent was asked to define the terms “strategy consultant” and “entrepreneurial venture” had similar objectives: One important aim was that the respondent should be supported to begin to think into the relevant matter. Another goal was to find about each respondent’s particular perspective on the topic and thereby revealing his specific standpoint. We also aimed to find overlaps between the theory and their definitions of these two terms as well as their justifications for the importance of strategy consulting. With regard to the credibility of our research findings we of course also wanted to test if the respondent has indeed an extent knowledge about the topic of our thesis and can therefore be regarded as the wished-for expert.

The second part of our interview guide began with the request to the respondent to share with us what comes first to his mind when reflecting upon the consultant-client relationship between strategy consultants and entrepreneurial ventures. By asking this question we wanted to identify the really important issues in terms of our research field from the respondent’s perspective. In addition to reveal his thoughts, the client was pled to give his reasons for his remarks. Subsequently, we asked in a very open approach what challenges he thinks of in terms of the depicted relationship from the strategy consultant’s perspective. Afterwards, depending on the previous answers, we probed further with regard to each of the factors that we found out as relevant for the consultant-client relationship. As explained previously, we derived these factors from our literature review and hence, they build important elements of our conceptual model. Every time when the respondent had named particular challenges we asked for solutions how these challenges can be overcome from the consultant’s perspective. However, the outlined proceeding can be regarded more as the ideal course of events. In real life, as it is characteristic for a semi-structured interview we had to switch the order of the factors or even had to skip several of them in the questions when they have been already touched upon by the respondent previously.

The third part of our interview guide, we dedicated particularly to the role of the strategy consultant in the relationship with the entrepreneurial client. The reason for this
proceeding was that from the literature review we could derive for our conceptual model that the consultant’s role is a crucial element in the relationship with the client. These considerations justified for us to devote an own part in our interview guide for the consultant’s role. As in the second part of our interview, we started into this part with the open question after the challenges for the strategy consultant in terms of his role in the relationship with the entrepreneurial client and how he can overcome these challenges. The central reason for this open approach was that we aimed for rich, deep answers by our respondents. The richness and depth of the collected data should be increased by further probing for the reasons why the respondent perceives the named challenges as a challenge. The inquiry for the reason should facilitate the categorization of the named challenge. After that we in particular enquired the challenges in terms of the frequency and deepness of the interaction between the two sides since this was said to be a determining factor for the consultant’s role by the literature. Thereafter, we did the same for the factor that deals with the distribution of power and control between both parties.

In the last part of our interview guide, we gave the respondent the possibility to elaborate on aspects, respectively challenges of their relationship with entrepreneurial clients that were not covered by our interview so far. By making use of this means we aimed to ensure that really all noteworthy challenges are entitled in our research. In addition, we requested the respondent to share with us practical advices, insights or tricks in terms of advising an entrepreneurial venture from the strategy consultant’s perspective. We concluded the interview by giving the respondent the chance to comment freely on the previous interview.

4.3 Transcription

After having outlined the need for an interview transcription from the theoretical standpoint previously, in this subchapter we will present how we conducted the transcription practically. In order to ensure the highest level of reliability in terms of our data collection possible, we made sure that in as many interviews as possible both interviewers were present. This means safeguarded that often both interviewers could probe further when the respondent brought up an interesting aspect. In line with the previous argument, both of us could even control the direction of the interview as well as the interview style applied by the other one and could subtly act as a correcting means. The circumstance that both interviewers were present also allowed for a profound discussion about the interviewers directly afterwards.

As outlined previously, in total, we conducted six interviews: five of them face-to-face and one of them via Skype-call. Since we got the permission from all respondents to audio-record the interviews, all interviews were hence audio-recorded. Directly after each interview, we transcribed the interview in order to process the empirical data for the following data analysis.
Table 3: Respondent Summaries and Characteristics

<table>
<thead>
<tr>
<th>Consultant#1</th>
<th>Position</th>
<th>Company functions</th>
<th>Country</th>
<th>How</th>
<th>Time</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant#2</td>
<td>CEO-owner</td>
<td>since 2004</td>
<td>Sweden, Umeå</td>
<td>In person</td>
<td>45 min</td>
<td>2015-05-08</td>
</tr>
<tr>
<td>Consultant#3</td>
<td>CEO-owner</td>
<td>since 1990</td>
<td>Sweden, Umeå</td>
<td>In person</td>
<td>39 min</td>
<td>2015-05-08</td>
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<tr>
<td>Consultant#4</td>
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<td>since 2006</td>
<td>Sweden, Örnsköldsvik</td>
<td>Skype</td>
<td>43 min</td>
<td>2015-05-11</td>
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<td>Consultant#5</td>
<td>senior executive</td>
<td>since 2009</td>
<td>Sweden, Umeå</td>
<td>In person</td>
<td>58 min</td>
<td>2015-05-12</td>
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<tr>
<td>Consultant#6</td>
<td>CEO-owner</td>
<td>since 2012</td>
<td>Sweden, Umeå</td>
<td>In person</td>
<td>21 min</td>
<td>2015-05-14</td>
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4.4 Categorization Process

To categorise empirical data is an important process in qualitative research, through which the amount of data can be reduced for a subsequent appropriate analysis. As presented in our literature review and conceptual model, different authors presented seven common factors that determine the dynamics of the consultant-client relationship. These factors were: **Clarity of the goals, Interpersonal skills, Clarity of the problem, Need for trust, Contingency of the approach, Influence of power, Degree of interaction.**

As outlined previously, our first approach was to ask the respondents in a complete open question which challenges they perceive in the relationship with entrepreneurial ventures and subsequently, how the strategy consultant can overcome these. Afterwards, when the respondent did not mention challenges that can be categorized to one of the stated factors, we asked for challenges in terms of that factor.

4.5 Data Categorization

The data categorisation process allows the researcher to rearrange the data into categories with the purpose of having an outlined structure when presenting and analysing the data (Saunders et al., 2012, p. 557). The categories that structure our presentation of our empirical findings emerged during the analysis process of the collected empirical data.
5 Empirical Evidence

This chapter has the purpose to familiarize the reader with the data that we have gathered through the interview process. In line with the structure of our interview guide, this chapter begins with presenting the answers to the introductory questions.

5.1 Participant Descriptions

5.1.1 Consulting #1

Our first respondent, before becoming a management consultant, has been working as a technician and economist in many industrial fields. He started to work as a management consultant in 1987 and has since then worked as an external and internal consultant for companies in mainly industrial and IT fields. But then, in 2004 he started his own management consulting company and had since then a lot of missions with entrepreneurial ventures in a huge variety of branches. As a management consultant he works mainly with process analysis, process development as well as with business models and quality measures in terms of strategy.

When giving his definition of the term “strategy consulting”, the respondent stressed the large variety that strategy consulting can be about. In addition, he mainly referred once more to his own activities and experiences in that field as outlined in the previous paragraph. When being asked for his understanding of the term “entrepreneurial venture” he equalized this term with the term “start-up”. For him, the most characterising trait of an entrepreneurial venture is that it is run by an entrepreneur who tries to get into the market, aims to get financing and strives to make progress. The respondent underlined the importance of strategy consulting for an entrepreneurial venture when it aims to grow with the following remarks:

“But it [to grow a business] is often very difficult. The entrepreneur can be a technician and is really focused on the product and then he doesn’t know anything about logistics or economics or marketing and he has to hire experts on those fields. (...) Because [the entrepreneurs] often not have the skill to look from the bird’s perspective on the business.”

5.1.2 Consulting #2

Our second respondent has a professional background as planner and economist. He has a long experience of being a management consultant with a special focus on strategic issues for entrepreneurial ventures. Today he works in several companies and runs also his own management consulting firm. With regard to the type of his strategic advisory services for his entrepreneurial clients he sees himself mainly as a process designer or change agent.

When being asked after his definition of the term “strategy consulting”, the respondent’s immediate reaction was to claim that it is his job to be a strategy consultant. With regard to the definition of the term “entrepreneurial venture”, the respondent highlighted the importance of the entrepreneur’s high degree of motivation. For him, strategy consulting has an important function for entrepreneurial clients since the strategy consultant can...
sharpen the entrepreneur’s awareness of the importance of the formulation of long-ranging goals. In terms of the formulation of strategic plans, the respondent sees his focus on issues connected to sustainability. Furthermore, the questionee revealed the reasons for his fascination to work with entrepreneurial ventures:

"And you have enthusiasts especially among the entrepreneurs and if you get them to take the right glasses on, they are the golden people, the key people in the change processes."

5.1.3 Consulting #3

Our third respondent graduated in 1985 with a Bachelor in Management from Stockholm University. After graduation she worked many years as a controller in production factories in different cities in Sweden and as a recruitment officer for the hospital in Örnsköldsvik. In 2006 she started her own management consulting company, mostly in the economic and finance area with a particular focus on strategic issues. When being asked after her experiences in terms of advising entrepreneurial ventures, the respondent stated that over the last four years more than 60% of her engagements were with entrepreneurial clients.

In her definition of the term “strategy consulting” the respondent made promptly the linkage to entrepreneurial ventures as her clients. Thereby, the interviewee stated that she sees her fields of activity mainly in the marketing as well as the administration area:

"Every company (...) when they start up they know the product (...), how to develop the product and so on. But they don’t know so much about the marketing issues. (...) After that it is administration. They need specific administration and they don’t know about that."

When being asked for a definition of the term “entrepreneurial venture” the respondent equalized in her answer the organisational level with the personal level by stating that she perceives the entrepreneur as a complex problem who is typically fully dedicated to the development of his product. She further explained that the problem can be that the entrepreneur fails to take the overall view on his business and the surrounding environment because of his narrow focus on product development. In her answer to the question after the importance of strategy consulting the respondent stressed once more the teaching function of the consultant to help the entrepreneur with all relevant issues in terms of market entrance, such as distribution channels, market segmentation etc.

