

Master Degree Project in Management



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Disrupting the Management Consulting Industry

A study of the internal forms of organization and external forms of collaboration of consulting firms

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Abstract

Disruptive innovations are radically transforming and revolutionizing several industries nowadays, among which the management consulting one is not an exception. Its consideration as one of the sectors immune to the threat of disruption has been challenged by different vulnerabilities existing within the consulting companies' operations and strategies, such as the presence of excessive human labor, outdated business practices or not sophisticated revenue models. This study aims to identify if and how internal forms of organization and external forms of collaboration across management consulting firms might lead to disruption in the business. In this regard, internal forms relate to phenomena such as the implementation of new strategies, the creation of novel units or innovative business models. External collaborations concern networks building and partnerships across the consulting firms.

The research has been developed through a deep literature review of disruptive innovation and its application in the management consulting industry through new internal organizational forms and external collaborative settings. The theory has been then complemented by information collected through qualitative semi-structured interviews with consulting firms of different sizes and offerings. An extensive analysis of the literature and the responses of the interviewees demonstrated an awareness and topicality of the threat of disruption towards the management consulting industry, even if the phenomenon is perceived differently across the market's actors. In this context some internal forms of organization and external collaboration forms leading to disruption have emerged, ranging from new sophisticated revenue models based on subscriptions to strategies of self-disruption of the consulting company itself and networks of organizations collaborating together within ecosystems. Based on this, some practical recommendations are provided by the author. These include, for instance, familiarize with the concept of disruptive innovation and maintain a wide view over the market by becoming aware of the new strategies, models, organizational and collaborative forms emerging in the sector in order to face in a more proactive manner the disruptive threat.

Keywords: *Innovation; Disruption; Disruptive innovation; Management consulting; Consulting; Consultant; Business model; Innovative business model; Network; Collaboration*

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1. Introduction

In the recent past, numerous industries, ranging from the entertainment to the travelling business, have been threatened by the now overused term of disruptive innovation. Indeed, this phenomenon has appeared in several respects across the various sectors. According to Clayton Christensen, who was the first to introduce the idea of disruption, it has emerged through the entrance of newcomers in the targeted business, either with a bottom-up strategy or by creating a new market. However, notwithstanding the relevance of his work, also some other interpretations of the concept have been identified. Those enlarge the meaning of the phenomenon by including, as “potential paths of disruption”, business model innovations, new ways of leveraging excess capacity, changes in the traditional way of operating and the list goes on.

Among the different industries, that of management consulting raises a great interest, both given its resistance to disruption, shown over the years, and due to the poor existing literature around the issue. Those are the reasons why the researcher, through the following work, aims at studying the concept of disruptive innovation in the management consulting business according both to the Christensen theory and to the other existing academic interpretations of the term. These lasts will indeed allow the author to widen the possible patterns through which a disruptive innovation might arise, thus not limiting the study only to the theory emphasized by Christensen. The research will be developed by adopting two main perspectives. The first concerns the examination of if and how internal forms of organizations within the consulting companies – such as the implementation of new strategies, the creation of novel departments or innovative business models inside the single firm, the transformation of the used revenue model – can lead to disruption in the market. The second is connected to study if and how external forms of collaborations – like networks among different companies or creation of partnerships across the firms – might disrupt the management consulting business as well. By developing this distinction, given the multiple angles from where disruptive innovations might arise inside and outside the organizations, the researcher aims at including the various paths consulting firms might follow in dealing with this concept. This approach helps the author to provide a broader view of the subject, adopting an inside (internal forms of organizations) and outside (external forms of collaborations) view of the firms, considering both the big and small ones, by taking into account the different existing definitions around the disruptive innovation’s concept.

1.1 Background

Business innovation and technology in general are two of the main concepts that are present and intensively discussed nowadays within the business environment, with the concept of innovation being critical for companies to compete and grow in the market (Baumol, 2002; Ciabuschi,

Dellestrand and Martín, 2011). It is indeed true that different organizations are facing new challenges today in competing with other firms due to the rapid and radical transformations brought by significant innovations. The implementation of new strategies, innovative ideas and services is becoming fundamental to succeed (Dereli, 2015). Some of these relate to the digital wave experienced in recent periods and the connected proliferation of digital platforms, others concern the new technologies like blockchain, machine learning and artificial intelligence (AI), and the list goes on. To better understand the importance of the phenomenon, one can consider the fact that the digital wave just mentioned, and the digital business models coming with that, are regarded as the main cause that, since 2000, led more than half the companies listed in the Fortune 500 to vanish (Nanterme, 2016). All these concepts create at the same time new difficulties for the organizations but also opportunities to compete in the market. Difficulties on the one hand, because of the newness of specific technologies, such as blockchain and the related issues in managing them and understand their characteristics. On the other hand, opportunities are created if the firms become able to effectively deal with the new innovations and technologies and if they can adapt to the rapid changes happening in the market. However, the concept of innovation is not new within the business environment. Indeed, the process of discovering and put in place new approaches and “*new ways of doing things*”, as emphasized by Jan Fagerberg (2003), has always been one of the human tendencies. The roots of the term innovation can also be found in the work of Joseph Schumpeter, who was a pioneer in framing the concept back in the ‘30s. According to his studies “*Innovation is a process of industrial mutation, that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one*” (Schumpeter, 2010: p.73). The same author believed in the fact that every organization in search of a profit had to innovate along the way (Śledzik, 2013).

The firms’ need to continuously innovate can also be deducted from a more recent study conducted by the innovation consulting firm “Innosight”, which shows that the average company lifetime on the Standard & Poor’s (S&P) 500 index went from more than 35 years average in 1980 to less than 24 years average in 2017 and is expected to dramatically decrease to 12 years by 2027 (Anthony et al., 2018). As one can imagine, there could be different reasons behind this 20-year drop. For instance, some go bankruptcy or are embedded in mergers or acquisitions, and others cannot survive and experience a decrease of their market share (Mochari, 2016). This notwithstanding, according to some scholars, in order to remain competitive, one aspect companies need to keep in mind is that they often necessitate to reinvent themselves. The process of reinventing themselves is indeed emphasized by different authors, included the same Mochari (2016), who see it as a significant tool to continuously improve and innovate and to stay ahead of the market competition (Tredgold, 2017; Denning, 2011).

To better understand this, one can think about the several firms which tend to decrease the path of improvement and processes' change after years of work, staying still: they continue to offer the same services over time because of the concept of inertia, maintaining the same processes and ways of working given their effectiveness over the years and not seeing enough good reasons to transform them. Nowadays, this way of thinking is becoming dangerous, even letting some companies to die, as also highlighted by Hubert Ooghe and Sofie De Prijcker (2008). They include inertia as one of the management characteristics potentially leading to bankruptcy. This is the reason why it is important to avoid becoming too comfortable and innovate the offerings and the business' practices, in a way to also overcome the potential challenges of more innovative startups entering the market (Tredgold, 2017; Dereli, 2015). The importance of constantly innovate is also strengthened by Luke Williams, from the New York University's Stern School of Business, who emphasizes the fact that to compete in the market companies need to think big and move away from the status quo (Poe, 2019). From the concept of reinventing themselves and focusing on innovation, to remain competitive in the marketplace, another relevant notion stands out, covering a significant importance: that of *disruption*.

1.1.1 Disruptive innovation

Disruption and disruptive innovation are two of those buzzwords that today are constantly adopted in the business language and which are strongly linked to the firms' concepts of reinventing themselves and innovative radical change (Alpkan and Gemici, 2016). In fact, these are not only buzzwords anymore but, nowadays, are becoming increasingly important when it comes to companies' strategies and innovations. This can be seen by considering again the study developed by Innosight (Anthony et al., 2018). The decreasing lifetime average of especially big companies in the S&P 500 index seems to be strongly connected to the power of disruption brought by new technologies and, more in general, by new innovative startups which revolutionize the industry in which they operate, disrupting the long-standing giants (Anthony et al., 2018). However, the term disruption and disruptive innovation are often misunderstood and sometimes overused, leading to confusion around the core meaning. Different authors, indeed, adopt the concept of disruption to identify innovations and new startups which transform a specific sector of the market, disregarding the theoretical description of the phenomenon emphasized by Clayton Christensen, who introduced the term in 1995 (Gobble, 2016; Christensen et al., 2018; Christensen, Raynor and McDonald, 2015). Even if this issue will be deeply discussed later within Chapter 2 (Theoretical Framework), it seems important now to better frame the concept of disruption so that the reader can understand some different existing interpretations around it.

In particular, the most recognized theory around disruptive innovation belongs to the same Clayton Christensen (2013) who, after a first introduction of the term in 1995, modified it over the years to

come up with the finding that a disruption occurs mainly in two cases. Firstly, when newcomers enter in the *low-end market*, creating new value in the part of the market often ignored by the incumbents, to then gradually move upmarket by targeting the mainstream customers. The disruption materializes when these last customers are attracted by the new entrants and eventually move away from the long-standing businesses. Secondly, upstarts can also create *new markets* which were not present before and build a profitable and disruptive business upon that (Christensen et al, 2018; Christensen, Raynor and McDonald, 2015). Beside Christensen's theory, however, some other interpretations have emerged over the years, providing new perspectives in contrast or in addition to the one just mentioned. Some are built around the same meaning of the English verb "*to disrupt*", which ends up being slightly different from Christensen's sense. According to this interpretation, for instance, a newcomer can disrupt the market not only by creating a new one or pursuing a bottom-up strategy, but also by creating value to the customer in non-traditional and innovative ways, implementing completely different business models from those of the incumbents (Gobble, 2016). Others implement the theoretical definition provided by Christensen by including the possibility of *high-end disruptions*, thus entering the mainstream market with innovative offerings better matching customers' needs (Vázquez Sampere, Bienenstock and Zuckerman, 2016). Some other interpretations are present and will be developed in the theoretical framework. For now, it is important to understand that different perspectives exist, contrasting or, better, widening the one of Christensen. As Glen M. Schmidt and Cheryl T. Druehl (2008) point out:

“A disruptive innovation (i.e., one that dramatically disrupts the current market) is not necessarily a disruptive innovation (as Clayton Christensen defines this term)” (Schmidt and Druehl, 2008: p.347)

Therefore, even if his definition seems to be the most recognized and reliable one, the other perspectives, which will be developed in the research, are deemed important for the purpose of the study in order to give more space to the researcher and the participants in the empirical section (i.e. the interviewees) to present their perceptions around the phenomenon, avoiding limiting the operating space only to the Christensen theory. However, for the sake of clarity, a distinction will be outlined throughout the study between the different interpretations, avoiding generating confusion in the reader.

With this clarification in mind, it has also to be said that the two introduced notions of innovation and disruption are interrelated, sharing some common features, even if they are not the same concept.

