

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING 10331

UNIT 3 UNDERSTANDING THE MANAGEMENT CONSULTING INDUSTRY

SPECIMEN

TIME: 1 HOUR

INSTRUCTIONS TO CANDIDATES

Fill in all the boxes below. Use CAPITAL LETTERS.

CENTRE DETAILS

| | |
|---------------|-------------|
| Centre Number | Centre Name |
| | |

COMPUTER REF

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 1 | 0 | 3 | 3 | 1 |
|--|--|--|---|---|---|---|---|

CANDIDATE DETAILS

| Surname or Family Name | First Name | Initials of Other Forenames | DATE OF BIRTH | | | | | | | |
|------------------------|------------|-----------------------------|---------------|---|---|---|---|---|---|---|
| | | | D | D | M | M | Y | Y | Y | Y |

- **DO NOT** open the booklet until told to do so by the invigilator.
- Answer **ALL** questions.
- Write your answers in the spaces provided on the question paper.
- Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Use black ink.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part question.

The total number of marks for this paper is 50.

| FOR EXAMINERS' USE ONLY | | | |
|-------------------------|--|---|--|
| 1 | | 5 | |
| 2 | | 6 | |
| 3 | | 7 | |
| 4 | | 8 | |
| TOTAL = | | | |

Ofqual Qualification Reference Number: 600/6039/6

H054 SAM13

This document consists of 12 pages. Any blank pages are indicated.

3 _____

(9 marks)

3 Outline **three** services which a management consulting business of your choice provides to its existing clients.

1 _____

2 _____

3 _____

(6 marks)

4 Explain **four** stages in the consulting project life-cycle.

1 _____

2 _____

3 _____

4 _____

(8 marks)

5 Explain why penalty clauses are a key contractual obligation in a consulting engagement.

(3 marks)

6 Explain why agreeing achievable objectives for a management consulting project should help to manage the client's expectations.

(4 marks)

7 Explain what is meant by a 'code of practice'.

(2 marks)

8 Explain **three** implications for a business of it operating ethically.

1 _____

2 _____

3 _____

(9 marks)
(Total for paper 50 marks)

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK



SPECIMEN ASSESSMENT MARK SCHEME

Certificate in Management Consulting – 10331 – Level 4

Unit 3 Understanding the Management Consulting Industry

Duration: 1 hour

Maximum mark: 50

For answers marked by levels of response:

- a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer.
- b. **To determine the mark within the level**, consider the following:

| Descriptor | Award mark |
|---|---|
| On the borderline of this level and the one below | At bottom of level |
| Just enough achievement on balance for this level | Above bottom and either below middle or at middle of level (depending on number of marks available) |
| Meets the criteria but with some slight inconsistency | Above middle and either below top of level or at middle of level (depending on number of marks available) |
| Consistently meets the criteria for this level | At top of level |

| Question | Answer/Indicative Content | Marks | Guidance |
|----------|--|-------|--|
| 1 | <p>Indicative content:</p> <ul style="list-style-type: none"> • ability to respond • impacts and consequences • leadership style • stakeholder mix • mode of communication <p>Exemplar response:</p> <p><i>The nature of the business environment in which a flat structure exists might differ from that in which a hierarchical structure exists. Flat structures would typically be of a matrix design [1] and in this way be more responsive to changes in the business environment such as bringing in new products to market in shorter lead-times. [1] On the other hand, the more rigid, functional design of a hierarchical structure does not cope well with dynamic environments but is better suited to more stable environments in which mature market segments are satisfied on a day-to-day basis. [1]</i></p> | 9 | <p>One mark for each correct identification up to a maximum of three identifications, plus up to a further two marks for each of three explanations.</p> |
| 2 | <p>Indicative response:</p> <ul style="list-style-type: none"> • objectives and strategy need to be: • appropriate to the business • appropriate to the market dynamics • specific • realistic • flexible <p>Exemplar response:</p> <p><i>Our management consulting practice has a large client base and currently operates in a highly competitive sector. It has three main business objectives – one relating to fee income, another to CPD and the final one to new client development. In general the objectives are few enough in number to provide the necessary focus for the business and two of the three objectives are reasonably specific, realistic and flexible. However, the objective relating to fee income, which is specifically stated is ‘to maximise per consultant fee income year-on-year for new and existing clients’, is problematic. (L1) We are finding it very difficult to know how to split our time and effort between finding new clients and servicing existing clients. So the objective as stated fails to give us a specific enough steer on the balance the practice wants us to achieve between</i></p> | 9 | <p>Levels of response</p> <p>Level 3 (7 - 9 marks) An analysis of the objectives of a management consultancy.</p> <p>Level 2 (4 - 6 marks) An explanation of the objectives of a management consultancy.</p> <p>Level 1 (1 - 3 marks) An identification of the objectives of a management consultancy.</p> |