5.1.4 Consulting #4

Our fourth respondent has extensive experience in the business life that spreads over decades. He has predominantly been working as a manager in city development for the municipality of Solna (Stockholm) as well as for 30 years in the same position for the municipality of Umeå. After these positions he started with cross-border development in commercial issues, mainly between Sweden and Norway as well as between Sweden and Finland. The interviewee started his own management consultant company about six years ago. The respondent admitted that his experiences in advising entrepreneurial ventures are not so extend. On the contrary, he pointed out that he was working a lot with entrepreneurial ventures as a planner and city developer in his former jobs in Solna and Umeå.
In his definition of the term “strategy consulting” the respondent stressed the specific skills of the strategy consultant that are perceived and valued by the client. One of these skills is to develop the entrepreneur’s idea in a professional and structured way by iteratively evaluating and reflecting upon all factors that influence strategic decisions. When being asked for a definition of the term “entrepreneurial venture” the immediate reaction of the respondent was to elaborate on his own experiences in this field. In addition, he stressed that it is characteristic for an entrepreneurial venture to have good, innovative ideas, but to lack financial resources at the same time. According to him, one very important benefit that strategy consultants can provide entrepreneurial ventures with is their profound network to external actors in order facilitate the preconditions for successful business development:

"[My task was to] help them to find a place to be, where it’s cheap, where they find the help, where they find the first customers, or get them contact to other researchers where they should work with or use the same equipment in the beginning before they have the certain level of scale (...)"

5.1.5 Consulting #5

Our fifth respondent can count on 30 years of experience working at Umeå University. After that extensive tenure in academia, he acted as the co-founder of two companies in Umeå that deal with innovation in the experimental information technology. According to the respondent’s declarations, big part of his positions at the university and in the two companies was to collaborate with students to bring out their entrepreneurial competences that he perceives to be often hidden.

The respondent’s definitions of the terms “strategy consulting” and “entrepreneurial venture”, as well as his statement why strategy consulting is important had a lot of overlapping elements. In his answers the respondent stressed first of all the importance of the interactive nature of the consulting process between the strategy consultant and the entrepreneurial client when developing a strategy jointly. According to the interviewee, another important function of the strategy consultant is to bring the real confidence and the will to the entrepreneurial client so that he begins to see and think beyond the obvious.

5.1.6 Consulting #6

Our sixth respondent is by far our youngest and less experienced management consultant since she is herself still a student at Umeå University. Before starting her own management consulting company two years ago, she has been a student consultant for two years. During her consulting career she has had two missions with entrepreneurial ventures. In these missions her main task was to give recommendations in strategic areas such as internationalisation processes and marketing.

In her definition of the term “strategy consulting” the respondent initially remarked the neutral and unbiased view that the external consultant is capable to take. Moreover, she highlighted the function of the strategy consultant to thoroughly examine the business environment of the entrepreneurial venture and to make concrete recommendations for the future strategic direction based on this analysis. Her understanding of the term “entrepreneurial venture” can be revealed with the following quote:
"It’s a new company. A startup company. Often they are small, but they can have a high development. (...) Apart from that they are new, they are also often run by one or a few persons that have this driving force, this entrepreneurial spirit."

When being asked why strategy consulting is important for entrepreneurial ventures, the respondent stressed once more the consultant’s ability to look unbiased at the external business environments. In line with that remark, she emphasized the importance of a thorough analysis that can be conducted by the consultant before the entrepreneur makes any decision with strategic dimension.

5.2 Main Points from Interviews

In the analysis process we recognized that there was coherence among our respondents on several challenges. Based on our thorough review of the collected empirical data, we identified similarities between these challenges and categorised them into main categories in order to reduce the complexity of our empirical data. Finally, we could identify ten challenges that can be categorised into one of the following three main categories: Mutual relationship specific challenges, central problem specific challenges and client characteristics specific challenges.

In the categorisation process we deliberately took the strategy consultant’s perspective since we reflected upon which kind of grouping is helpful for the strategy consultant when he wants to take the bird’s perspective on our research topic and get helpful insights from it. While we are convinced that our categorisation into the named three categories is helpful, we acknowledge that other authors might categorise the identified challenges differently. At the same time, while we consider even our categorisation in terms of the individual challenges as appropriate, we acknowledge overlapping elements between particular challenges so that other authors might have categorised these challenges in another way.

The order of challenges within each of the three categories is deliberately chosen, always beginning with the challenges that we identified as most important, since they were named most often by our respondents. However, we would like to confess that quite often different challenges were named equally often and because of that the order that we provide should be mainly understood only as a rough orientation. In the following accomplishments, we will at first present noteworthy examples of the named challenges. Subsequently, we will demonstrate the solutions that our respondents suggested for each of them in form of a table in order increase the lucidity for the reader.

5.2.1 Mutual Relationship Specific Challenges

From our empirical findings we can derive that the main challenges associated with the mutual relationship between the strategy consultant and the entrepreneurial venture are: the challenge of building up trust, the challenge of communication with the client as well as the challenge of identification of client’s wants.
Challenge of building up trust

All apart from one respondent named the build up of trust with the entrepreneurial venture as a critical challenge for the strategy consultant. Among these respondents there was consensus that without overcoming this challenge the consultant’s work is guaranteed to failure:

**Interviewee 5:** "The most important challenge is to get the client to trust you. (...) If you can’t establish this feeling, you have failed. Then you shouldn’t do strategic consultancy. It’s very, very important I think."

The respondents’ answers reveal that the strategy consultant is typically required to pay considerable effort to overcome this challenge in order to be able to establish a relationship of trust with the client. According to the interviewees, in the relationship with entrepreneurial clients it is the time aspect that makes this challenge especially demanding:

**Interviewee 3:** “It takes time to get trustworthy to the entrepreneurs. So that they know, okay, this person I can trust. This is really one thing, I learned. It takes time. You can’t rush it. This is really an obstacle. Sometimes you don’t have the time, but you have to take the time.”

**Interviewee 2:** “They must trust you, they must rely that you are actually doing this for their sakes and not for just making money.”

Challenge of the communication with the client

Another challenge brought forward by several respondents was related to the communication with the entrepreneurial client. These interviewees concurred that this is a critical aspect and is related to the requirement to listen and negotiate in a way which is valued by the client. Several respondents further outlined that for the strategy consultant this challenge is particularly present at the beginning of the relationship with the client.

**Interviewee 1:** "You have to have large ears so that you can listen what the problem is. You shouldn’t come in and just speak (...) Yes, it is always a communication challenge.”

**Interviewee 5:** "You have to have big ears. And it’s really important to listen and maybe change your own opinion about things. You don’t push in one direction before you have listened enough.”

According to the respondents’ view, the strategy consultant faces the challenge to pay attention not take too much the initiative and dominate in any way in the communication with the entrepreneurial client. The problem for the strategy consultant is that otherwise the client could have the perception that the whole idea or problem identification was the consultant’s own initiative. Subsequently, this perception might reduce the client’s commitment to the consulting engagement. More precise, the strategy consultant faces the challenge that he is responsible for ensuring a balanced communication level in the interaction with the entrepreneurial client. On the contrary, the entrepreneurial client always expects the strategy consultant to provide valuable input in the consulting process.
Interviewee 3: "And I mean it’s listening. It’s listening in the beginning. And of course this is an obstacle, because sometimes they want results."

With regard to the frequency of interaction and the duration of joint meetings between the strategy consultant and the client, several respondents named the challenge that the former needs to accept that the initiative lies in the client’s hands. Hence, the strategy consultant is challenged to be highly flexible in terms of his own time scheduling and needs to be mentally prepared to always comply with the client’s demands. In line with the previous remark, the strategy consultant is required to have a high degree of patience when particular clients are keen on negotiating specific questions or issues extensively.

Interviewee 2: “(...) you have of course to be flexible and adapt the programme, how often they have time to... for a small company, it’s very difficult to take that time, you can’t expect them to, as I said you can’t push them either. It must be actually they who decide how frequent... So it is not you that is building up the programme, it’s up to them to decide how frequently to meet."

Challenge of identification of the client’s wants

In line with the previously outlined communication challenge, the challenge to identify the client’s real wants was brought up by some respondents. This challenge is closely related to the communication challenge, since this challenge evolves as a consequence of misunderstandings in the communication between consultant and client. Either wants have not been addressed by the client in a proper way or the consultant has himself failed to perceive the client’s wants. Either way, the mentioned danger of misunderstandings in the mutual communication with the client constitutes a noteworthy challenge for the consultant, since failing to identify properly the client's wants can finally result in an unsatisfied client.

Interviewee 3: "You can put it in different states. I mean, the first thing is: What do they want? Do they only want to develop the product, develop, develop, develop. Or do they really want to gain money? And this is sometimes not easy to know."

Interviewee 4 also stated the challenge for the strategy consultant of identifying the client’s wants, but added even a special element to this challenge. This respondent raised the question whether the entrepreneurial client actually wants the strategy consultant to find and assist him in the problem-solving process. With regard to this remark, this interviewee further outlined the challenge for the strategy consultant that it might be the case that the entrepreneurial client wants to push the consultant in one specific direction. Hence the strategy consultant can be challenged to deal with a client who wants fully dominate in the process in order to reach that in the end the consultant comes up with a solution that he himself has identified.

5.2.2 Central Problem Specific Challenges

Our findings revealed that two additional challenges from the strategy consultant’s perspective are related to the central problem identification and central problem-solving process. In order to allow for a more accurate reflection upon these challenges, we subdivided them into two individual challenges. At first, for the strategy consultant there is the general challenge of how to approach the central problem of the entrepreneurial
client and consequently finding the solution for this central problem. Second, the strategy consultant has in particular to cope with challenges regarding the degree of involvement of the client in the problem-solving process.