According to Schumpeter, as previously mentioned, an innovation is a process consisting of transformation and change, that causes a revolution in the economic architecture by “*destroying the old one and creating the new one*” and that can be divided in five categories: the launch of new products, the implementation of new production methods, the acquisition of new supply sources, the approach to new markets and the setting of new organizational forms of the business (Śledzik, 2013; Fagerberg, 2003). A disruption, on the other hand, occurs when, as Clayton Christensen states, upstarts enter the market with a bottom-up strategy (*low-end disruption*) or by creating an entirely new market (*new-market disruption*) (Christensen et al, 2018; Christensen, Raynor and McDonald, 2015). Notwithstanding the fact that the concept of disruption might also be extended, as mentioned, through the adoption of other perspectives, such as those of MaryAnne Gobble (2016) or Vázquez Sampere, Bienenstock and Zuckerman (2016) previously shown, it remains different from that of innovation. This means that, while a disruption is also an innovation, since it incorporates itself a process composed of radical transformations, creations of new markets or application of new ways of doing things; the opposite is not always true. An innovation, indeed, may not be a disruption, neither in Christensen nor in other interpretations’ sense. This is because it might not match with any of the definitions provided around the concept of disruptions. A potential initial path to determine if an innovation could be also categorized as disruptive might be by looking at an additional classification based on Schumpeter studies: this implies differentiating between an “*incremental or marginal innovation*” against a “*radical innovation*” (Fagerberg, 2003). One can understand that there is a higher probability for a radical innovation to become also disruptive than for an incremental one, as also emphasized by Luke Williams, who states: “*If you’re only embracing incremental change, you’re putting your organization in an incredibly dangerous position*” (Poe, 2019: p.6). However, it is behind the scope of the work to provide deeper details around the difference between innovation and disruption and the previous digression was deemed necessary to make the reader aware of these two notions and their correlation, to then proceed with the study.

The phenomenon of disruption, indeed, is gaining ground among different industries and organizations, as for what concerns the already mentioned disappearance of over half the companies from the Fortune 500 (Nanterme, 2016). Therefore, if from one point of view it is perceived as a challenge and a threat to several firms, it can also be seen as an opportunity. According to a research performed by Accenture (2018), in which 3692 companies were analyzed among different countries and consisting in 20 industry sectors, 93% of the managers interviewed are aware of the fact that the industry in which they operate will face a disruption at some time before 2023, but only 20 percent think they are enough prepared to deal with it. That is why companies are embracing the concept of disruption to understand it and avoid becoming the next company to vanish because of that. Thus,

they are looking for strategies to exploit the opportunity given by the new innovations and technologies, identifying where the company is placed in the concept of disruption (Accenture, 2018).

A final aspect to highlight refers to the fact that it appears disruption is present in every industry in some way and it materializes in different shapes among them. It means that it could come from several angles depending on the interested industry. Among those, the industry of management consulting is not excluded.

1.1.2 Disruptive innovation in the management consulting industry

The management consulting sector raises a particular interest, which can be justified by two main considerations.

One refers to the impressive numbers shown by looking at its market size. In this regard, since the sector spreads among several services, there exist differences in how it is measured. However, according to different sources, which include the analyst firm ALM Intelligence and FAECO (the European Federation of Management Consultancy Associations), its size ranges between 100 and 280 billion U.S. dollars (Consultancy.uk (a), n.d.; Factiva, 2019). Moreover, this industry has displayed a constant growth over the years, becoming one of the largest markets within the professional services (Consultancy.uk (b), n.d.), and one of the most developed (Consultancy.uk (a), n.d.). One can think about consultancy giants such as McKinsey or BCG (Boston Consulting Group) which makes respectively an amount of 8.8 billion dollars and 5.6 billion dollars per year (CBINSIGHTS, 2018).

The second reason concerns the application of the concept of disruption to the specific industry. Management consulting is not immediately considered among the main sectors threatened by disruptions. It is true that the most solid foundations of the consultancy business have not changed in hundred years: this reflects the practice of sending consultants in other organizations, for a specific time, to solve problems for the client (Christensen, Wang and van Bever 2013). The resistance to the upcoming trend of disruption appears to be related also to concepts such as “*opacity and agility*”, which exist in the sector. The former consists in the activity of creating solutions within a team and making difficult for the customer to evaluate the outcome in advance, due to the process being performed in “*the black box of the team room*”; the latter relates to the ability of consultants to be flexible and ready to respond immediately to changes and to the threats coming from disruptive innovations (Christensen, Wang and van Bever 2013). Moreover, the aspect of the opacity in the industry, seen as a reason why management consulting companies did not have the need to drastically differentiate themselves and their services, compared to other entities in diverse sectors, is also mentioned by Freek Vermeulen (2013), who then explains how these firms can remain competitive and recognized in the market (see section 2).

However, the power of the opacity and agility in protecting the industry from disruptive forces is being challenged and being agile is becoming not good enough, as stated by Daniel Burrus, one of the world's leading speakers on worldwide trends and disruptive innovation expert (10EQS, 2018). The same Clayton M. Christensen, together with Dina Wang and Derek van Bever (2013), claim that the disruptive innovations that have been experienced in several industries are also starting to operate and transform the consulting market. Moreover, according to CBINSIGHTS (2018), the management consulting world incorporates all the features matched by the most vulnerable companies in terms of disruptions. These include the presence of *few major players* which compete within the industry, *obsolete business practices* and a *slow response to adapt technologies* (CBINSIGHTS, 2018). Furthermore, according to Soren Kaplan (2017), there are several factors which can become a relevant threat to the stability of management consulting firms. Among them it seems important to highlight the fact that it is a *labor-intensive industry*, where people are at the center of the process even where they might be replaced by machines; the business model is based on *billable hours* (fee per hour) and the *prices for the consultancies are high*. At the same time, another factor to consider is the *time-bound value*, which means that documents and reports got outdated rapidly and, lastly, management consulting have for long been characterized by *high information asymmetry*, which decreased recently due to new technologies and innovations that allow an easier sharing and research of information.

Hence, given the interest in the management consulting industry and its resistance to disruption, which is being challenged in recent periods, an additional aspect to stress concerns the different paths through which disruption can actually occur. In fact, beside the definition of Clayton Christensen, Wang and van Bever (2013) around the process through which disruptive innovations take roots, these, as already mentioned, can appear in different shapes depending on the industries, as will be better outlined in the paragraph below.

1.2 Problem Discussion

Disruptive innovations are undermining several companies, which have been leaders in their sectors for long time, and one of the main difficulties lies in understanding from where the disruption is coming and how it is shaped.

Indeed, companies such as Netflix are disrupting the entertainment industry by providing online streaming services at low prices and overcoming long-standing giants like Blockbuster. At the same time, the world of encyclopedias has been revolutionized by actors such as Wikipedia, which provides the same service but for free and online, allowing a much easier access. The disruptions, as can be noted, go through the most diverse sectors, embracing also the hotel and travelling industry with firms like Airbnb, or the agriculture and farming sector with Indigo Agriculture. The common thread among

these examples is that the mentioned industries have been disrupted in some way. What instead seems different concerns the various paths followed by Netflix, Airbnb or Indigo Agriculture in making this happen. From all the examples just outlined one can say that they can be connected with the digital wave, meaning that each of these companies is disrupting its market by adopting some different technologies or innovations which goes from digital platforms and online services (Airbnb and Netflix) to machine learning (Indigo Agriculture). It is true, indeed, that many disruptions nowadays relate to the new technologies that have been developed such as AI, robotics, Internet of Things (IoT) and more (Nanterme, 2016). However, those do not depend only on new tech: even if there is a high utilization of the concept of “*disruptive technology*”, that of “*disruptive innovation*” appears to be more suitable. In fact, it is not the technology itself to be disruptive, but the business model built around that (Christensen, n.d.).

It is from this reflection that arises the interest in studying and understanding where the disruption in management consulting will potentially come and how it will be shaped. In fact, it seems relevant to discover how a new business model or innovative configuration of the “old and traditional” consultancy firms, which can lead to a disruption of the industry, can be outlined, either through technology or not. Thus, to include the different paths from which disruptive innovations might emerge, both the internal forms of organization of the firms and the external forms of collaborations across them will be analyzed. On the one hand, the author will indeed consider the strategies implemented internally by consulting companies, such as the creation of new departments within the company or the development of new business models, by looking also at the potential internal adoption of technologies or the transformation of price models and so on. On the other hand, he will examine the collaborations, networks and partnerships across the organizations, by studying if and how this could lead to disruption in the business. In order to do that an additional point has to be stressed. This reflects the fact that, as mentioned before, the concept of disruption is surrounded by some confusion among practitioners. Thus, within the study, a distinction will be made between innovations that are disruptive in Christensen sense and thus recognized as disruptive by the creator of the term, and those that are considered disruptive under other perspectives, widening the definition of Christensen. For instance, as Paul Hekkert states, a disruptive innovation seems not to be always connected with a low price and easy to use strategy. Instead, it can also be related to providing a new way to experience a service, delivering new values and meanings (Hekkert, n.d.; Gobble, 2016); it can emerge not only from the *low-end market* but also in the mainstream one (Vázquez Sampere, Bienenstock and Zuckerman, 2016) and the list goes on, as will be displayed in Chapter 2.

Therefore, the analysis of the concept of disruptive innovation in the industry of management consulting could lead to the exploration of an interesting field aiming to enlarge the little knowledge

present in the existing literature. This relates to study the different organizational forms that consulting companies can assume to overtake the competition, and, more important, to threaten the long-standing and more “traditional” businesses in a disruptive way, which will be differentiated according to Christensen theory and the other alternative perspectives. As mentioned, these layouts will be analyzed both internally, within the firm, and externally, through collaborations. Furthermore, both small and big entities will be examined, given the potential differences in their organizational forms and in the services provided. This is deemed crucial to appreciate a great degree of variability in the findings and see how companies deal with disruption considering also their diverse size. In fact, both types of entities possess pros and cons, since, for instance, big realities might have more resources, but small firms might be more agile in implementing strategies. Thus, by including both, a more comprehensive view can be provided. Within these potential forms of organization consulting firms can implement, it is included, as mentioned, the concept of firms’ collaborations and networks. In particular, what it seems to be at the core of the innovations and disruptions may be not only the technologies, the new business models adopted by innovative companies or their organizational forms, but also the creation of external relationships among them. This aspect is highlighted also by Ard-Pieter de Man, Marguerithe de Man and Annemieke Stoppelenburg (2016), who see collaborative forms and partnerships among the firms as an increasing trend in the market potentially leading to the creation of new business models to compete in the management consulting industry.

1.3 Research Question

As previously introduced, disruption can emerge under different forms and from several angles. Thus, in order to develop a proper analysis of the concept applied in the management consulting sector it is essential to provide to the reader a clear purpose of the study and a research question to be addressed through the work.

The purpose of the study can be explained as follows. First, given the various interpretations around disruption, the forms and the ways by which it might materialize, it arises the need to understand *if* the management consulting industry is actually threatened by this phenomenon of disruption, with a specific focus on internal forms of organizations and external forms of collaboration adopted by the consulting entities. In this regard, an additional aspect which will be considered concerns comprehending *if* these different patterns of disruption fall in the definition given by Christensen or if they are included in the other interpretations. This is deemed important to not create any misunderstanding around the same term of disruptive innovation. Second, if the initial hypothesis is fulfilled, the objective of the study is to understand *how* these companies’ internal settings or new

external forms of relationships can disrupt the industry. Therefore, the last step consists in discovering to what extent firms can do that and which are the features or the conditions for that to happen.