| Question | Answer/Indicative Content | Marks | Guidance |
|----------|---|-------|---|
| | <p><i>new/existing clients. (L2) We have a problem with the word 'maximise' as it is not really measurable and so unrealistic to achieve. As a result, although we are working very hard on a daily basis, we feel demoralised. There is also some evidence that this loosely stated objective may be tainting our brand, which is to deliver excellence and value for money'. What would make this objective work better for us is to amend it by introducing a specific, measurable target of some minimum consultant fee income that would be required of each consultant on an annual basis. (L3)</i></p> | | |
| 3 | <p>Indicative content:</p> <ul style="list-style-type: none"> • provision of a service: • management consulting • added value <p>Exemplar response:</p> <p><i>My management consulting business provides the following:</i></p> <ol style="list-style-type: none"> <i>a) patient quality-of-life evaluations [1]</i> <i>b) expert witness representation in pharmaceutical litigation Court cases [1]</i> <i>c) Change management interventions [1]</i> <p><i>An example of a patient quality-of-life evaluation is to client X, a pharmaceuticals company, where we provide quality-of-life evaluations on particular drugs they currently have on the market [1]. The work is preventative in nature [1] and adds value to the client since it provides objective evidence on the reported side-effects of the drug under evaluation [1].</i></p> | 6 | <p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three developments.</p> |

| Question | Answer/Indicative Content | Marks | Guidance |
|----------|--|-------|---|
| 4 | <p>Indicative content :</p> <ul style="list-style-type: none"> • the management consulting cycle: • diagnosis • planning • implementation • feedback • continuous improvement <p>Exemplar response:</p> <p><i>Among the stages in the consulting project life-cycle are the following:</i></p> <ul style="list-style-type: none"> • <i>diagnosis [1]</i> • <i>planning [1]</i> • <i>implementation [1]</i> • <i>feedback [1]</i> <p><i>Diagnosis is a key stage of the management consulting life-cycle. Here the consultant works with the client to develop possible causes of the problem under investigation based on his/her experience and the evidence gained during the research stage. [+1]</i></p> | 8 | <p>One mark for each correct identification up to a maximum of four identifications, plus a further one mark for each of four explanations.</p> |
| 5 | <p>Indicative content:</p> <ul style="list-style-type: none"> • agreeing the terms of the contract • product/services liability • penalty clauses • fees <p>Exemplar response:</p> <p><i>Penalty clauses are an obligation placed on the managing consultant to achieve specified milestones of the project. [1] Avoiding penalty clauses helps to build trust between client and consultant, increases the chances of project success [1], and contributes to a lowered exposure of both client and consulting firm to undue business risk. [1]</i></p> | 3 | <p>One mark for a correct explanatory statement, up to a maximum of three such statements but allow development marks</p> |

| Question | Answer/Indicative Content | Marks | Guidance |
|----------|--|-------|---|
| 6 | <p>Indicative content:</p> <ul style="list-style-type: none"> • that agreeing on a realistic objective is a two way process between client and consultant • the importance of establishing scope and milestones at this stage • that objectives could also change as the project progresses and will need to be reviewed periodically • that agreeing achievable objectives is an initial stage in managing the client's expectations; others being for example, consultant's style, building rapport and trust with the client <p>Exemplar response:</p> <p><i>Agreeing achievable objectives for a management consulting project is a two-way negotiated process between consultant and client. [1] The SMART acronym can provide a useful focus for negotiation on aspects of the project which are critical to achieving success for both parties. [1] There should be mutual discussion and agreement on scope, key milestones and deliverables, and the expected levels of quality and timeliness with which work/tasks are to be delivered. [1] Periodic reviews of the work completed at key stages along the project life-cycle are also important in managing the client's expectations. [1]</i></p> | 4 | <p>One mark for each correct explanatory statement up to a maximum of four such statements but allow development marks</p> |
| 7 | <p>Indicative content</p> <ul style="list-style-type: none"> • ethical behaviour • honesty and integrity • management consultant's codes of practice <p>Exemplar response:</p> <p><i>A code of practice provides an ethical framework within which a professional's role/tasks should be conducted. [1] The presence of a professional code of practice is what distinguishes between an occupation that is a profession and one that is not. [1]</i></p> | 2 | Up to two marks |

| | | | | |
|---|--|--|---|--|
| 8 | | <p>Indicative content:</p> <ul style="list-style-type: none"> • advantages and disadvantages • stakeholders <ul style="list-style-type: none"> – shareholders – company executive – employees – trade unions <p>Exemplar response:</p> <p><i>An example of a business operating ethically could be a supermarket chain deciding to donate quantities of unsold (within sell-by date) food to food banks. In this case an implication for the business of taking this ethical action is the foregone revenue it would otherwise gain by taking an alternative action of selling-off the unsold food more cheaply. [1] A second implication for the business could be an improved image for the supermarket chain resulting from the perception of a caring, responsible organisation which could, in turn, reinforce the brand and lead to increased revenue and market share. [1] A third implication is that customers too may regard favourably this ethical action and so prefer to shop at this supermarket chain. In turn this could increase market share and reinforce customer loyalty. [1]</i></p> | 9 | <p>One mark for each correct identification up to a maximum of three identifications, plus up to a further two marks for each of three explanations</p> |
|---|--|--|---|--|