Challenge of approaching the central problem and finding the solution

According to our respondents, the strategy consultant, while approaching the central problem of the client’s business, faces the challenge that he is always required to have a broad outlook. This challenge is existent since the central problem may every time lie in a different organisational area of the entrepreneurial venture. This requirement can be perceived as particularly challenging by the strategy consultant if he has previous experience only in one or few specific field and consequently only possesses a rather narrow perspective. For the strategy consultant, another noteworthy challenge occurs when he recognizes that the client is not focusing on the actual root cause of the central problem that is to be solved:

**Interviewee 1**: “I have to find the other obstacles to go to the market. That could be a challenge. The main problem is that you might be forced to address a sector or a spot and the problem in the company isn’t lying upon in this field. If I want to persuade the client that he does not focus on the real problem, I might need to step on someone’s toe.”

Another challenge which can be regarded as closely linked to the first challenge above was named by Interviewee 3 who stated that the strategy consultant, especially when having a rather narrow professional background, can easily be confronted with a problem which he cannot properly address and find an appropriate solution to:

**Interviewee 3**: "There are challenges if there are answers that you can’t answer, too. If you have questions, you can’t answer if they are so specific. I mean I am an expert in finance and economy. But there maybe questions in terms of leadership and organization, technical questions and so on. Then I have to say: “Sorry, I can’t give you answers.”"

Challenge of involvement of the client in the problem-solving process

According to some of our respondents, another challenge that is partially related to the previously outlined communication challenge is the challenge of involving the client in the problem-solving. Among the interviewees who named this challenge, it was uniformly agreed on that the strategy consultant is challenged to involve the client to a degree in this process that he perceives as satisfying. These respondents remarked that especially when having an entrepreneurial venture as the client, the strategy consultant faces the challenge to give his client a sense of being highly involved in this crucial process in the consultant-client relationship. What is more, these respondents emphasized that the entrepreneurial client even needs to have the feeling that he himself is the initiator of progressions in the problem-solving process:

**Interviewee 1**: "They have to think that they have come up with the idea and that I was only there to supporting them."

With regard to the remarks above, individual respondents further revealed that the strategy consultant is challenged to make sure that he does to execute too much power
and does not hold all initiative in his hands. Building on this challenge, the consultant is required to always assure the client’s ability to find a solution on his own. In line with this requirement, the strategy consultant is challenged to make sure that the mutual interaction between him and the client is steadily present.

**Interviewee 5**: "I don’t see it as a power situation, I see it as a dialogue all the time. Because then you, if you overtake too much and take too much power as a consultant, you are ruining a lot of things. (...) I mean you have to level it - depending on the reactions you get. You have to always observe what’s happening."

### 5.2.3 Client Specific Challenges

In the interviews several client specific challenges were named by our respondents. The interviewees identified that client’s high expectations, their limited financial resources, their lack of skills, every client’s individuality and their entrepreneurial traits can constitute particular challenges for the strategy consultant.

**Challenge of very high client's expectation of the strategy consultant’s appearance**

There was a huge degree of coherency in several of our respondents’ answers towards this challenge. The interviewed strategy consultants outlined that frequently entrepreneurial clients have high and false expectations towards their services which regularly results in a noteworthy challenge. In line with this finding, the strategy consultant can be in a particularly stressful and challenging situation if he has no clear picture of the client’s expectations in terms of his consultancy. For the strategy consultant, the challenging consequence of that uncertainty might be that he is never really able to relax since he always might think of doing more or doing it better in his consultancy in order to fully satisfy the entrepreneurial client.

**Interviewee 1**: "And so, there might be false expectations when I come in. I am not coming as some kind of God into the building."

**Interviewee 3**: "Image. To have this kind of, that they know, to be renown on the market. That’s mainly the first issue that comes to my mind."

**Interviewee 6**: "And also the different expectations [can be a challenge]. (...) But, like with the expectations it’s like what is exactly needed from me, what they expect me to do. And that can be very stressful, because it was always like, okay I can probably do more than this and this."

Interviewee 2 stressed this challenge even more when he clarified that right from the beginning it is actually the client’s perception of the consultant's high competence that actually brings the client to him.

**Interviewee 2**: "They are coming to me, because they understand that I am some kind of expert in sustainable development, they need my help to develop whatever they want. This means that they have already taken some steps in their own awareness. So the clients that I meet are already part of the change process and already possess some expectations if I call it so."

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Challenge of limited financial resources of the client

Nearly all respondents named the limited financial resources of the entrepreneurial client as a challenge for the strategy consultant. The respondents stressed that it is first of all a challenge for the strategy consultant because of the low probability to be employed by the entrepreneurial client. In addition, they also revealed that this circumstance can lead to challenges during the assignment and thereby within the consultant-client relationship.

**Interviewee 2:** "You always have the similar kinds of obstacles: you have a bad financing, you have the surroundings, you have the financial institutions."

**Interviewee 4:** “[The entrepreneurial ventures] have no money. Never, ever. They have good ideas, but no money.”

In line with the previous accomplishments, the strategy consultant, while developing a strategy for the entrepreneurial client, respectively together with him, regularly is challenged to deal the limited financing of the venture. According to some of our respondents, this aspect can be considered as particularly challenging for the strategy consultant since a successful strategic change often implies considerable financial expenditure and therefore the strategy consultant might be limited in his opportunities for action.

**Interviewee 3:** "We didn’t touch the questions about financing. Because if you (...) are a good rider [metaphor for the entrepreneur] and you have a good horse [metaphor for the product], then most of the time you don’t have the money to develop. (...) So, when I know [that] there is a lack of money, how do they do to get forward?"

Challenge of individuality of each entrepreneurial venture - Challenge of different assignments for the strategy consultant at the same time

Successful strategy consultants have typically multiple clients at the same time and can additionally look back on an extensive track record. With regard to that statement, two particular challenges can arise for the strategy consultant: The first challenge is that each client constitutes an unique and individual organisation with a different structure, product, market, owner and diverging questions and problems. The second challenge for the strategy consultant is that, while on the one hand simultaneously working with different clients and on the other hand being able to count on a huge amount of experiences, the strategy consultant should be very careful not to leak any information from one client to another.

**Interviewee 1:** "When I helped these ventures they were very, very different. So I was aiming for each of them for distinct knowledge. (...) And also when you have a number of customers, you must also be very sure that you do not leak information between them, even if you are proud of what you have done to one customer you can’t tell the other."

No matter how extensive the educational background of the strategy consultant is or how many, respectively which kind of professional and personal experiences he has had, according to some of our respondents the uniqueness of every client always remains an important challenge for him.
Interviewee 5: "The challenge for you as a consultant is to get free from that [the theoretical concepts and frameworks in the literature]. I think it's not bad knowing stuff what’s in the literature, but you also have to dare to free yourself from it and look upon it from another way. (...) This stuff is general. But if you work with the client it is always specific."

Challenge of lack of skills and knowledge of the client

One of the challenges faced by strategy consultants while working with entrepreneurial ventures as their clients is that these often lack specific business or market knowledge. Hence, for the strategy consultant the challenging situation arises that the entrepreneurial clients are regularly not able to communicate with him on a mutual eye-to-eye level about these issues. Subsequently, this discovery leads to the challenge of a proper communication between both parties, in which the consultant is challenged to justify and explain every single step that has been already undertaken or is to be undertaken in the future.

Interviewee 1: "But the main problem might be the organisation or the lack of skill in some of the people. The biggest challenge is that the entrepreneur might have certain areas where he doesn’t have knowledge. And how should I do not being too aggressive or to find a long-term solution? (...) Because they often not have the skill to look from the bird’s perspective on the business."

One further particular challenge for the strategy consultant is that entrepreneurial clients are often very narrowed in their focus since they just concentrate on the development and improvement of their central product. For the strategy consultant who has typically a broad view on business matters due to his extent previous experiences in different industries and with different clients, this situation generates the challenge to unite these two contrary views. For the strategy consultant who has also a rather narrow perspective on business matters due to his limited previous experience the challenge can be even bigger, especially if both parties have their view on diverging fields (functional areas). In addition to the previous explanations, the strategy consultant can count on his (academic) educational background, often leading to the challenge of a deviant language style in opposition to the client.

Interviewee 3: "Sometimes, they [the entrepreneurial ventures] don’t see the forest because of the trees."

Interviewee 5: "It’s an attitude changing training or learning for the entrepreneur and you know more than him probably in that area."

Interviewee 6: "(...) And as a consultant I can come in with other perspectives and sometimes it can be hard to communicate because of different perspectives. That I perceive can be a challenge. As a consultant you have a broader view. (...) It can be that the entrepreneurs are so into what they are doing and maybe not all of them are from the academic world and all the strategy consultants are. (...) [So one challenge is] that we have different languages."
Challenge of the entrepreneur’s high identification with his own business and his entrepreneurial mindset

According to our empirical findings, another challenge faced by strategy consultants is related to the entrepreneur’s high identification with his own business, as well as his (entrepreneurial) mindset. As most of our respondents have outlined, entrepreneurs are people who are highly attached to the core idea of their business and do whatever they are capable to do for it. From the strategy consultant’s perspective a business needs to have a documented strategy for a successful interaction with his business environment. Accordingly, as a planner the strategy consultant wants the entrepreneurial client to have some kind of sustainable plan. This can become a challenge when working with people whose nature is to be “doers”:

Interviewee 2: "And of course this is perhaps one of the tricky parts with people who are doers. So I want them to become actually more than doers, to systemize their work. If you want to change the world it is three keywords: ‘learning, planning, doing’. If you are a doer you need to have some kind of idea where to go. If you want to communicate, if you want to cooperate with others, you also need to document this in a way. And this is the tricky part. They hate bureaucracy. They hate paperwork."

In line with the remarks above, interviewees 1 and 6 stated that the mindset in the entrepreneurial venture, to care around the clock about his business can constitute a challenge for the strategy consultant. The common trait of entrepreneurs is that they, on the one hand, want their business to grow, but on the other hand, can reveal the tendency to be resistant towards obtaining external strategic advice.

Interviewee 4: “Everybody [wants at first solve his problems on his own]! In Sweden we have the saying: ‘I can do it on my own’. That’s the normal reaction. I try and I try and I try. And then [when I don’t succeed] I say: ‘We must ask somebody else to help us’.