To develop a proper analysis, an appropriate research question needs to be built. This has been developed through a process that combines two different approaches. The first refers to the one presented by Bryman and Bell (2011), starting with a general research area of personal interest, and then narrowing down the scope of the research to some particular aspects, formulating some initial research questions, to finally select the most clear and appropriate one. The second method adopted behind the following reasoning relates instead to the “crafting research process” developed by Watson (1994), consisting of the “what, why and how” framework, which could be useful as a first step to build a proper research design and research methods.

With this in mind, as the main research area chosen for the study the concept of disruptive innovation has been pinpointed. The main reason behind this relies on a significant curiosity of the researcher within this phenomenon and its relevance nowadays. After an initial screening of some documents and materials related to the topic, an intriguing aspect of the broader research area has been highlighted, being the applications of disruptive innovations within the management consulting industry to better understand the new business models across the operating companies in the sector. This direction in the research has been taken given some interesting readings around the fact that, among all the industries that have been disrupted over the years, management consulting seems not to be one of them, even if it appears to have what it takes to be disrupted (CBINSIGHTS, 2018). As suggested by Watson’s framework (1994), this issue has been strengthened by answering also the “why” question. The research around disruptive innovation in management consulting should indeed aim to contribute to the actual knowledge, providing some interesting insights. The following step of narrowing down the width of the research has been developed by the author together with the support of the consulting company First To Know Scandinavia AB (FTK), with which the researcher has worked to implement the thesis process. In this regard, the study has been built by considering two main perspectives. The first one concerns understanding if and how new internal forms of organization within the consulting companies might lead to disruption in the market. Thus, both small and big entities offering different services will be examined internally, by analyzing their internal strategies, their implementation of new business models, the creation of new departments within the firm and other potential settings. The second one consists of identifying if and how new external forms of collaboration, such as networks across the companies or new partnerships, may disrupt the management consulting industry.

Therefore, by adopting both an inside (internal forms of organizations) and outside (external forms of collaborations) view of the firms, and by taking into account the different existing definitions around the disruptive innovation's concept, the main research question has the aim to understand the possibility for the management consulting industry to be disrupted and shall read as follow:

RQ: To what extent can the management consulting industry be disrupted?

However, the focus of the study is related to study and highlight how the market might be disrupted by addressing two specific consulting firms' settings which relate to their internal forms of organization and their external forms of collaboration. Thus, two sub questions, which help to address the main research question, have been developed and are shown below:

Sub questions:

- *How can internal forms of organization lead to disruption in the management consulting industry?*
- *How can external forms of collaboration lead to disruption in the management consulting industry?*

1.4 Research Limitations

Some boundaries to the overall work need to be mentioned in order to make the reader aware of the limitations that will be encountered during the study.

One of the main challenges concerns the short time frame to develop the analysis. Thus, it arises some constraints for what concerns the potential number of interviewees and it also put a limit on the different firms' settings that could be studied. This is the reason why it is essential to accurately identify the interviewees in order to gain the most relevant insights from the limited number of participants.

Another limitation can be found in the fact that the analysis is applied to the specific industry of management consulting. Therefore, this implicitly assumes the exclusion of other sectors from the study. This notwithstanding, given the identification of the consulting activity as a professional service, some of the strategies, models, organizational and collaborative forms highlighted through the work might be generalized to the broader sector of professional service providers.

Two additional aspects reflect the geographical boundaries in which the study will be developed and the language barriers. With regard to the former, the work will be performed in Sweden, thus the companies being investigated are based in the same country. This might potentially rise some issues concerning the generalization of the findings. However, not excluding the possibility to adapt a

similar analysis to foreign companies to then evaluate any similarity in the findings, Sweden can be considered an interesting region for the purpose of the study, given the perception of its high degree of innovation (Sweden.se, 2018). As a consequence of the geographical limitation comes the challenge related to the language barriers. In particular, there could be challenges connected to finding English speakers or, more realistically, to stumble in misunderstandings. Nevertheless, most of the people, especially in the business environment, are able to fluently speak English, decreasing the chance of falling in communication problems.

Finally, a last consideration refers to the fact that the thesis work has two different university supervisors from two distinct countries and a third party involved in the study, which is FTK. The main issue here is that the three actors have slightly different requirements or expectations from the study. Therefore, it is the author's responsibility to develop a work which can be shared among the different parties, with the final objective of accommodate all the necessities.

1.5 Thesis Disposition

The thesis work will consist of six main chapters which are displayed in the figure below (**Figure 1**) and briefly explained:



Figure 1: Thesis Disposition. Compiled by the author.

The *Introduction* provides an initial idea of the overall study by highlighting the key points that will be examined in the work. It gives a background to smoothly drive the reader to the important aspects of the study by understanding the surroundings. The introduction consists of different parts including the problem discussion, which helps in understanding the reasons why the studied phenomenon is relevant, the formulation of the research question to be addressed, seen as a guide to the work, and the research limitations, which are some boundaries put by the author himself.

Within the *Theoretical Framework* three main sections drive the discussion: the concept of disruptive innovation, which provides the reader an idea around the definition of the phenomenon and its various interpretations; the management consulting industry, which pinpoints some key aspects of the sector to make the reader aware on how it works and how it is structured; the disruptive innovation in the management consulting industry, which is the focal point of the study and examines some different companies' settings and strategies potentially leading to disruption in the business, both internally and externally.

The *Research Methodology* explains how the study and the analysis have been performed, by pinpointing which strategy, design and methods have been adopted through the work. Moreover, it provides a reflection about the quality of the research in terms of validity, reliability and replicability.

The *Empirical Findings* report what has emerged through the interviews without giving any type of comments or opinions by the author, who has only reorganized the data gathered. The work of examination of them is indeed developed in the following chapter (*Analysis*) by comparing the empirical findings to the ones identified in the literature. The last step relates to the *Conclusions*, where the author shows the main results of the research by providing also some practical recommendations to the interested readers and suggesting some ideas upon which building further researches in.

Three other complementary sections refer to the *Abstract*, which displays a brief summary of the overall work; the *References*, where the reader can find the citations used to build the study, especially for what concerns the introductory and theoretical parts; the *Appendix*, where it can be found a sample of the email sent to the interviewed companies with the attached interview guide.

2. Theoretical Framework

After having outlined the research question to be answered throughout the work, the theoretical framework is presented, in order to show what the existing literature says around the studied phenomenon. Firstly, the idea of disruptive innovation will be explained through mainly two different perspectives including the definition of the theoretical meaning proposed by Clayton Christensen and some other relevant interpretations which slightly differ from the Christensen's view, to then make a comparison among them and highlight two main views of the concept from which the study can be developed. Secondly, the management consulting industry will be briefly displayed, and the features of disruption will be introduced applied to the industry itself, understanding which the potential reasons might be why the consulting firms may be threatened by disruption. Lastly, the author will show the main internal forms of organization and external forms of collaboration existing in the literature and which might lead to disruption in the consulting industry.

2.1 The concept of disruptive innovation

As discussed within the introductory chapter, the term disruption and disruptive innovation has gained importance in recent periods. One of the main reasons is because, on the one hand, it brings challenges for various companies among different industries, but, on the other hand, it also offers some chances to the firms to embrace it, potentially becoming the next disruptor. Firms are increasingly in need of more innovative and radical changes in order to survive and succeed in the market, by implementing

strategies aiming at changing the status quo and be the pioneer in the transformation. This cannot be done only through innovation but also through disruption (Alpkan and Gemici, 2016). Therefore, companies need to be aware of the significance of the concept, and, to better comprehend what a disruptive innovation is, some definitions follow below. The need to highlight more than one definition is justified by two key arguments.

The first reason is because the concept of disruption and disruptive innovation has been overused, in some occasions, to indicate any new challenge that may arise, and, on the opposite, its theoretical meaning has been under-exploited (Christensen et al, 2018). In fact, over the years, the idea of disruption has often been incorrectly applied and misunderstood, and it has lost its real theoretical significance (Gobble, 2016; Markides, C., 2006). The overuse of the term can be better emphasized by MaryAnne Gobble (2016) who states: “*When everything is disruptive, and all innovation is open, we’re left with no tools to distinguish what may be important about a new tool, a new approach, a new concept*” (Gobble, 2016: p.66). This is the reason why, to clarify the core meaning of the concept, it is essential to outline the theoretical definition of disruptive innovation coined by Clayton Christensen in 1995 and then revised over the years by himself (Gobble, 2016).

Secondly, the concept of disruption has been studied from some other interesting perspectives. Those need to be addressed throughout the work, so that it becomes possible to look at the phenomenon from different angles, even if those are not included in the recognized definition provided by Christensen, who was the first to introduce and define the term. To make an example, a relevant point of view is given by MaryAnne Gobble (2016), who emphasizes also the importance to look at the meaning of the English term itself, which is slightly different with respect to the Christensen’s definition. This approach will allow the author to increase his operating space in developing the study, by widening the theoretical definition of Christensen, and will also enable the interviewees in Section 4 (Empirical Findings) to have a greater level of freedom in discussing around the concept of disruption, considering it both in Christensen’ sense or according, for instance, to its “English meaning”.

Hence, the following paragraphs will display the theoretical definition provided by Christensen and the other existing theories around the phenomenon. After, a comparison among those meanings will be outlined in order to put down the roots for a proper analysis under two main perspectives.

2.1.1 Theoretical definition of disruptive innovation

Disruptive innovation is a term that has been created by Clayton Christensen, academic and business consultant, first in 1995 in an article together with Joseph L. Bower and then revised and modified over the years in different academic works (Gobble, 2016).

The studied concept basically refers to a process where a product or a service is introduced through basic applications at the low end of a market and then ascend, achieving the top of the market (Christensen, n.d.; Christensen, 2013). The term is also explained on a more practical level by the same Christensen, together with Raynor and McDonald (2015), as a process in which incumbent companies are overwhelmed by smaller businesses with limited resources. In particular, the disruptor (smaller company) at first, focuses on meeting the demand of the ignored segments that are not considered by the incumbents, gaining market within those specific customers. The incumbent companies continue serving the high end and most demanding clients, not contrasting the new entrant, until the latter moves up market. At this point, the smaller business starts matching the requirements of the main customers segment while simultaneously maintaining the control over the low-end market. The disruption occurs when the high-end customers switch to the new entrant's services (Christensen, Raynor and McDonald, 2015). This definition of disruptive innovation concerns one side of the coin, meaning that it can be seen as the "initial model" of the concept, characterized by what is called "*low-end disruption*".

However, the other part of the coin emphasizes the "*new-market disruptions*". Those, as stated by Christensen et al (2018), are innovations introduced in "*completely new value networks whose initial customers have not used the prior generation of products and services*" (Christensen et al., 2018: p.1049). Therefore, they target new customers that have not been enough considered by incumbents (Christensen et al, 2018). The new entrants essentially form a new market that did not exist before (Christensen, Raynor and McDonald, 2015).