Interviewee 3: "An entrepreneur is a very complex person. Because an entrepreneur in common is dedicated to its product. And the product is his or her baby. And sometimes they are not ready to share the baby with others. (...) And they want of course that this baby [their product] grows up."

5.2.4 Challenges and Ways to Overcome Them

As outlined in the purpose of this thesis, our respondents were asked for specific ways how a strategy consultant can overcome the challenges that he faces in the relationship with an entrepreneurial client. We selected the main recommendations given by our interviewees and will present them in the following part of this thesis-

Mutual relationship specific challenges:

Building up trust

While almost all the interviewees named the challenge of building up trust with the entrepreneurial client, all of these respondents also stated at least one measure how they can overcome this challenge.
Interviewee 1 and Interviewee 4 emphasized that they mainly succeed to build up trust due to their extensive previous professional experiences and the reputation that comes with these. They further explained that these experiences and the related reputation are highly valued by their clients. More precisely, respondent 4 outlined that this is especially true with regard to his professional experience in larger companies since these are in many areas some kind of role model for entrepreneurial ventures. Similarly, respondent 1 explained that due to his exposure to a huge amount of previous clients in different industries, he possesses knowledge which the entrepreneurial clients would like to get from him. According to him, another successful measure to build up trust are the tools that he uses and questions that he asks in the conversation with the entrepreneurial client. With regard to the previous remarks, interviewee 4 declared that it is not the consultant’s dressing that creates trust, but the amount of good questions that the consultant asks in the conversation with the entrepreneurial client and the network that he can demonstrate to him.

Interviewee 2 stressed that the strategy consultant can build up trust if he always puts emphasis on the client and is thereby able to show that everything he intends to do is for the benefit of the client. In addition, the respondent stressed that the consultant can build up trust if he collaborates with the client in a transparent way and shares with the client everything that the client can perceive as important:

**Interviewee 2:** “They must rely that you are actually doing this for their sakes and not for just making money (...) That you always have the client’s eyes in front of you.”

Interviewee 3 referred to the critical situation when the strategy consultant has no immediate answer for the problem of the entrepreneurial client. If this should be the case, then the strategy consultant can build up trust by showing that he is taking the client’s problem with him and is making use of his network to find a solution for it. In addition to these remarks, this respondent also stressed the importance of patience and availability in the build up of trust:

**Interviewee 3:** “The main thing is that I have to be available, but not to stress them, building trust always takes time.”

Interviewee 5 brought up an additional insight how to overcome this challenge by pointing to the relevance of the strategy consultant’s own confidence in his professional skills that he has to demonstrate to the client.

**Communication with the client**

It was widely agreed on among the interviewees that the communication with its different facets with the entrepreneurial client constitutes an important challenge. But, when being asked for ways to manage that challenge, they were also able to outline a number of possible approaches how they can overcome this challenge.

All interviewees who named this challenge stressed the crucial importance of the ability to listen carefully to the client’s statements. In line with that remark, they concurred that - especially in the beginning of the engagement - the strategy consultant should avoid to give too much directive input. Interviewee 1 and 4 used for this requirement the term “large ears” that are useful in order to find out about the client’s current situation and the
client’s goals for the future. Building on this notion, the respondent stressed that, while letting the client speak freely, it is important to enhance the communication by asking thoughtful questions at the right moments:

Interviewee 4: "[In the communication with the entrepreneurial client] I try to have a very soft person. I will not dominate."

Interviewee 4 emphasized the interpersonal skills of being very humble, respectful and examining in the interaction with the entrepreneurial client as very important means to manage this challenge. Taking into consideration that the client has intensively tried to find himself a solution to the central problem before contacting the consultant, it is important that the consultant never shows that he almost already knows how to solve the problem. In addition, he explained the importance to ask many thoughtful questions to the entrepreneurial client since this gives him the feeling that the solution is not aiming for a quick and inconsiderate solution.

In the further course of the interview, interviewee 4 straightened out that the strategy consultant can be successful if he acts as “the servant” to the entrepreneurial client. Hence, according to him, the strategy consultant can be prosperous if he learns to accept that it is the client who decides when meetings are to be finished and it is not the consultant self.

Besides the solution of listening carefully, interviewee 5 highlighted additionally that the strategy consultant is likely to be successful if he takes care of the entrepreneurial client in the mutual communication. He outlined that he is regularly able to recognize when the client cannot follow his explanations. The respondent explained that for the strategy consultant when dealing with an entrepreneurial client it is important to communicate step-by-step and to always be prepared to go a step back in an iterative process.

Identification of the client’s wants

The statements of some of our respondents showed that the identification of the client’s wants can be a challenge for the strategy consultant. Those interviewees who considered this as a challenge were at the same time able to name a way how they can solve this challenge.

The solutions that the respondents provided in order to identify the client’s wants were very similar to those outlined for overcoming the communication-challenge. Once more, the interviewees stressed the importance of asking profound questions in the interaction with the entrepreneurial client. By carefully listening to the client’s responses the strategy consultant may be able to determine even the client’s unexpressed wants and desires.

Interviewee 3 highlighted the importance and usefulness of asking the right questions to the entrepreneurial client in order to overcome this challenge. According to this respondent, two promising questions can be:

Interviewee 3: "What do you want with this product and what don’t you want? What can you see this product in about five, ten years?". 
In line with the other respondents, interviewee 5 in his remarks also emphasized the meaning of thorough inquiry in order to identify the client’s wants:

**Interviewee 5:** "If you work with people, you can listen to them, try to find out what they would like to do and from that you set up something that is maybe a bit above what they are talking about and then you are trying to convince them about that this is possible.”

Central problem specific challenges

**Approaching the central problem - Finding the solution for the central problem**

Challenges in terms of how to approach the central problem of the entrepreneurial client and how to find an appropriate solution to it were mentioned by several respondents. Based on their professional experiences they could also share a number of different solutions to that challenge.

Interviewee 1 stated that he makes predominantly use of the Business Model Canvas that has been developed by Alexander Osterwalder. He particularly uses the questions that are linked to the different boxes of this canvas and in interviews with the client he aims to find out what and where the main problem is. In the course of the interview, the respondent brought up another interesting solution to overcome that challenge when explaining that he only chooses the clients that seem to have a huge overlap in terms of their view on business problems. The interviewee further revealed that if the entrepreneurial client should not be focusing on the real problem, the strategy consultant can apply skills in the fields of psychology or sales in order to convince the client to also look into other fields.

Interviewee 2 named with “backcasting” another concrete tool that he uses in the problem-solving process:

**Interviewee 2:** “Backcasting is to starting in the future. We decide this is the future we want to have. And from that you are going backwards and looking, going back to the present situation (...) You could call it visionary planning (...) The point is that the vision is sustainable.”

Interviewees 3, 4 and 5 all highlighted the relevance of a functioning network that the strategy consultant can use in order to find answers to questions that exceed his own subject-specific horizon. Having said that, respondent 3 also stated the importance of keeping a good contact with the entrepreneurial client when looking for the solution elsewhere in order not to lose him as a client.

Interviewee 4 also stressed the importance of demonstrating an enlarged network to the client by saying - for instance:

**Interviewee 4:** "I will contact all other of my colleagues or people I know. You gather. [The client] should (...) experience you as a person that gets a really good picture of the situation, knows where to take it further and has a good network. You should say: 'I know a person there. (...) I will contact him.”
The respondent further outlined that this acting evokes the impression in the client that he has not hired a strategy consultant who has all solutions to every problem in his head, but, by making use of his network, has the important ability to get the right knowledge to this specific issue that he is dealing with."

Interviewee 5, while agreeing that a functioning network is of crucial importance for the strategy consultant, stressed once more the usefulness of careful listening in order to find out what the main idea of the entrepreneurial venture is and in which direction the decision-makers in the company want to go. With regard to an entrepreneurial venture that might consist of different hierarchical levels, the respondent gave a concrete advice how the strategy consultant can gather important information in order to find a solution for the central problem: When conducting interviews, the strategy consultant should begin to talk with persons who are at the top of the hierarchy and subsequently, with the passing of time, he should go further down in the hierarchy.

Interviewee 6 made aware of the different focus that the strategy consultant and entrepreneurial client can have when approaching the central problem. She stated that, while the entrepreneurial client normally has a rather narrow focus, the strategy consultant typically has a broader focus. The interviewee further outlined that for the strategy consultant it is first of all important to keep this difference in mind and then to aim to find a balance between these two views.

**Involvement of the client in the problem-solving process**

Almost all of our respondents stated that in the consulting engagement the degree of involvement of the client in the problem-solving process constitutes a major challenge for the strategy consultant. These interviewees all agreed that there is the inevitable need to involve the client appropriately. When being asked for ways to achieve this, they were able to name different possibilities.

Interviewee 1 accentuated the role of “psychology and sales” that is of crucial importance in order to make the client really feel that he is involved in the process. The respondent stated that one positive outcome is that the entrepreneur is proud when he is of the perception that he has come up himself with the solution to the problem. The interviewee further explained that, building on this cognition, the effect is that the client has the feeling that he is still owning “his baby” which is a metaphor for his product, respectively his entrepreneurial venture.

The answer of interviewee 2 goes in the same direction when stating that the objective for the strategy consultant should always be that the entrepreneurial client discovers the solution to the problem. The respondent said that often he could serve the entrepreneurial client the solution immediately, but this is not the right way to deal with him. In the further course of the interview, based on his long experience, the respondent gave a noteworthy reason for why the strategy consultant should avoid to be too directive in the problem-solving process:

**Interviewee 2:** “Don’t ever give them all the solutions. Because, yes you will be considered as a good consultant, but they will have you for one time.”

Interviewee 5 complements the previous statements by saying:
**Interviewee 5:** "It should be the client’s idea that I promote and I support to get moving and it’s my thing to help him or her to remove all the obstacles".

The respondent further revealed that in order to solve the central problem, an action plan has to be formulated and implemented. Thereby he stressed the importance to involve the client in every activity related to it. Especially any changes to that action plan should be jointly agreed on between the strategy consultant and the entrepreneurial client.