Hence, these two main theoretical definitions of disruptive innovation are the ones proposed by Christensen, who gives a clear idea of what a disruption is and how it is shaped. The choice of limiting the definition of the phenomenon to these two arises from the fact that he observed that newcomers, adopting similar business models and strategies of those of the incumbents (i.e. adopting a "*sustaining strategy*"), had a stronger propensity to fail. On the other hand, the new entrants had more chances in overcoming the long-standing businesses by implementing the above-mentioned strategies related to *low-end* and *new-market disruptions* (Christensen and Raynor, 2013). More precisely, Christensen, to better pinpoint the idea of disruptive innovation, highlights the difference between sustaining and disruptive innovations. The *sustaining innovation* consists in a path of increasing upgrades in the features and performance of new products compared to the current ones. A *disruptive innovation* leads to the transformation of a market or the creation of a new one through the implementation of radical innovations which incorporate a great opportunity to enlarge the capability in the future (Morrish, Whyte and Miles, 2019).

However, given the misapplication and the confusion still present around the concept, it is also important to highlight four core aspects related to disruptive innovation. Those have been outlined by Christensen, Raynor and McDonald in their article “*What is Disruptive Innovation*” (Christensen, Raynor and McDonald, 2015) and might be useful to reduce the existing misunderstandings. These points are displayed and explained below.

1. Disruption is a process – The concept of disruptive innovation cannot be limited to a specific product or service and end in itself. In fact, as the same Christensen states, what is really disruptive is in which way the value is created and the business model built around it (Gobble, 2016). Therefore, when one talks about disruption, this relates to all the processes implemented around the innovation, which, as one can imagine, can also take a substantial amount of time to be developed (Christensen, Raynor and McDonald, 2015).

2. Disruptors often build business models that are very different from those of incumbents – It is true, indeed, that when such a disruption appears in a specific industry, the disruptor enters the market with an innovative business model, which differs from the already present ones. A practical example could be shown by Netflix that, with its online streaming service, overcame a giant such as Blockbuster in the entertainment industry. The diversity of the disruptors’ business model can also be seen in other industries such as the management consulting itself, which will be better analyzed at a later stage.

3. Some disruptive innovations succeed; some don’t – An additional misunderstanding that surrounds the idea of disruptive innovation concerns the focus put on the outcomes. To better explain, it is not true that if a new entrant engages in a disruptive process it will automatically succeed. On the other hand, upstarts can also overcome the competition even if not by disrupting the industry (Christensen, Raynor and McDonald, 2015).

4. The mantra “Disrupt or be disrupted” can misguide us – If it is true that long-standing businesses should fear the wave of disruptive innovation, it is equally true that, as Christensen, Raynor and McDonald (2015) argue, incumbents should not prematurely react, threatening their same working business.

All in all, one can say that the just displayed theory about disruptive innovation and its theoretical meaning in Christensen’s terms can be seen as the “*pure disruptive innovation*”, as intended by the researcher. However, as mentioned before and to enable the same author to enjoy a greater freedom in analyzing the subject, not limiting the research exclusively to the Christensen’s theory, some other interesting insights around disruption are now analyzed, by looking at it from some different perspectives. Those follow below.

2.1.2 Other perspectives around disruptive innovation

There are different other interpretations of what a disruptive innovation is, which extend the theory of Christensen, widening the cases in which an innovation might be framed as disruptive. Here, the author will show some diverse perspectives from which the concept can be seen that are deemed to be relevant for the purpose of the research.

2.1.2.1 The English term “to disrupt”

An additional discussion introduced by Gobble (2016) is built around the English term “to disrupt” or “disruptive”. From the dictionary, the verb “to disrupt” is defined as “*to cause disorder or turmoil in...*”, “*to destroy, usually temporarily, the normal continuance or unity of...*”, or, in business terms, “*to change the traditional way that an industry operates, especially in a new and effective way*”. As can be noted, the definition of disruption here is slightly different from that emphasized by Christensen. This means that a new entrant in a specific industry might disrupt the market, it may create innovative and disruptive ways to deliver value or it can also introduce a new business model completely unlike the one of the incumbents, but not necessarily in the Christensen’ sense (Gobble, 2016). In fact, to be disruptive according to Christensen, one has to remember that the innovation has to be either a low-end or a new-market disruption (Christensen, Raynor and McDonald, 2015).

2.1.2.2 The disruption arising from leveraging excess capacity

Similar to the just discussed perspective is also the attempt to expand the theoretical definition of disruptive innovation introduced by Christensen. This can be done by including in the Christensen’s theory the idea of tapping excess capacity. In particular, companies such as WhatsApp, Waze or Uber have had the ability to “*leverage excess capacity*”, since they could exploit new sources of value through the implementation of innovative business models (Chase, 2016; Gobble, 2016). These companies, indeed, cannot be framed as disruptors in the Christensen’ sense of the term, even if they eventually disrupted (in the English term) the industry in which they have been operating. This is in line with the previously outlined consideration provided by Schmidt and Druehl (2008): “*A disruptive innovation (i.e., one that dramatically disrupts the current market) is not necessarily a disruptive innovation (as Clayton Christensen defines this term)*” (Schmidt and Druehl, 2008: p.347).

2.1.2.3 Paul Hekkert’s view on disruption

From another point of view, Paul Hekkert (n.d.) questions if “*low price*” and “*ease of use*” that new entrants should aim for are the unique characteristics to become disruptive. Hekkert is indeed more incline to interpret disruption as closer connected to the process of creating new markets, stimulate and allow customers to engage in new experiences and offer new values throughout innovative ways that the potential users did not imagine (Hekkert, n.d.). Therefore, he emphasizes a broader view on

the idea of disruptive innovation that seems to be more related to the customer’s experience and engagement in the process by transforming their perception of the offerings.

2.1.2.4 The high-end disruption

A last viewpoint relates to consider if, together with the low-end disruption highlighted by Christensen, the concept of “high-end disruption” might be introduced as well. This idea has been brought up by Vázquez Sampere, Bienenstock and Zuckerman (2016). While Christensen believes that the disruption can appear only through the engagement of the low-end customers, those who does not show high propensity to spend for the current technology, the concept of high-end disruption starts from the opposite angle. The high-end or mainstream customers are willing to pay for the technology and thus, incumbents think they can leverage on them to remain competitive. The problem here is that those costumers could also pay even more if newcomers can deliver services or offerings in a better way or that match their needs in a more precise way (Vázquez Sampere, Bienenstock and Zuckerman, 2016). This is the reason why the disruption might materialize in the mainstream market threatening the long-standing businesses with innovative and more appropriate offers.

The English term "to disrupt"	Leverage excess capacity	Paul Hekkert perspective	High-end disruption
<ul style="list-style-type: none"> •Cause disorder or turmoil; Change the traditional way of operating (Gobble, 2016) 	<ul style="list-style-type: none"> •Exploit new sources of value with innovative business models (Chase, 2016) 	<ul style="list-style-type: none"> •Innovate the customer experience and the way of value perception (Hekkert, n.d.) 	<ul style="list-style-type: none"> •Target mainstream market •Deliver better services matching clients' needs (Vázquez Sampere, Bienenstock and Zuckerman (2016)

Figure 2: The alternative perspectives around disruptive innovation. Compiled by the author based upon Gobble (2016); Chase (2016); Hekkert (n.d.); Vázquez Sampere, Bienenstock and Zuckerman (2016).

Hence, as shown with the previous insights, there are different theories and perspectives around the concept of disruptive innovation. Those are relevant to be mentioned because can help the reader to better understand and get an impression of what the idea of disruption really is and what other scholars beside Christensen think about it. Moreover, they provide a wider view of the concept, enlarging the spectrum of action of the author together with the one of the interviewees later in the study. Thus, a discussion around the different interpretations of the phenomenon and how to use them through the research is provided below.

2.1.3 Comparison among the definitions of disruptive innovation

After the previously depicted perspectives concerning the topic of disruption, it will now follow a process of comparison and analysis in order to create a common thread around the concept of disruptive innovation through which develop the work with the aim to offer a more holistic view of the overall phenomenon.

In this respect, a first consideration takes hold from the initial and more specific definition given by Clayton Christensen, who includes in the theory two main meanings and forms in which disruption can materialize. As better explained in the previous paragraph, these are the *low-end disruptions* and the *new-market disruptions*. Working with this unique theory in mind, which seems to be the most recognized, since Christensen has coined the term disruption first in 1995 (Gobble, 2016), has advantages and disadvantages. From one point of view, it gives a specific and enough objective significance of the term, which is framed into particular boundaries (the disruption is either introduced at the bottom of the market or by creating a new one and needs to be a *disruptive innovation* (as opposed to *sustaining innovation*). However, on the other hand, such definition might be too restrictive and limit the occasions in which a disruption (in a broader sense, more connected to the English meaning of the term) can materialize, or in which a new entrant, that innovatively transforms the market, can be labelled as a disruptor.

Therefore, this interpretation is in contrast with the idea introduced by Gobble (2016) of considering the English term itself (*cause order or turmoil; to change the traditional way that an industry operates, especially in a new and effective way*). Indeed, this last enlarges the meaning and the situations in which an innovation can be labelled as a disruption, by considering not only low-end or new-market disruptions, but innovations that drastically changes the industry. This broader view is also shared by the idea of Hekkert (n.d.), who proposes a more holistic perspective of the concept which should touch the points of “*stimulate and allow customers to engage in new experiences and offer new values throughout innovative ways that the potential users did not imagine*”.

The two other viewpoints of “*tapping into excess capacity*” and “*high-end disruptions*”, respectively addressed by Robin Chase (2016) and Vázquez Sampere, Bienenstock and Zuckerman (2016) seem not to be precisely covered by Christensen’s theory. In fact, they can be seen as an attempt to expand the notion of disruption by incorporating also upstarts that can leverage excess capacity throughout the implementation of new business models and those who might enter in the mainstream market to disrupt the industry. Hence, as it can be understood, it is not an easy work to delineate the factors that shape a disruptive innovation and the boundaries within which it is framed. However, two main views can be outlined.

The first one refers to the Christensen’s viewpoint, in which the disruption can appear either as a *low-end disruption* or a *new-market disruption*. Given the recognition of its work and the relevance of his theories, one can address his definition as the one of “*pure disruptive innovation*”. This means that if a newcomer enters the market with a bottom-up strategy or by creating a new one, it could be defined as a pure disruptor (e.g.: Netflix), as long as it incorporates the previously explained features emphasized by Christensen. If this is not the case (e.g.: Uber) it might fall in the other perspective displayed below.

The second view, indeed, is built through a combination of the other theories, reflecting also the author’s own perception of the concept and, for the sake of clarity, can be called as the “*alternative interpretation of disruption*”. Therefore, it presents a more holistic and broader vision of the concept of disruptive innovation. This last appears when significant innovations drastically change the industry in which are developed by delivering new experiences, creating new sources of value and engaging the customers from innovative perspectives that were not adopted before. This process of disruptive innovation can be implemented through a new business model, process or offering which is different from that of incumbents and can materialize in various ways, including the low-end and high-end disruptions, tapping into excess capacity and by creating new markets

With these two perspectives in mind, which are summarized in the **Figure 3** found below, it is now possible to proceed by analyzing the phenomenon of disruption in the management consulting industry and how disruptive innovations through internal or external forms of organization and collaborations, explored throughout either of the two views just highlighted, can be applied to the sector.