**Client characteristics specific challenges**

**Very high client’s expectations of the strategy consultant - The strategy consultant’s appearance**

Several of the interviewed strategy consultants named the very high expectations that the entrepreneurial clients have in them, as one important challenge. Based on their extensive experience, they were able to name some ways to overcome this challenge.

Interviewee 1 emphasized that the strategy consultant should not try to be high-profile even if this could be compelling for him when he is perceived like this by the client.

When being asked for how to overcome this challenge, interviewee 4 remarked:

**Interviewee 4:** "Be like a human being. And never put other people in an awkward situation by your acting. (...) Be like an average people. It’s not the clothes you wear, it is the way that you have been able to be thinking that is interesting for [the client]. Be humble. Be like a normal person to [the client]."

In addition, the respondent raised the importance of showing acknowledgement for the struggling of the client. The strategy consultant should confirm that the client faces an indeed difficult problem. Moreover, the consultant should praise the entrepreneurial client for his willingness to take help from outside with regard to the high degree of complexity of the problem. According to him, it might be even a good way for the strategy consultant to doubt if he alone is sufficient to solve the problem. But, of course, the consultant should promise credibly that he will do everything he can in order to help the client. In line with this remark, the respondent once more pointed out the importance of asking good questions in order to show the client that one really wants to get to the inner core of the problem. He named the following questions as promising examples:

**Interviewee 4:** “What has been happening? What kind of attempts have been undertaken? Have you thought about that? Have you discussed that? Why do you not? Why did you stop there?”

In the further course of the interview he stressed what is absolutely to avoid in terms of the strategy consultant’s appearance:

**Interviewee 4:** “If you claim that you know everything yourself, you’re out of the business quite quick. Because you don’t. You are a tool to get collecting all the right knowledge, or solutions or examples.”
Interviewee 6 highlighted the necessity to clarify the mutual expectations right in the beginning of the consulting engagement in order to overcome the challenge of possibly exaggerated expectations. More precisely, she stressed the importance to put clear boundaries so that it is clear for both sides, what is included in the consulting engagement and what is not.

**Limited financial resources of the client**

The limited financial resources of the entrepreneurial venture have been named as one challenge for the strategy consultant by some of our respondents. Based on their extent experience in their profession, the respondents could reveal different solutions to overcome this challenge.

Interviewee 4 explained that he used his network in the past in order to help the entrepreneurial ventures to find an office that they can rent for a fair price and from which they can start their business operations more professionally. In addition, the respondent supported the entrepreneurial ventures in their search for the first customers or established a contact with (other) researchers for a successful collaboration in order to further foster innovation.

Interviewee 2 made a very similar remark by explaining:

**Interviewee 2:** "And as a consultant you can actually become the bridge-builder with the business environment."

**Lack of skills and knowledge of the client**

Some of our interviewees perceived the lack of skills and knowledge of the entrepreneurial venture in certain areas as a challenge for them since, as a consequence, the client might not be an equal counterpart in the consulting engagement. Based on their extent professional experience, our respondents were capable to give different suggestions how to overcome that challenge.

Interviewee 1 outlined that he, as a first step, should turn down his own expectations towards the skills of the entrepreneurial venture in certain areas of their business. The respondent further explained that, as a second step, he organises a lecture or a workshop with the people in the entrepreneurial venture in which this field is addressed. The respondent said that in this workshop he mostly gets a better picture of what exact skills are missing in the client’s company. In so doing, he revealed that he very often is able to find other areas in the entrepreneurial venture where there is also a lack of necessary skills.

In particular interviewee 2 highlighted the importance of knowledge sharing and educating the client in strategic areas of his business:

**Interviewee 2:** "You are actually building up some kind of lifelong relationship. And the most important thing is that you can’t make them become dependent of you. Because our work is to make them as independent as possible. But the remarkable thing is that when you do that, they want to continue the relationship. It might be a paradox, as a consultant,
you of course want them to be dependent, so that they are buying your service for the rest of their live. But that’s not the true life-long relationship."

The same argument was also supported by interviewee 1 when he stated that the consultant should not be the long-term solution for his client since the consultant should succeed to pass on his knowledge. Moreover, in so doing the consultant should never prevail or rule and make orders.

In case the entrepreneurial client should not be able to be an equal counterpart, according to interviewee 5, for the strategy consultant it is beneficial to always be aware of the possible pitfall to behave too directive in the mutual interaction. This respondent stressed that the strategy consultant is successful when he is able to avoid that the communication with the entrepreneurial client becomes one-sided.

**Individuality of each entrepreneurial venture - Different assignments for the strategy consultant at the same time**

Some of our respondents named the individuality of each entrepreneurial venture, and in close connection to that, different assignments at the same time as noteworthy challenges for the strategy consultant. Counting on their extensive experience in this field, our respondents were able to reveal different solutions to these challenges.

As outlined previously, interviewee 1 shared with us his enthusiasm for the Business Model Canvas to deal with this challenge. The respondent stressed that while on the one hand this tool can be used to always ask the same questions to every client, on the other hand this tool facilitates that the strategy consultant gets an unique picture of every client and his current business situation. According to this respondent, the strategy consultant can, building on this initial research, always aim for each of his clients for distinct knowledge.

Also interviewee 3 mentioned a concrete tool for overcoming this challenge by referring to her checklist of questions that need to be adapted individually:

**Interviewee 3:** "A checklist from the beginning and you have to have this checklist, but for each entrepreneur. But you have to listen: Does this checklist, or does this question what I’m asking, are they okay for just this entrepreneur. Sometimes they don’t. So you have to adjust them."

Interviewee 5 was talking on the same lines when providing a solution for this challenge:

**Interviewee 5:** "There are a lot of business models out there that you can learn and talk about, but then you have to be open for what’s specific in this situation."

**The client’s high identification with his business and his entrepreneurial mindset**

Several of our respondents named the entrepreneurial mindset and the entrepreneur’s high identification with his own business as a noteworthy challenge for the strategy consultant. However, they were also capable to point out different solutions.
Interviewee 2 highlighted the importance of the strategy consultant’s mental flexibility in order to successfully deal with this challenge:

**Interviewee 2:** "You need to be flexible enough that you don’t need to have a perfect document, just that you have keywords that you are working from."

As a solution to this challenge, interviewee 4 stressed the importance to get really deep insights of the entrepreneur’s cognitive situation as well as his plans and motivations for the future. The strategy consultant should ask what the entrepreneurial client what his objectives are in terms of his product. According to this respondent, another promising inquiry can be to ask the client where he can see his product in five or ten years time from now.

Interviewee 3 mentioned that it is beneficial for the strategy consultant if he keeps in mind that entrepreneurial clients normally do not like when at an early stage of the consulting engagement (too) many people are included from the consultant’s side. The respondent explained that if too many people are involved, the entrepreneur might perceive that too many people know about their product which might evoke a feeling of unease in them. According to her, a promising way for the strategy consultant can be to be first alone when advising the entrepreneur until a profound level of trust is established between the consultant and the entrepreneur.
6 Analysis

In this chapter we will analyse our gathered empirical data that we have presented in the previous chapter “empirical evidence”. We will connect the responses given by our interviewees and compare them to theories and scientific research done in this academic field that we have presented in the theoretical framework of our thesis.

In order to present the reader an understandable structure and thereby facilitating his reading we will structure our analysis chapter similar to the previous chapter “empirical evidence”. Hence, the structure will be determined by the three categories of (possible) challenges that we have identified in our thorough analysis of the collected empirical data: mutual relationship specific challenges, central problem specific challenges and client characteristic specific challenges.

From an overall view, before embarking on a more in depth-analysis in terms of the different challenge categories in the following explanations, we would like to stress the interlinked character of the identified challenges that we clearly perceive. More precise, we detect the interlinked character of the challenges on three levels: At first, the challenges within each of the three main categories reveal an interlinked character. Second, even the distinct main categories have interlinked elements with each other. Consequently, we also perceive that several challenges that we have categorised in different categories possess interlinked elements with each other. Some of them show more common elements, some of them less. While we still evaluate our categorisation as advantageous, we want to make the reader aware of that perception in order to facilitate that he always keeps the overall view.

To begin with, it is worthwhile to constitute that our respondents evaluated strategy consulting for entrepreneurial ventures similarly important as some scholars that we cited in our problem background who wrote more generally about the importance of strategy consulting (Nahavandi & Chesteen, 1988, p. 29; Robinson, 1982, p. 91; Chrisman & Leslie, 1989, p. 38). Having said that. we also have to state that this initial finding is not surprising, since we have interviewed management consultants who do strategic consulting services and they were hence required to testify the importance of their own profession. However, they were also able to justify the importance of their services for entrepreneurial ventures by revealing several examples as outlined in the previous chapter and as to be analyzed in this chapter.

From our empirical findings we can derive that the from the strategy consultant’s perspective the challenge to achieve client satisfaction is the overall and fundamental challenge. This is in line with our literature findings (Stumpf & Longman, 2000, p. 124). With regard to this assessment, our respondents perceived a high degree of client satisfaction as the decisive factor for achieving subsequent client retention which also has been mentioned in the reviewed literature (Stumpf & Longman, 2000, p. 124). Going beyond the mentioned literature, from our data we can deduce one noteworthy paradoxon: The more the strategy consultant shares his knowledge with the entrepreneurial client and thereby educates him to become independent, the more the client wants to stay the consultant’s customer. And this observation applies paradoxically even if the client could “survive” without the consultant’s advice because of the newly gained knowledge and the ability to solve his problems on his own through the previous consultant’s support. From this notion we can derive that the strategy consultant should pass on his knowledge since
this seems to be highly valued by the entrepreneurial client, increases the client’s trust and satisfies him. Going beyond these remarks, we perceive that a further positive effect of this can be that client will probably recommend the consultant to other potential clients and that way the consultant can increase his client base. This consideration is exactly in line with the remarks of Delany (1995, p. 105) as well as Glucker and Ambruster (2003, p. 282).