Pure disruptive innovation	Alternative interpretation of disruption
<ul style="list-style-type: none"> • <i>Based on Christensen theory</i> • <i>Low-end or new-market disruptions (Christensen, Raynor and McDonald, 2015)</i> • <i>Disruptive innovations as opposed to sustaining innovations (Morrish, Whyte and Miles, 2019)</i> 	<ul style="list-style-type: none"> • <i>Based on the other existing perspectives around the term</i> • <i>Broader vision of disruption</i> • <i>New experiences and values perception transformation (Hekkert, n.d.), business models causing disorder (Gobble, 2016), target the mainstream market (Vázquez Sampere, Bienenstock and Zuckerman, 2016)</i>

Figure 3: *The two views of disruptive innovation. Compiled by the author based upon Christensen, Raynor and McDonald, (2015); Gobble (2016); Chase (2016); Hekkert (n.d.); Vázquez Sampere, Bienenstock and Zuckerman (2016).*

2.2 The management consulting industry

The management consulting industry, as outlined previously in the introduction, shows a relevant market size, with numbers ranging from 100 billion U.S. dollars to \$280 billion according to ALM Intelligence and FAECO (Consultancy.uk (a), n.d.; Factiva, 2019). Moreover, the studied sector is highly concentrated: the top 10 consulting companies made up the 56% of the worldwide market in 2016 (The Economist Intelligence Unit, 2018). Notwithstanding the demonstrated industry's relevance in terms of market size and its high concentration, there is a lack of evidence in the literature on the specific layout or organizational structure of consulting firms (Morris, Gardner and Anand, 2012). However, it seems important to have a unique idea on how these companies are organized and work in order to develop a more precise analysis of how they can be influenced by disruptive innovations or how they can actually disrupt the market themselves.

A first consideration to be made is that management consulting firms can offer different services to the customers, from which the major areas relate to information technology consulting, strategy and organization consulting, the marketing consultant, operations management consulting and human resource management (Greiner and Poulfelt, 2010). The usual way of operating followed by management consulting firms, especially the long-standing businesses and the biggest ones, has not radically changed over the years. The firm sends skilled and experienced consultants in the client organization to face and solve a particular challenge in a limited time period (Christensen, Wang and van Bever 2013). This transformation of consultants' expertise in appropriate solutions for the customer, usually led by the two different groups of partners and associates, is the core activity performed by the company and is rewarded with fixed fees or time-based fees (Morris, Gardner and Anand, 2012). Moreover, within the firm, one relevant asset concerns the knowledge and expertise sharing of the partners towards the associates. In fact, the former are the seniors of the company who then supervise the associates' work; the latter are the ones who need to develop proper skills and expertise through apprenticeship (Morris, Gardner and Anand, 2012). Widening the view on management consulting firms, these are then usually organized through a differentiation for technical expertise, meaning that they are divided in categories related to industry, geographic space and customer group (Morris, Gardner and Anand, 2012).

Furthermore, if the core activity pursued by consulting firms is said to be the one previously mentioned, sending consultants in the clients' organization to solve specific problems, it is not the only one. In fact, management consulting companies offer a broader set of services or values in what CBINSIGHTS (2018) refers to as a "*prestigious package*" that is delivered to the customer. This last

is composed by four main features that are supplied together with the core service: information, expertise, insight and execution.

Information concerns the set of data needed to understand market trends, the industry in which the client's organization is operating, the customer's requirements and other relevant information required by the customer to compete in the market. Especially before, various businesses were not totally aware of what was happening around them or even within their own industry, and thus, management consulting companies, thanks to their experience, could provide this necessary service by collecting and analyzing critical information for the clients' needs (there was indeed a strong presence of information asymmetry). That is why Michael C. Nippa and Kerstin Petzold (2002) refer to management consultants as "*knowledge providers*", able to deliver appropriate data to the individual organization who necessitates them.

Expertise is related with the skillset and knowledge a consultant offers to the client in addressing a specific problem. In consulting firms, it is present, as above-mentioned, a high level of expertise and skills, together with a relevant experience of the employees, which is nurtured within the company. This is why in these companies there is the need to maintain a large network of different experts, also because consulting firms were previously the only ones that had such a system of skilled consultants.

Insights are the result consulting companies provide by applying the skillset and expertise to the case and the available information. These concerns the observations and strategies suggested to the client firm which will help it to succeed. Moreover, in this regard, consultants might also propose and take some decisions for the customer when needed.

Lastly, *execution* is an additional relevant value, since it reflects the activity of guiding the customer in developing the strategy recommended, by also providing the needed tools to do that (CBINSIGHTS, 2018; Nippa and Petzold, 2002).

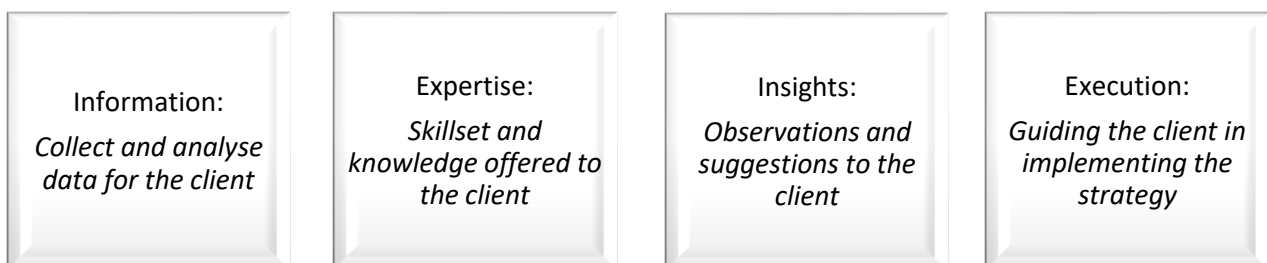


Figure 4: The "prestigious package" of consulting firms. Compiled by the author based upon CBINSIGHTS (2018).

However, all of these significant values delivered by the consulting firms have been threatened over the years and partially disrupted. This phenomenon is addressed later in the following paragraph.

2.3 Disruptive innovation in management consulting

As introduced previously in the work, according to some authors, including Clayton Christensen, Dina Wang and Derek van Bever (2013), the management consulting business is being threatened by disruptive innovations as well as the other industries. The reason why the phenomenon is gaining importance varies among some different theories and interpretations that go from the evidence of newcomers with innovative business models that are operating in the market (Clayton Christensen, Dina Wang and Derek van Bever, 2013) to the creation of new forms of collaboration among the companies in a “*collaborative consulting*” model (de Man and Seipl, 2016).

While these theories around disruption in the sector will be outlined in the next paragraphs, what matters before is to comprehend the relevance of the phenomenon and which might be the reasons behind the threat of disruption to the entire industry.

2.3.1 The potential reasons behind the management consulting business disruption

The management consulting sector shares the same characteristics historically faced by the most vulnerable companies to disruption (CBINSIGHTS, 2018). These are listed below:

- Presence of *few major players* competing in the industry: it is true that the business is highly concentrated with some big companies making up the largest part of the market (The Economist Intelligence Unit, 2018);
- Relatively *obsolete business practices*: this can be related with the traditional business model used by these companies which have not radically changed over time;
- *Slow response to adapt technologies*.

Moreover, some other threats to the industry according to Soren Kaplan (2017) reflect the fact that the sector is driven by intensive *human activity*, even for what could be done by computers; it shows a *billable hours business model* in which, indeed, fees are paid per hour and not for the specific outcome and the *prices for the consultancy are elevated*. *Reports and documents become easily outdated* and *information asymmetry*, one of the milestones of those companies, is challenged by the internet wave. Together all these specifications create crucial vulnerabilities for the management consulting industry (a visual representation can be found in **Figure 5**).

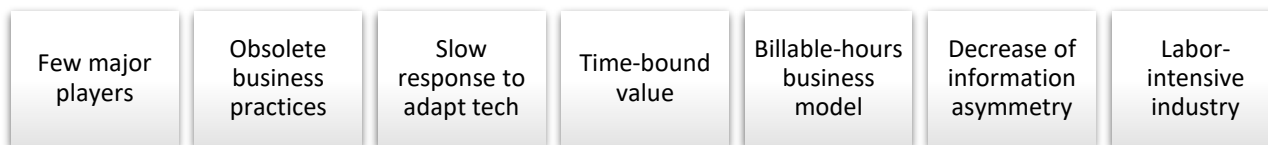


Figure 5: The Management Consulting Industry vulnerabilities potentially leading to disruption. Compiled by the author based on CBINSIGHTS (2018) and Soren Kaplan (2017).

If these are some initial weaknesses faced by the industry, the same core values outlined in the previous paragraph around the concepts of information, expertise, insight and execution are being challenged according to the report published by CBINSIGHTS (2018).

The first aspect, *information*, is threatened by the rapid development of technology, which is giving companies the tools to collect data about the market in which they operate, the competitors, the trends and almost everything needed by the organization. Also new small firms are aware of the emerging opportunities given by technologies and are developing tools and strategies related to market intelligence and analytics to compete with the consulting giants. Moreover, there are new tools available to deal with small tasks that can be nowadays utilized by companies, instead of lean on consulting firms. Some examples are the two analytics and business intelligence software Tableaus or SAS. It is also true that, over the years, this work of data collection and analysis of market trends or competition has been and is being outsourced to market research organizations rather than management consulting firms (Christensen, Wang and van Bever, D, 2013).

For what concerns the value given by the *expertise*, while previously consulting firms were the only systems in which different skillsets could be found and offered to the client, nowadays the trend is changing. In fact, the availability of experts in specialized fields is much more pronounced than before. According to CBINSIGHTS (2018), the same expertise today can be gained autonomously, avoiding paying for the high expensive package of the big consulting firms, by adopting what can be called a “*on-demand*” strategy. This is done for instance by working directly with a freelancer with the specific case or challenge with independent contracts. Moreover, an increasing number of companies has been pursuing a strategy aimed at moving a major portion of the work in-house, by hiring some consultants to work internally in strategic groups. This is causing what can be called the “*disaggregation of the service*”, which consists in reducing the need for external support of consulting companies by developing the right skills and abilities in dealing with challenges, such as cost analysis, in-house (Christensen, Wang and van Bever, 2013).

Some challenges are also faced by the consulting firms in delivering proper *insights*. In fact, a large part, if not almost every valuable strategy or framework developed by management consulting companies, such as McKinsey or BCG, has become public knowledge. While before these approaches were only owned by the same companies which could deliver value by applying or creating new ones for their clients, nowadays these precious insights are taught within courses and workshops and available in the web. Therefore, potentially every organization can have access to them, apply and implement them within their strategy, reducing the support needed by consultants. Moreover, the common practice adopted by consulting companies refers to create the solution for the clients in a “*black box*”, in which the client does not have any control power and there is not enough transparency (Christensen, Wang and van Bever 2013). Indeed, this last can only evaluate the results of the consultancy after it is done (which can take several months), with understandable difficulties in comprehending the real value. However, given the public availability of the methods and strategies adopted by the consulting firms, the client organization has more power in look after the consultants and their work, reducing their opacity on evaluating more rapidly the value of the support (CBINSIGHTS, 2018).

For what concerns the *execution*, it seems to be an additional value currently threatened by potential disruptions. The reason lies in the fact that companies, especially in recent years, have an increasing need of support to execute the strategies suggested by consulting firms. In particular, when these strategies involve the implementation of digital systems or new technologies for instance (such as the upcoming trends of AI, blockchain or machine learning), client organizations necessitate active assistance from consulting firms. In this regard, companies like McKinsey are developing new tools such as McKinsey Solutions in order to make this support possible and easier to use for its clients. Even if this appears to be a good way in facing disruption and the threats against the value of execution, other smaller entities are entering the market providing a similar service, increasing the challenges faced by more traditional firms (CBINSIGHTS, 2018).

Some additional considerations related to the vulnerabilities of consulting firms, which might potentially lead them to disruption, need to be outlined at this point. In a survey of 307 executives across UK, US and continental Europe, who were responsible in managing “professional service-provider relationships” in the areas of legal and compliance, marketing or management consulting, performed by the Economist Intelligence Unit (2018), three main concerns towards the consulting services stood out. Those relate to the high costs connected with receiving the service itself, one concern already mentioned before, followed by lack of familiarity with the client business and lack of responsiveness in providing the service and proper result to the client (**Figure 6**). The implications of this situation are extremely important. Indeed, many companies, which have always relied on

consulting firms to face their challenges, are increasingly starting to deeper evaluate the reasons behind their decisions on buying the “prestigious package” offered by consulting companies (Christensen, Wang and van Bever, 2013) (which sometimes seems not to make enough sense to buy) or how they can get more value with those money (The Economist Intelligence Unit, 2018).

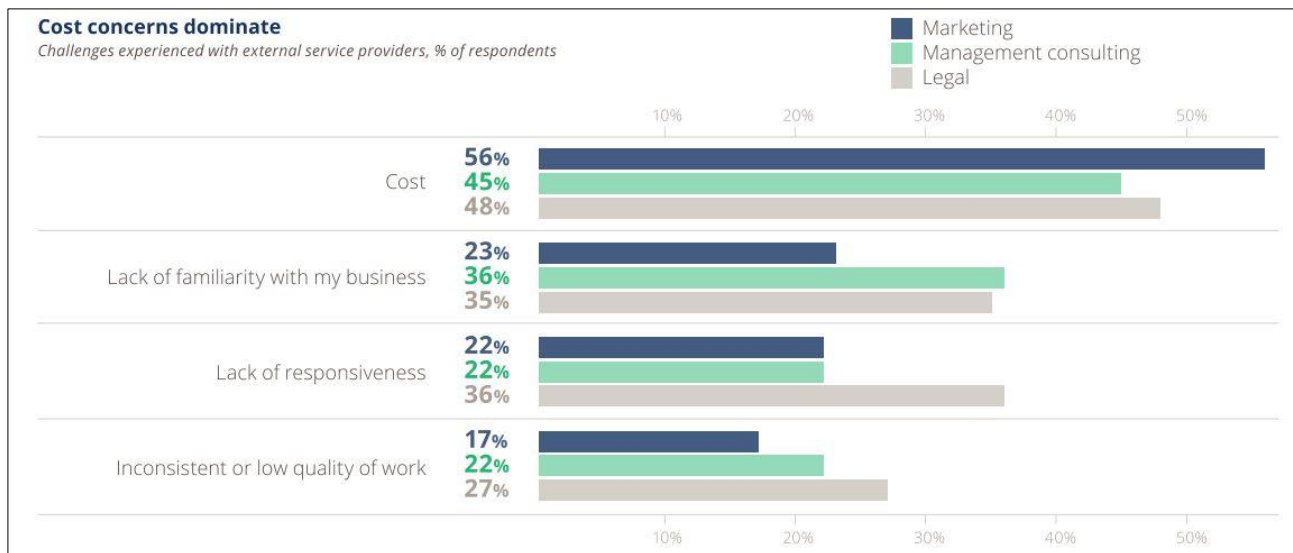


Figure 6: Challenges experienced with external service providers, % of respondents. The Economist Intelligence Unit, 2018.

Moreover, a relevant aspect has been shown by a survey answered by 104 consultants in different business areas and with the majority being over 10 years of experience, developed by Ard-Pieter de Man and David Seipl (2016). One of the main findings has been that, in the short period, the interviewees are satisfied with the business model adopted by their company and are not particularly worried about the innovative business models that are emerging. At the same time, however, a large part of the consultants perceives their business model as not sustainable in the long period and in need of change. This perception might be fueled by the increasing number of disruptors that are becoming apparent in several industries (e.g.: Netflix, Airbnb...) and their power in transforming the market in which they operate. In fact, no one wants to be disrupted and business model change could be a starting point to face the phenomenon.

Given the mentioned vulnerabilities and challenges faced by management consulting firms, it seems plausible that a potential disruption in the business might emerge from different angles. Thus, a deep analysis and depiction of the various forms of organization and collaboration consulting companies can adopt is in order by looking at them both internally and externally.

2.3.2 The potential disruptive internal forms of organization and external forms of collaboration of consulting companies

Notwithstanding the high level of consolidation that is present in the sector of management consulting, especially developed to cope with the increasing competition (The Economist Intelligence Unit, 2018), the industry appears to be considerably partitioned, showing several consulting companies that go from the long-standing giants to smaller and usually more specialized organizations (Factiva, 2019). Together with these two main business settings, some other realities are emerging in the consulting landscape, such as alternative platforms that provide consulting services, new forms of collaborations or networks among firms and the list goes on.

In this regard, the author will develop the following paragraphs by differentiating between the internal forms of organization adopted by the various companies and the external forms of collaboration across the firms which might lead to disruption in the industry. The former aspect relates, for instance, as mentioned before, to the internal implementation of new strategies, the creation of novel departments or innovative business models within the single firms. The latter is connected to networks, collaborations, partnerships and forms of relationships among the different consulting companies. Moreover, within the study, both small and big companies will be examined, in order to include different settings and ways of operating, which might differ depending also on the size. Indeed, as mentioned before, the companies' various sizes might lead to diverse strategies, hierarchies within employees and agility in the operating phases. Thus, the inclusion of both sizes may help the author to identify a greater variety in "disruptive innovations' paths" across the firms, not excluding the possibility to have some models or strategies shared by both small and big realities.

These various internal settings and external collaborations, mainly provided by the existing theory around the topic, will be discussed below, with the aim to pinpoint the main realities that have been shaping the world of management consulting to understand their potential impact in disrupting the industry according either to Christensen theory (pure disruptive innovation) or to the second perspective highlighted before (alternative interpretation of disruption). Hence, an initial discussion about internal forms of organization potentially leading to disruptions within big entities is presented below.

2.3.2.1 Internal forms of organization within big companies

The need to begin the study with a view of the bigger companies and the incumbents in the industry of management consulting arises from the fact that some authors, including the same Christensen, claim that the disruptive innovations usually emerge through start-ups or small companies with innovative business models. However, according to De Man and Seipl (2016), this theory is not

supported and entirely true. Instead, their data suggest that the level of innovation within the firm does not depend only on the company size. It is true that, due to their size, smaller entities have less fixed costs and seem to create partnerships and work together with other businesses more easily, however this is not connected with their innovativeness level. Therefore, also large incumbents seem to have the power to potentially disrupt the market (De Man and Seipl, 2016).

Moreover, even if the Christensen theory of *low-end disruption* and *new-market disruption* is mainly related to the activity of small and innovative upstarts, he argues that also big companies can lead the disruption in some conditions (Christensen, Wang and van Bever, 2013). To be able to do that, in a strategy that can be called “*Self-Disruption*”, incumbents need to match six requirements:

1. *Create an independent business unit* – it should be independent from the parent organization and should not have contact with the business that has being disrupted;
2. *The right leaders* – these are leaders who know how to successfully face the different challenges and are often hired from outside;
3. *A distinct funds allocation path* – it needs to be separated from the parent organization to assure resources to the unit and not being constrained by the main business;
4. *Independent sales channels* – it should be autonomous and not tied to the core business;
5. *New profit model* – a renewed model with a different formula from that of the parent organization;
6. *Strong commitment from the CEO* – he needs to follow the development of the new unit and maintain it separated from the rest of the organization.

Besides the concept of *Self-Disruption*, an additional consideration, emphasized by the same Christensen and concerning both big and small companies, relates to the transition that has been happening from a traditional business model to a new one. The more conventional model of a *Solution Shop*, which reflects all the processes connected with the client engagement, with the aim to solve issues that have an unknown scope through consultants’ subjective opinions and for a high price, is being challenged by the *Value-Added Process* and the *Facilitated Network*. The former has the objective of addressing problems that have a defined scope, developing a standardization of the implemented processes in a way that they become more repeatable and with a revenue model based on fees per output. The *Facilitated Network*, instead, allows the exchange of products and services within a network of resources composed of service providers, with a revenue model based on fees paid to the overall network which, for its part, pays the consultants (Christensen, Wang and van Bever, 2013).

This transition from a Solution Shop to Value-Added Process and Facilitated Network increases the level of *modularization* sought by customers. More precisely, as mentioned before, clients are more carefully evaluating the need to rely on expensive “prestigious packages” offered by big consulting firms, considering, as an attractive alternative, *modular providers*, which are more specialized and can deliver a greater value, better matching the customers’ needs. Moreover, some businesses are also creating new units to better accommodate customer needs, such as those of increasing the speed in the process of problems’ solution, greater responsiveness by the consulting firm, familiarity with the specific client’s issue and the high costs incurred (The Economist Intelligence Unit, 2018; De Man and Seipl, 2016). A significant example is given by McKinsey and Co, which created the unit “McKinsey Solutions” to deliver new values to the customer through software and technology tools. Indeed, it allows organizations to benefit of online analytics services, providing a new perspective from which experience the service of consultancy (Christensen, Wang and van Bever, 2013). One of the most relevant characteristics of this McKinsey play, is that it has created a unit that does not rely on human labor, overcoming one of the main challenges encountered by consulting companies: the intensive deployment of human activity in the sector. Also, these new organizations are going to delineate a new business model which, according to De Man and Seipl (2016) can be found in “*The Continuous Consulting Model (CCM)*”, which is based upon data analytics, incorporates a new revenue model founded on subscriptions, instead of fees per hour, and allows clients to experience the service repeatedly and constantly.

Within the business model innovations emerging in the market and the new units implemented by companies such as McKinsey, a significant and interesting framework, which needs to be outlined, is given by De Man and Seipl (2016): the “*Business Model Mixer*” (BMM) (**Table 1**). The decision to insert this framework in the paragraph related to big companies arises from the fact that it can be seen as a general model, applicable both to small and big firms, to understand the different innovations and transformations in the processes and business models happening in the consulting landscape, disregarding the company size. Moreover, the models shown in the BMM are more connected with the concept of disruption emphasized by the “alternative interpretation of disruption”, instead of that defined by Christensen, since they do not deal specifically with the two types of low-end disruption and new-market disruption which he presents.