**Mutual relationship specific challenges**

In terms of the mutual relationship specific challenges, from our empirical findings we can derive that to build up trust is a critical challenge for the strategy consultant in the relationship with the entrepreneurial client. This central finding of our research is in line with the statements in our literature review, where trust was also highlighted to be of crucial importance in the client-consultant relationship (McGivern, 1983, p. 368; Powers and Reagan, 2007, p. 1235; Stumpf & Longman, 2000, p. 129; Fincham, 1999, p. 345). With regard to that observation, from our empirical findings we can deduce that a huge number of the actions that the strategy consultant undertakes in the consulting engagement has to a varying degree the purpose of building up and maintaining trust with his entrepreneurial client.

From our empirical findings we can derive that the strategy consultant can successfully build up trust with the entrepreneurial client if he is able to demonstrate his extent professional experience. This finding is in line with the remarks made by Fincham (1999, p. 345) in our theoretical framework. Our respondents highlighted the utility of having experiences from the same industry as well as from the different industries in order to gain the client’s trust. Hence, in terms of the framework provided by Canato & Giangreco (2011) and with regard to the factor “source of legitimation” in this framework, the strategy consultant who act as an “information source” and as a “knowledge broker” can be regarded as prosperous. More precise, for the consultant who acts as an “information source” it is typical to have a greater experience in the relevant industry, while for a “knowledge broker” it is characteristic to count on experiences in various industries (Canato & Giangreco, 2011, p. 236).

From our collected data we can further infer that to demonstrate a favorable network to the entrepreneurial client is another successful means to build up trust. This finding equals the insights from our literature review (Stumpf & Longman, 2000, p. 125). In terms of the framework developed by Canato and Giangreco (2011) and with regard to the factor “locus of experience” the successful strategy consultant can be once more categorised as an “information source” or “knowledge broker”. While it is typical for the “information source” to have multiple contacts with firms and institutions in the industry, the “knowledge broker” tends to make use of brokering mechanisms such as the accessibility of knowledge databases (Canato & Giangreco, 2011, p. 236). Our research findings suggest that the mentioned measures will likely evoke the perception in the entrepreneurial client that the strategy consultant is a trustworthy expert on sensitive matters of their business.

From our empirical data we can further deduce that the application of specific tools such as the named “business model canvas”, “backcasting” or a “checklist” can build up trust in the relationship with the entrepreneurial client. These findings can be retrieved in our theoretical framework where Fincham (1999, p. 336) stated that consultants are
knowledge workers who transform ideas into practices and techniques. Moreover, our collected data suggests that a thorough examination in form of a qualitative interview can be successful means to build up trust for the strategy consultant when dealing with an entrepreneurial client. This finding can be related to the framework provided by Nees and Greiner (1985) with regard to the investigating approach. With respect to the mentioned framework the prosperous strategy consultant can be categorised as “management physician” or “friendly co-pilot” since both consultant types usually apply a qualitative approach. Moreover, from our empirical findings we can make the inference that for building up trust the strategy consultant should always be able to immerse to the entrepreneurial client’s situation and be able to take his viewpoint. This can be linked to the remark by Martin Jr. et al. (2001, p. 154) as presented in our theoretical framework who highlight the importance for the management consultant to put the client’s interest first.

In addition to the means mentioned above, from our empirical findings we can extrapolate that the strategy consultant can gain trust if he shares all information that he possesses with the entrepreneurial client. Here, we perceive a controversial aspect in comparison to our literature review: Stumpf and Longman (2000, p. 129) reason that the establishment of mutual trust is the prerequisite for unreserved mutual information sharing. However, from our empirical findings we can derive that the strategy consultant should first share his knowledge in order to subsequently gain trust from the entrepreneurial client. Furthermore, from our empirical findings we can derive that the strategy consultant can build up trust by demonstrating confidence in his own skills and his suggestions that he gives to the entrepreneurial client. More precise, from our data we can divert that the strategy consultant can become even more trustworthy to the entrepreneurial client when he is able to provide reasonable justifications and detailed explanations in how far their recommendations are for the client’s favor. Finally, from our empirical findings we can derive that it is beneficial for the strategy consultant to possess and demonstrate a high degree of patience since building up and maintenance of trust is a time consuming process. The findings in our literature review also stress that the duration of the consultant-client relationship is an important factor for a collaboration full of trust (Fincham, 1999, p. 345).

From our empirical findings we can derive the importance of being a good listener in order to be successful as strategy consultant when dealing with entrepreneurial ventures. In line with that remark we can deduce from the collected data that - especially in the beginning of the relationship - the strategy consultant should avoid to give too much directive input and instead listen carefully to the information the client provides him with. In terms of the framework provided by Nees and Greiner (1985) we can deduce that the strategy consultant with regard to the communication is successful when taking the “friendly co-pilot” role. With regard to the framework developed by Lippitt and Lippitt (1978) we can deduce that the strategy consultant should act like outlined in the roles presented on the left side of the (non)-directive continuum. These roles are the “fact finder”, “the process counselor” and “the reflector” (Lippitt and Lippitt, 1978; cited in Pellegrinelli, 2002, p. 345). More precise, we derive that the role of “the reflector” is the most promising role in the interaction with the entrepreneurial client.
Central problem specific challenges

In our theoretical framework, we stated that in terms of the central problem of the client’s business two of the traditional purposes of management consulting are “providing a solution to a given problem” and “conducting diagnosis that may redefine the problem” (Turner, 1982). These two purposes we could also recognise in our empirical data, but formulated as challenges for the strategy consultant. Due to the entrepreneurial client’s lack of experience in strategic management and his narrow focus on his business we can derive the challenge for the strategy consultant to convince the client to look into other fields of his business. He can achieve that by using methods from the fields of psychology and sales. Moreover, our empirical findings allow to deduce that the strategy consultant can also make use of psychological and sales techniques to make the entrepreneurial clients believe that they came up with the idea. This solution proposed by our respondents can be explained by the entrepreneurial trait to want to have control over the own business and possessing autonomy and independence in terms of their decisions (Stumpf & Tymon, 2001, p. 51).

Moreover, our findings let us conclude that the strategy consultant should not be too directive, but rather balanced in his problem-solving approach with the entrepreneurial client. Hence, in terms of the framework developed by Lippitt and Lippitt (1978), we can deduce that the strategy consultant should take the role of the “joint problem solver” or the “reflector”. Moreover, from our empirical data we can derive that the strategy consultant can face the challenge that the entrepreneurial client misleads him unintentionally in the problem identification process. From this notion we can conclude that the strategy consultant when engaging with an entrepreneurial client should always conduct a diagnosis that may redefine the problem which is the third main purpose of management consulting in terms of Turner’s framework (1982), even if the client presents himself a problem that he perceives as the central one.

From our empirical findings we can derive that in the problem-solving process the strategy consultant should always show honest concern to the entrepreneurial client, with regard to the client’s business in general and in terms of the central problem that the client’s business faces in particular. In line with that finding, we can derive that the strategy consultant should demonstrate to the entrepreneurial client that he focuses deeply on the problem and that he is always present for any type of inquiry from the entrepreneur’s side in the problem-solving process. Hence, in terms of the framework provided by Nees and Greiner (1985) we can conclude that the strategy consultant should act as the “management physician” or “friendly co-pilot”.

Creplet et al. (2008, p. 1518) consider management consultants as professionals who are aware of a large set of business problems as well as a huge number of solutions to these problems who possess knowledge from varying industries. More precise, according to Creplet et al. (2008), management consultants have the capability to identify the central problem and match an appropriate solution to it. In contrast, from our empirical findings we can derive that the strategy consultant when engaging with entrepreneurial clients does not necessarily need to have explicit expert knowledge about all functional areas of the client’s business. Moreover, our data suggest that the entrepreneurial client regularly values likewise if the strategy consultant has the ability to fill his knowledge gap, especially by contacting the required experts from his extent professional network.
With regard to the solutions for overcoming the challenge of approaching the central problem, in our empirical findings we came across a paradox: One respondent outlined that he overcomes this challenge by only choosing customers in which he perceives a big overlap in terms of their problem-solving approach. With respect to this exemplification, we argue that this strategy consultant is disregarding (or is not aware) that a mutual adjustment of the problem-solving approach can be reached during the relationship by open and honest communication, even with clients who had initially a different view on the matter.

As outlined before, from our empirical data we can divert that for the strategy consultant it is regularly beneficial to involve someone with the required special knowledge if the consultant detects that the problem lies in a sphere where he does not have the necessary experience. However, the consultant is here in a dilemma in terms of secrecy: On the one hand the entrepreneurial client needs and expects his help, but on the other hand the same client typically does not want that too many people are involved in the beginning in the consulting project since he wants to keep his innovative product (“his baby”) and especially the strategy concerning this product in secrecy. This behaviour can be explained by his entrepreneurial trait of strong commitment to innovation and to act proactively (Zahra, 1993, p. 6).

Another important challenge that we can derive from our research is the necessity for the strategy consultant to possess a broad knowledge base in management consulting when engaging with an entrepreneurial client. Moreover, from our data we can deduce that the main reason for this prerequisite is that the central problem can lie in so many different areas of the client’s business. Hence, from our data we can conclude that the strategy consultant has to be able to take the bird’s perspective on the entrepreneurial venture. We regard this finding as a complement to the study conducted by Chrisman & Leslie (1989, p. 47) who stated that strategic advice is of particular benefit when comprehensively coupled with other types of advice, e. g. in the fields of administration and operations. Hence, a well-rounded strategy consultant with knowledge for instance in the fields of administration and operations can be of particular help for not only formulating a strategy, but for implementing it as well. Even for identifying that the problem lies in a field where the strategy consultant has limited knowledge, he needs to be experienced enough, should see the whole puzzle and the past as well as the future of the client’s business.