Variables	Basic	Medium	Radical
Value proposition			
<i>Time to value</i>	Linear project	Accelerated linear project	Instant consulting

Risk distribution	Risk for client	Sharing risk	Risk-based consulting
Degree of specialization	Broader provision of services	Specialization in segment or service	Hyperspecialization: specialization in segment and service
Profit formula			
Value creation	Shareholder' or partner value; leverage	Joint value for consultant and client	Shared value
Revenue model	Time-based billing; fixed price; one-off project basis	Performance fee, one-off projects	Recurring revenues; multiple revenue streams
Cost model	High fixed costs; low sunk costs	Semi-variable costs	High sunk costs, low fixed costs
Process			
Market development	Reactive, wait for demand	Create demand	Create client
Interaction with client	Person-to-person; consultant physically present at client	Blended: consultant supported by online/data	Virtual consulting
Role	In and out at client site in a fixed role	Part of flexible shell of the customer: different roles	Co-entrepreneur, co-worker
Resources			
Networking	Calling in partners ad hoc per job if necessary	Regular use of the same partners	Collaborative consulting
Knowledge	Consultancy owns the knowledge (experts employed)	Core team employed, access to knowledge in flexible shell	Create knowledge and innovate in co-creation with network

Table 1: The Business Model Mixer developed by Ard-Pieter de Man and David Seipl (2016).

The BMM addresses the phenomenon of business model innovation, presenting the transformations and paths emerging in the sector and which consulting firms are trying to adopt in their organizations, under four perspectives: value proposition, profit formula, processes and resources.

Value proposition area – several changes in the business model relate to reduce the timeframe before the client organization is able to appreciate the advice given by the consulting company. In this case, the model of *Instant Consulting* is the most radical one and takes place when consultants can deliver value from the first day working. Besides the attempts of big firms to address this challenge, many other companies are trying to develop such a system. Another objective consulting companies should strive for concerns decreasing the risk faced by customers when they rely on the consultant, aiming to a model of *Risk-Based Consulting*. Lastly, a third innovation can be found in the augmented consultants' level of specialization, which can gradually lead to a concept of *Hyperspecializaion*, where the company specializes in particular services and segments.

Profit formula area – innovations under this perspective are connected, from one point of view, with an effort towards the concept of increasing value sharing between the consultant and the client. At the same time, some critical transformations occur in the revenue model, which has been experiencing a shift from the billable hours (fees per hour) to more recurring and multiple revenue flows, such as systems based on subscription fees. Moreover, the trend of high fixed costs and low sunk costs in the traditional businesses has been inverting, turning to low fixed costs and higher variable and sunk costs.

Processes area – some changes are related to the consultants' attitude towards market demand. They are, indeed, shifting from a reactive approach, in which they wait and promptly respond to the needs, to a creation of the same demand, with some realities in which the same consulting company creates the client and its requirement. Also, the interaction with the customer is subject to transformation: from a consultant physically present at the client site to the radical innovation of the *virtual consultant*, who interact with the customer through online platforms. Finally, the role of the same consultant is changing. He is not anymore only an external party in the client organization but is becoming more a co-entrepreneur of the client. This is also emphasized by Greiner and Poulfelt (2010), who saw a shift of the consultant role *from separated expert to involved partner*, increasing his/her involvement in functions such as implementation and change management. The just mentioned activity can also be seen as an attempt to deal with the challenge, previously outlined, connected with the concept of execution. The consulting firms, in this regard, are aiming to deliver value to the client organization by supporting it in implementing and execute the strategy recommended.

Resources area – innovative business models increasingly rely on strong collaborations with the same partners, as will be better emphasized later, when the author will discuss the external forms of collaboration across firms (section 2.3.2.3: External forms of collaboration, partnerships and networks across consulting companies).

Furthermore, an additional comment needs to be made for what concerns the opportunities related to the rapid growth of new technologies, such as AI. In fact, a significant number of organizations is adopting AI in their operations and strategies. Therefore, such companies will increasingly need support in understanding how to use the technology, connecting it with their offerings (Factiva, 2019). Consulting companies, as one can imagine, should be able to provide this service by widening their competences in AI related technologies and strategies. That is why several management consulting firms are investing in AI startups and are implementing their AI products and services, in order to better address the customer requirements (Factiva, 2019). The implications of this growing trend in

the consulting industry could be significant, especially for new innovative and agile firms, which might possess more competences on the issue and exploit the opportunities created by AI technologies in the market, if not contrasted by the incumbents.

To make the discussion clearer, a table summarizing the various companies' main strategies and models presented in the paragraph is provided below (**Table 2**). Also, the phenomenon of disruption is assessed based upon the two definitions provided before – pure disruptive innovation and alternative interpretation of disruption.

The model	Description	The type of disruption	Reference
Self-disruption	New units' creation	Pure disruptive innovation ¹	Christensen, Wang and van Bever (2013)
Transition from Solution Shop to Value Added Process and Facilitated Network	Increase of modularization of the service	Pure disruptive innovation	Christensen, Wang and van Bever (2013)
The Continuous Consulting Model	New business model delineation	Both definitions	De Man and Seipl (2016)
Instant Consulting	Faster results delivery	Alternative interpretation of disruption	De Man and Seipl (2016)
Hyperspecialization	Increase level of specialization in the firm	Alternative interpretation of disruption	De Man and Seipl (2016)
Revenue model innovation	Shift from billable hours to multiple revenues flows	Alternative interpretation of disruption	De Man and Seipl (2016)
Virtual consulting	New digital ways of interacting with the client	Alternative interpretation of disruption	De Man and Seipl (2016)
New technologies adoption	Adopt and understand how new tech works	Alternative interpretation of disruption	Factiva (2019)

Table 2: Main companies' strategies and models leading to disruption. Compiled by the author based on Christensen, Wang and van Bever (2013); De Man and Seipl (2016); Factiva (2019).

A last consideration regarding the strategies adopted by the large incumbents in the consulting business concerns the fact that, as can be noted from the discussion, big companies do not seem to implement *radical changes* in their models, but they rather pursue more *incremental changes*. As De Man and Seipl (2016) argue, they put together different business models at the same time within their

¹ In this case Self-disruption is referred as a pure disruptive innovation since it is a concept emphasized by the same Clayton Christensen (Christensen, Wang and van Bever, 2013). The same applies for the transition from a Solution Shop to Value-Added Process and Facilitated Network (Christensen, Wang and van Bever, 2013).

operations, in what can be called a *Multi Model Consultancy*. Notwithstanding this, through a continuous and gradual effort, they are working to overcome the challenges previously outlined, for instance by decreasing the excessive use of human labor in some operations (as McKinsey and Co did with the new unit) or transforming the billable hours model in systems based on fees per output or subscriptions. Thus, even if their innovations are more incremental than radical, the long-standing business acting in the industry seem to have a potential disruptive power that they need to implement, as also confirmed by Christensen with the concept of *Self-Disruption* (Christensen, Wang and van Bever, 2013). In this regard, the concepts of self-disruption, the transition from a solution shop to a facilitated network and the CCM, are included also in the view of Christensen about the disruptive innovation concept. However, the other models, especially related with the BMM, are more in line with the alternative interpretation of disruption outlined before. This is also appreciated by looking at the previous table.

However, some other challenges are still present, as the high prices paid for the consultancy or the lack of familiarity and responsiveness with the client business, together with the general dangerous situation, highlighted by Luke Walker, in which companies implementing only incremental changes might find themselves (Poe, 2019). Thus, some other alternatives are emerging in the sector, as will be better shown below, by looking, firstly, at the models adopted internally mainly by small firms, and, secondly, by those connected with external forms of collaborations and networks.

2.3.2.2 Internal forms of organization within small companies

Beside the attempt of the long-standing businesses to fight against disruption and try to be the pioneer of this phenomenon, the concept of disruption, both in Christensen sense and according also to the alternative interpretation outlined before, is gaining ground among smaller innovative entities. These firms usually present new business models that differ from the traditional ones and that jeopardize the continuity of incumbents' operations within the industry. An evidence of this emerging threat can be found in the fact that, as Tom Rodenhauser, the managing director of advisory services at Kennedy Consulting Research & Advisory, states, the activities related to strategy in the big consulting firms have seen a reduction from approximately 70%, recorded thirty years ago, to 20% share of work experienced nowadays (Christensen, Wang and van Bever, 2013). An additional consideration can strengthen the phenomenon of the small players' emergence in the sector. This relates to the survey previously mentioned, of slightly over 300 executives among different regions responsible of managing the relations with "professional service-providers" in the areas of legal and compliance, marketing and management consulting, performed by The Economist Intelligence Unit (2018), which shows that the majority of incumbents in the respective industries perceive that small and medium enterprises (SME) will gain a relevant role in the next five years.

There seem to be three main factors for which customers might become more inclined to choose a smaller provider instead of a larger one. The first reason is because they perceive it can deliver a stronger value proposition, probably thanks to the higher level of specialization a small company can achieve, compared to a bigger one. Then, lower costs with respect to the usually high consultancy fees paid to get support from big consulting firms is another aspect that clients are considering when evaluating the proper service. Lastly, customers' choice of SMEs is also driven by the level of company culture similarity between the provider's one and the client's one (The Economist Intelligence Unit (2018)).

One of the key problems related to big companies and one reason why small firms are tapping into the industry concerns the fact that consulting businesses have for long relied around the concept of "*deal size*". It means that the efforts to attract and work with a new customer (time, costs and so on) are similar no matter the client organization size. Thus, consultants have always tried to close big deals instead of small ones to benefit for the future growth of the gained customer. However, the downside of this is that incumbents have ignored their smallest customers over time, prioritizing the largest ones. With this move, as already discussed within the theory developed by Christensen, they have created some gaps in which smaller and more agile companies can enter to work with the "least profitable" clients not considered by the long-standing businesses (Thurston and Singh, 2010). Such disruptive opportunities in Christensen sense are the ones that gave room to companies, such as Eden McCallum, to target smaller entities overlooked by the incumbents and gain ground in the management consulting business, reaching giant customers like Tesco or Lloyd's over the years (Christensen, Wang and van Bever, 2013).

An additional aspect to be considered at this point concerns the need expressed by the respondents in the survey conducted by The Economist Intelligence Unit (2018) to look for a greater level of specialization in the services provided and a lower cost with respect to the high fees of big consulting firms. What is becoming known is that firm size and reputation are not always synonyms of quality; what really matters nowadays, according to the majority of respondents to the survey, is in which providers to invest to get greater value. The interesting finding is that if the client is looking for a specific task to be addressed, it can find more "*niche and small firms*", which might help providing a more focused service than an incumbent can do and eventually at a lower cost (The Economist Intelligence Unit, 2018; Factiva, 2019). Therefore, consulting firms are also working to increasingly specialize their offering (De Man, A., de Man, M. and Stoppelenburg, 2016).