**Client characteristics specific challenges**

From our literature review we could ascertain that entrepreneurs are typically highly proactively orientated and risk-takers (Runyan et al, 2008, p. 569). With reference to this notion, from our empirical findings we can derive that this character trait can even lead to a high degree of impatience in the entrepreneur’s interaction with the strategy consultant. Considering the entrepreneurial “doer”-nature, the strategy consultant, can successfully manage this challenge if he is able to turn down his expectations in terms of this part of the consulting engagement. As one concrete example, he should accept that the final documents of the consulting project (e. g. the strategic plan) do not have to be composed in a perfect outline.

Another challenge for the strategy consultant that we can derive from our empirical findings is the wrong perception of the strategy consultant’s image and the client’s high expectations towards his service provision. We evaluate this as some kind of paradox,
since when the strategy consultant wants to reveal his extensive expert skills and knowledge in order to gain trust, the entrepreneurial client could feel himself in a dependent position where consultants act as authorities who hold all technical control and responsibility for the results (Pozzebon & Pinsonneault, 2012, p. 36). From our empirical findings we can deduce that to avoid this situation, the strategy consultant should act humble in order to narrow down the gap of expectation and perception as depicted in fig. 6 (Hsieh & Yuan, 2010). Our data allows to divert that one concrete way to demonstrate the strategy consultant’s humility can be not to present the solution to the entrepreneurial client immediately even if he would be able to do so. When reflecting upon this challenge and taking the statements from the literature into account, we came to the conclusion that the danger of the possibility to leave the client unsatisfied, is the primary reason why the strategy consultants named this challenge. From the respondents’ answers we can infer that another means for the strategy consultant to overcome this challenge is to clarify mutual expectations with the entrepreneurial client right from the beginning.

From our empirical findings we can derive that the knowledge gap between the strategy consultant and the entrepreneurial client in certain areas can represent another challenge for the consultant. The precise lacks of knowledge of entrepreneurial ventures as mentioned by our respondents are congruent with the factors presented by Stumpf and Tymon (2001, p. 52) since they all could be categorised as belonging to: further direction of the business, business performance or general understanding of the market.

Our empirical findings imply that the strategy consultant can overcome this challenge when he is able to pass his knowledge to the entrepreneurial client. In so doing, he can equip the client with necessary problem-solving tools and techniques so that when the client should encounter a problem in the future he will be able to solve it himself. While not explicitly been named by our respondents, we evaluate it as important to mention that the passed-on knowledge, tools and techniques can enable the entrepreneurial client also to proactively anticipate arising business problems in the future. The previously mentioned passing of knowledge can be categorized to the purpose of “client learning” in Turner’s (1982) hierarchy of purposes of the consulting engagement. In the mentioned framework, that purpose was pointed out among the additional and more ambitious goals which accordingly require more sophisticated skills from the strategy consultant in the interaction with the client. With regard to this finding we can derive that an entrepreneurial venture as a client is a laborious and complex task for the strategy consultant.

Building on this assessment, we can also detect a connection to the framework provided by Johannsson (1999). Considering that strategy work is a highly complex, multipurpose issue to consult on, and taking into account the mentioned high knowledge and experience asymmetry, in terms of this framework, the communication between the strategy consultant and the entrepreneurial venture can be considered as “manipulative” at the beginning of the engagement. However, based on our respondents’ statements the communication between the strategy consultant and the entrepreneurial client should always be in the form of a “dialogue” (in terms of Johannsson’s framework). From our point of view, the primary reason behind passing on the knowledge, especially by providing workshops and holding frequent meetings, is to reduce the knowledge gap between the two parties and thereby reaching the mentioned “dialogue”-level.
From our empirical findings we can derive that another major contribution that strategy consultants are regularly able to provide entrepreneurial clients with, is to help them to build up a business network with the purpose of finding financing and for strengthening their position in the market. We perceive that these consulting purposes go beyond our theoretical framework. Hence, for us, this is not surprising since we consider these purposes as specialised only for entrepreneurial settings.

With regard to our empirical findings we conclude that in comparison with strategy consulting for big established companies, the application of the same solutions does not work in terms of entrepreneurial ventures. Hence, the requirement of an individual approach is likely to be even more a challenge for the strategy consultant. With regard to these remarks, from our empirical data we can derive that the role of the “standard setter” developed by Canato and Giangreco (2011) which might be promising when advising big established firms is unlikely to be successful with entrepreneurial clients. Building on our findings we can derive that in dealing with the entrepreneurial client the consultant should not rely too much on the existing solution-frameworks and always look for what is specific in the client’s situation.

From our empirical findings we can derive that when advising an entrepreneurial venture in terms of strategy, it is important for the strategy consultant to always keep an eye on the broader business environment. This is due to the fact that the entrepreneurial client with his innovative product or service is always embedded in multiple relationships to various actors. Depending on the specific context, these actors can be research institutes, strategic partners, local (regional) authorities. More precise, the strategy consultant should investigate the either cooperative or competitive relationship with big established companies in the relevant industry.

Klyver (2008, p. 188) argues that the probability to involve an external consultant increases as the entrepreneurial venture becomes older, because the decision-makers in it then start to perceive more value in the consulting services. The author argues that the reason for this is it that they become more knowledgeable and are more concerned with business matters. However, respondent 3 outlined that she faces more problems when working with entrepreneurial ventures that are run by entrepreneurs who are in the market for a longer time. As the reason for this phenomenon, she explained that these entrepreneurs tend to know more about business and therefore have higher expectations in her services. Consequently, these entrepreneurs regularly become resistant to change because of their increased attachment to their business, in comparison to the younger entrepreneurs.
7 Conclusion

In this chapter we come back to our research question and answer it following the analysis of findings from the previous chapter. Afterwards, we familiarize the reader with the truth criteria, then discuss limitations of the study and in the end propose several suggestions for future research in this field of study.

7.1 Research Question

The research question that we intended to answer in this thesis was: What are the challenges for the strategy consultant in the relationship with an entrepreneurial venture and how can he successfully overcome these? Subsequently, the purpose of this study was to find out what can be perceived as a challenge by external strategy consultants who have entrepreneurial ventures as their clients. Additionally, we aimed to find out multiple ways of how consultants can overcome these challenges or even proactively prevent them from occurring.

The common opinion from our interviewees was that their professional external services in the field of strategy are highly beneficial for their entrepreneurial clients. From our empirical findings we can conclude that all of our respondents were clearly aware of the challenges faced during multiple experiences they had and also proactively acted towards eliminating potential issues that could be seen as a challenge while dealing and facing a challenging situation in the relationship. All the challenges were mentioned by our respondents specifically in the context of an entrepreneurial client in the field of strategy.

Our respondents agreed on that the most important challenge is to build up trust with the entrepreneurial client. From the obtained data one central result that we can derive is that all the challenges and the solutions to them are highly interlinked. During the interview process our respondents were returning back to a specific issue and were making it explicit for us that a solution for one challenge was meant indirectly to be a solution for another challenge as well. The common statement from the strategy consultants in our sample was that their concern is first of all to have their clients’ interests at the first place. Thus, one primary task for the strategy consultant is to do everything possible, so that the entrepreneurial client in the end is left satisfied. All respondents could elaborate on why a particular challenge actually was constituted and gave their justifications for it to appear.

From our study, we can conclude that the interviewed strategy consultants were of the opinion that in managing the relationship with the entrepreneurial client they played the decisive role through their acting.

7.2 Implications and Theoretical Contribution

The findings of our thesis contribute to the limited body of knowledge in management consulting for entrepreneurial ventures. The most important practical implication of this study can be perceived by the sole practitioners in strategy consulting. Our thesis can be regarded as a beneficial supplement and how-to guide for consultants who plan to engage with entrepreneurial clients, as well as for present strategy consultants engaged in such a relationship for boosting up their performance. Initially being aware of several challenges may enable strategy consultants to modify their consultancy in order to reach a higher level of client satisfaction. In order to also contribute from the practical point of view, in
our interviews we paid careful attention to ask as many questions about practical skills, advices and hints as possible.

Moreover, our study can also be perceived as valuable by entrepreneurial ventures. At first, entrepreneurial ventures may become even more aware of the advantageousness to assign a strategy consultant. Secondly, knowledge about the challenge that the consultant perceives they can adapt their acting to reduce the challenges and improve the relationship. Considering the big economical indirect effect of strategy consulting on the whole economy, we call for further research in the regarded field and consider our study as a valuable practical complement.

In line with the previous remarks, our findings partially support the existing knowledge base in the field of management consultancy, respectively strategy consultancy. However, most of the literature review includes studies based on the relationship of consultants with the management of large companies. As has been outlined in our literature review chapter there has been lack of studies concerning external professional advice for entrepreneurial ventures. Our findings additionally add to the knowledge base by going beyond the existent literature. This is achieved by introducing the ways how to overcome the depicted challenges, based on the respondents’ suggestions and practices. However, we could link several suggestions given by our respondents to the existing knowledge base and find justifications for their responses. Those challenges depict all potential areas that are to be regarded specifically by strategy consultants when dealing with entrepreneurial clients.

7.3 Truth Criteria

Reliability and validity are important truth criteria in order to assess the quality of quantitative research (Bryman & Bell, 2011, p. 394). Among researchers there are converse standpoints to what extent these criteria can be applied to qualitative research, given the nature of qualitative research (Bryman & Bell, 2011, pp. 394-401) as outlined in chapter 3. In this thesis we do not aim to go further into detail in terms of this discussion. Yin (2003, p. 34) in his book reveals that internal validity, external validity and reliability are criteria used for judging qualitative case study research. Having said that, we took the stance to adapt the truth criteria validity and reliability for our particular qualitative research, bearing in mind that there is also the possibility to apply alternative criteria as a means of quality assessment.

With regard to the previous accomplishments, the truth criteria that we aim to assess in this chapter can be subdivided as as: internal validity, external validity, internal reliability and external reliability (Bryman & Bell, 2011, p. 395).

Internal validity shows the extent to which theoretical ideas and observations correspond with each other (Bryman & Bell, 2011, p. 395). Silverman (1997, p. 113) states that the interview process is subject to misunderstandings, errors and biases. He further outlines that to overcome these the researcher should ask questions in a proper way, so that the respondent gives out the desired information (Silverman, 1997, p. 113). Bearing these remarks in mind, we tried not to influence the respondents in any way or ask leading questions. Hence, in the interview we took the neutral position to the best of our possibilities. Additionally, with the objective of decreasing possible biases from our respondents and getting more spontaneous answers from them, we did not send out our interview guide to our respondents in advance. Moreover, we let them express themselves
freely, affirming from the outset that their responses will be treated anonymously and that they are naturally not requested to reveal names when providing us with concrete examples. The interview guide will be attached in the appendix or our thesis in order to “strengthen the dependability” of our research (Bryman & Bell, 2011, p. 473). With regard to the remarks above, we think that we have achieved an acceptable degree of internal validity.

External validity shows the degree to which the findings of the study are generalizable beyond the particular research setting (Yin, 2003, p. 37; Bryman & Bell, 2011, p. 395). In qualitative research it is universally very hard to generalise findings from the investigated sample to the whole population, since every investigated case is unique (Saunders et al., 2012, p. 94). Having said that, even in qualitative research, the researcher is still required to be able to demonstrate a high degree of external validity of his research findings (Saunders et al., 2012, p. 194). One feasible way to do that is to exhibit that a representative sample was chosen in the research (Saunders et al., 2012, p. 194). With regard to the previous remarks, we are of the opinion that our study can be generalized to other management consultants in Sweden who provide strategic advice to entrepreneurial ventures. We take this standpoint, first and foremost since our respondents revealed their predominantly extensive experiences with multiple clients all over Sweden. Although our theoretical framework includes scientific articles about management consulting in general, we are of the opinion that those studies are relevant for strategy consultants. This assessment is supported by the consideration that every strategy consultant is a management consultant, but no management consultant is a strategy consultant.

In the situation when more than one researcher is involved in the research process, as it was the case in our research project, internal reliability shows the extent to which the researchers agree on what they perceive visually and auditory (Bryman & Bell, 2011, p. 395). Bearing this truth criterion in mind, we conducted the majority of the interviews together. In addition, we recapitulated, discussed and analysed each interview jointly. This proceeding allowed us to commenting mutually on our own interpretations concerning the particular answers of our respondents right after each interview. With regard to the previous accomplishments, we believe that we have achieved an acceptable degree of internal reliability.

External reliability is the “degree to which the finding is independent of accidental circumstances of research” (Kirk & Miller, 1986, p. 20; cited in Silverman, 1997, p. 203). In our interviews we did not influence our respondents by asking leading questions and let them express themselves freely. Additionally, after having conducted the interview, the researcher can eliminate problems concerning external reliability by transcribing the interview (Silverman, 1997, p. 203). That way the researcher has the possibility to listen several times to the recorded interview and is thereby capable to truly determine which answer was related to which particular question and how this answer was meant by the respondent (Silverman, 1997, p. 203). “The goal of reliability is to minimize the errors and biases in a study” (Yin, 2003, p. 37), so that if other researchers would undertake the same study they would most likely obtain the same research findings. The semi-structured nature of our interview makes it improbable to obtain exactly the same results (Saunders et al., 2012, p. 381). However, since we have precisely explained our research proceeding, we have given other researchers the opportunity to repeat our study. Thus, we argue that we have achieved an acceptable degree of external reliability that could be reached in qualitative research.
7.4 Limitations of our Study

Our study that we have revealed in the previous chapters sheds light on the challenges from the strategy consultant’s perspective in the relationship with entrepreneurial ventures and how the strategy consultant can overcome these challenges. While we are convinced that our study contributes to the knowledge base in this academic field, we are also aware of the following limitations to our study:

Focus only on the strategy consultant’s perspective
Throughout our thesis we have stressed the mutual relationship between the strategy consultant and the entrepreneurial venture and the interdependent character that characterizes this relationship. Being aware of that notion, we have completely focused to investigate the topic from only one perspective: the strategy consultant’s perspective. Hence, we have only asked one of the two parties which challenges they perceive and how they think they can overcome these challenges based on their previous experiences. Having said that, it has to be considered that the other side, the actors in the entrepreneurial ventures can have a complete different perception about the topic. In line with the previous remarks, we have to admit that our study lacks the client’s perspective and especially because of that our findings have to be treated with caution.

Limited number of respondents
One important characteristic of qualitative research is that the researcher investigates a smaller number of participants since he aims for deeper information from the participants. Time is one central limiting factor when doing research. This can be regarded to be particularly true in terms of the first year’s master-thesis that lasts only over half the academic term. We clearly perceived that in the last interviews the answers revealed repeating patterns in comparison to the first interviews and are therefore of the opinion that to conduct even more interviews would not have changed our results considerably. However, we also admit that if we had interviewed even more respondents, the research findings could be regarded as even more profound. In line with the previous remarks, it is obvious that if we had asked even more respondents, they would have maybe named even more challenges or solutions to the challenges, depending on their professional background. In addition, the order of challenges in terms of their importance might have to be corrected since different respondents might have given different priorities.

Geographical focus on Sweden
First and foremost with the purposes of complexity reduction and accessibility of respondents we have focused our research on management consulting companies in Sweden. Sweden is a country in Northern Europe (Scandinavia) and can be regarded as a developed and wealthy country. As it is characteristic for every country, it has his own, unique culture that also affects how business is done in this country. Building on the previous remarks and depending on which importance one attributes to the influence of the natural culture, we have to declare that our findings most of all are true only for Sweden, respectively for Scandinavia. The same research, using the same interview guide, might obtain different findings if it has been conducted in a country with a culture that differs a lot from the Swedish culture: e. g. in Southern Europe, Eastern Europe or in other continents in the world.
Vagueness of some terms and differences of understanding
Although we are convinced that our respondents are really experts in the field of our research and knew what they were talking about, ambiguities in terms of their understanding of the central terms of our research can never fully be excluded. Every respondent has his own unique professional background and has his unique previous experiences that he brings to our research. This fact became clear when the respondents were required to define the central terms of our research topic. Although we were able to detect common patterns, naturally no definition of one term was equal to that of another respondent. The problem of ambiguity of terms can also be noted to exist with regard to the different factors of the consultant-client relationship that build one central element of our interview guide.

7.5 Future Research

In the previous chapter we had to admit that our study shows some limitations with regard to their contribution to scientific knowledge. Building on the outlined limitations, in this chapter we aim to point out some routes for further knowledge generation in this scientific field. It is natural that some suggestions for further research are directly based on the limitations of our research.

Change of perspective - Same approach:
One promising point of departure for further research can be a simple change of the respondent’s perspective. Hence, the research topic could be investigated from the perspective of the entrepreneurial clients. The research approach (interview guide) could be by and large the same, the only, but distinct difference would be to ask “the other side of the table”: As a first step, what challenges in the engagement with strategy consultants they perceive and then, as second step, how the strategy consultant can overcome these challenges. This research could provide strategy consultants with very interesting insights since “the customer (the client) is always king” and because of that his perception of the matter has always to be regarded. An extension of this proposal would be to compare the consultant’s and the client’s perspectives. In so doing, researchers could even make use of our findings.

Change of perspective - Different approach:
The second promising route of further research that we perceive is closely linked to the previous suggestion. Once more, the perspective is to interview the clients, the entrepreneurial ventures, but this time for their expectations of strategy consultants: What do they expect from the strategy consultant? And what can the strategy consultant do to satisfy them? This research would provide strategy consultants with very useful insights of how to satisfy clients. This research approach would be justified through the assessment that client’s satisfaction can be considered of particular importance in respect of client retention and the acquisition of further clients due to word of mouth.

Focus on particular industry:
In our study we did not focus on one particular industry, but included the experiences that strategy consultants had in their engagement with clients from different industries. A future research approach could be to narrow the research down to one industry in order to find out about the particular challenges that strategy consultants have to cope with when dealing with clients who are players in that specific industry. By making use of this approach the research findings could be sharpened.
Combining qualitative with quantitative research:
Another interesting approach could be to validate our research findings by making use of a quantitative research design. In so doing, the researcher could collect additional data by distributing a survey to a huge number of strategy consultants. In terms of this research approach, one benefit could be to ask the respondents to evaluate the given challenges in terms of their importance, respectively frequency of occurrence in their engagements with entrepreneurial ventures. Another benefit could be to obtain a list of even more challenges since with an increasing number of respondents, the number of mentioned challenges is also likely to increase.
Reference List:


Appendix

Appendix 1: Interview Guide

Part I: Introductory Questions

1. Tell us about yourself. What is your background as strategy consultant?

2. Do you have experiences with advising an entrepreneurial venture in terms of strategy?

3. What is the size of your company (number of employees) and when have you started to provide strategy consulting services to entrepreneurial ventures?

4. How would you define the term “strategy consulting”? Why is strategy consulting important?

5. How would you define the term “entrepreneurial venture”?

Part II: Relationship between Strategy Consultant and Entrepreneurial Venture

What comes first to your mind when you think about the relationship with an entrepreneurial venture? Why?

What are the challenges for the strategy consultant in the relationship with an entrepreneurial venture? Why?

How can the strategy consultant overcome each of these challenges?

Depending on the previous answers, probing further in terms of the factors below (asking for challenges + ways to overcome / solutions)

- Clarity of the goals
- Interpersonal skills
- Clarity of the problem
- Need for trust
- Contingency of the approach

Part III: Role of the Strategy Consultant in the Relationship

What are the challenges in terms to the role of the strategy consultant in the relationship with the entrepreneurial venture? Why?

How can the strategy consultant overcome each of these challenges?

Depending on the previous answer, probing further in terms of the factors below (asking for challenges + ways to overcome / solutions)

- Influence of power
- Degree of interaction
Part IV: Finalizing

Taking all the mentioned aspects into account, what other challenges do you think are important to be aware of when advising an entrepreneurial venture in strategic issues? Why? How can the strategy consultant overcome each of these challenges?

Asking the respondent to share with us further important practical advices, insights or tricks in terms of advising an entrepreneurial venture from the strategy consultant's perspective