There is a further consideration to be made in this regard. While usually consultants and often the big consulting firms are requested to deliver solutions to customers' problems which have an undefined

scope, some other challenges faced by organizations incorporate a more precise scope, thus enabling to identify a transparent price and result of the process, allowing companies to adopt more flat rates. Some examples relate to supply chain activities, resource planning or customer management (Thurston and Singh, 2010). While before these problems were addressed by the traditional management consulting companies, nowadays small and medium firms are emerging to deal with these specific areas in a sophisticated way, highlighting the previous discussed shift consulting companies are experiencing, going from a Solution Shop model to Value-Added Processes and Facilitated Networks (Christensen, Wang and van Bever, 2013). Entities such as Salesforce.com, which is becoming larger in size over time, offer this kind of service through online interfaces both to SMEs and larger companies (Thurston and Singh, 2010).

Notwithstanding the benefits and the focused service offered by these realities, there might arise a relevant problem: the extreme phenomenon of *hyper specialization*. In fact, while small firms use specialization with the aim to overcome big companies' competition, they could fall in the trap of hyper specialization, which emerges when customers are not any more interested in that specific level of specialization in the service (De Man and Seipl, 2016). However, as the same De Man and Seipl (2016) suggest, a solution small companies are adopting to compete in the market is to provide these specific tools to the large consulting organizations on a non-exclusive basis. That is why the authors suggest a new model, included within the external forms of collaboration among firms and framed as "*The Consultant-Supplier Model*", which will be discussed in the next paragraph. Therefore, two potential forms of disruption could emerge in this case. The first, which can be included both under Christensen's view and in the alternative interpretation, concerns the entrance in the market of small companies highly specialized which try to better address the specific problem of the client increasing the level of familiarity with its business. The second one, which is more related with the second interpretation of disruption outlined before, and not the Christensen's one, relates to a form of collaboration between the big companies with their full range service offering and the sophisticated specialization brought in by the small firms.

Beside the small companies' effort in addressing the clients' concerns related to lack of familiarity with the business and high costs, a large part of them, together with some attempts by bigger firms, is trying to deal with the challenge of delivering faster results to the customer. In order to do that, newcomers and some incumbents are developing tools based upon big data, AI and predictive technology (Christensen, Wang and van Bever, 2013). As mentioned before, the extreme model towards which businesses are working for can be found in the *Instant Consulting*, where they should be able to deliver value from day one thanks to their already existing knowledge of the client, industry

and for which some standardized solutions have already been developed (De Man and Seipl, 2016; De Man, A., de Man, M. and Stoppelenburg, A., 2016).

Below it can be found a table (**Table 3**) presenting some of the main opportunities, previously discussed, for small and boutique firms, which might lead to disruption in the consulting business. Also, it is shown which type of disruption they may lead to, differentiating between the definition of Christensen (pure disruptive innovation) and the one provided by the other scholars (alternative interpretation of disruption).

The concern	The attempt of resolution	The type of disruption	Reference
Deal size concept	Low-end market entry by small firms	Pure disruptive innovation	Thurston and Singh, (2010)
Need for higher specialization and familiarity	Niche and small firms with focused services	Both definitions	The Economist Intelligence Unit, (2018); Factiva, (2019)
Need for lower costs	Lower prices through higher specialization and innovative revenue models (BMM)	Both definitions	Thurston and Singh, (2010)
Trap of hyperspecialization	Consultant-Supplier Model	Alternative interpretation of disruption	De Man and Seipl, (2016)
Faster results	Instant Consulting	Alternative interpretation of disruption	De Man and Seipl, (2016)

Table 3: The main potential disruption opportunities for small firms. Compiled by the author based upon Thurston and Singh, (2010); The Economist Intelligence Unit, (2018); Factiva, (2019); De Man and Seipl, (2016).

Therefore, some symptoms of potential disruption are emerging through the availability of smaller firms and their high level of specialization and innovativeness in the business models. As seen, they are addressing several concerns experienced by the client, such as the lack of familiarity with the business, the high costs related to consulting fees or the excessive time before the client experiences some benefits from the service provided. At the same time, as also discussed before through the BMM, which applies to consulting firms in general, not considering the differences in size, they seem to put strong effort in overcoming the challenges experienced by bigger firms related to the same high fixed cost structure and billable-hours model, together with the problems outlined before connected with information and expertise. In this regard indeed, they are developing new forms of predictive technologies and analytics to compete with the big firms and are specializing in various fields in order

to increase the level of expertise (Christensen, Wang and van Bever, 2013; De Man, A., de Man, M. and Stoppelenburg, 2016).

2.3.2.3 External forms of collaboration, partnerships and networks across consulting companies

Within the different forms through which disruption can emerge in the management consulting industry, a consideration should be made for what concerns the external forms of collaboration, partnerships and networks among companies. Within these, both small and big companies are included in the same discussion, given the possibility for the two types of entities to participate mainly in all collaboration's models and networks with other organizations. Throughout the discussion outlined above about internal forms of organizations, the term of collaboration already came out.

More precisely, reminding the BMM developed by De Man and Seipl (2016), in the resource area of interest, the innovations in business models are based upon strong collaborations and networks with external entities, to eventually achieve the model of *Collaborative Consulting*. In addition, the knowledge creation and co-creation with the network has gaining importance in the new landscape that is now emerging. Moreover, also Larry E. Greiner and Flemming Poulfelt (2010) had found that management consulting companies are increasingly implementing their external organization models by working with outside partners and building networks and collaborations with other entities. The two authors, indeed, emphasize this shift by highlighting the new strategy of consulting companies going "*from go-it-alone firms to networks*". One of the main benefits, indeed, is that the creation of a network allows companies to reach more customers and augment their projects, allowing them to increase the level of flexibility in the operations. In fact, each company in the network can complement the needs of the other companies building strong and durable relationships among them.

Moreover, partnerships and collaborations may help firms to create, co-create and share significant knowledge and values across the firms involved, consequently increasing the level of quality of the service (De Man and Seipl, 2016). In this regard, while traditional companies are used to collaborate *una tantum* with a partner when a specific part of knowledge is missing, the emerging trend, as also mentioned before, sees the development of a *Collaborative Consulting Model* (De Man, A., de Man, M. and Stoppelenburg, A., 2016). As De Man and Seipl (2016) state, this system can be divided into *Closed Networks* or *Open Networks*. In the former, firms collaborate within a created network on different projects. Other organizations that wish to enter in the same network need to follow a demanding selection process. In this case, long-term relationships are built and enable a great sharing of knowledge inside the network. In the Open Networks, freedom and openness prevails. Companies collaborate and work together on different levels and expertise fields and other organizations can

participate in the network more easily. As one can imagine, the main benefit of this last type of model is the high degree of flexibility companies can achieve (De Man and Seipl, 2016).

An interesting concept related to this, which shares similar collaborative characteristics as the Collaborative Consulting Model, is the *Virtual Consultancy*. This last is an innovative model emerging in the consulting industry, with companies such as Comatch, in which the client organization submit the problem to be solved or the project to be completed to the online network, and the virtual consulting platform find the appropriate consultant for the job, which matches the customers' requirements (De Man and Seipl, 2016).

Within the previous discussion about the internal forms of organization of small companies, another model, which has been brought up, relates to "*The Consultant-Supplier Model*". This, indeed, is adopted by small firms in order to face the threat of becoming excessively specialized. In fact, throughout this strategy they can deliver their competencies to larger consulting realities on a non-exclusive basis, by implementing data-driven tools and specialized offerings and delivering those to big companies which can use them for their clients (De Man and Seipl, 2016).

A further strategy pursued by large incumbents is the one aimed at buying or merge with new small innovative companies in an attempt to face the increasing competition and the threat of disruption. Indeed, on the one hand, firms are conducting M&A activities with design consulting organizations, given their relevance in driving the future revenue growth, according to McKinsey and Co (Factiva, 2019). An example reflects the acquisition of Orbium, consultancy and technology services provider in the financial area, by Accenture, one of the leading companies in management consulting. Initiatives in the areas of mergers can be highlighted through the collaboration developed by Boston Consulting Group (BCG) and Litmus Automation, a firm in the sector of IoT and cloud platforms (Factiva, 2019).

An additional interesting view around the importance of networks in the management consulting industry is also given by Freek Vermeulen (2013), professor of strategy and entrepreneurship at London Business School. Indeed, given the opacity of the services delivered by companies such as McKinsey, which does not allow the customer to evaluate the quality of the result beforehand, these have developed, and are developing, some relevant features to remain competitive and be preferred by the customers against their peers. A first technique relates to create and retain good relationships with the existing customers, ensuring the major part of their business originate from prior clients. The second strategy is connected to cultivate and grow their network, by, for example, remaining tied to their previous consultants, who can become "alumni" (Vermeulen, 2013). Therefore, the professor stresses the relevance of maintaining good relationships and implement networks to stay competitive

and strengthen the status of the company. A figure summarizing the highlights of the discussion about external forms of collaboration is provided below (**Figure 7**):

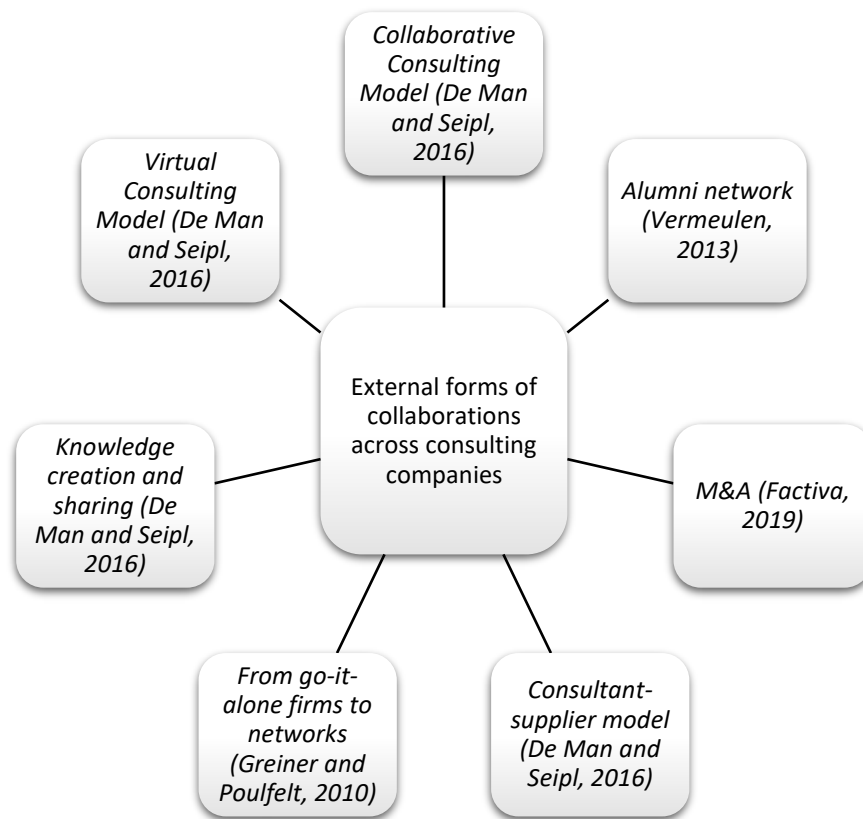


Figure 7: Main external forms of collaboration across consulting firms. Compiled by the author based upon De Man and Seipl (2016); Vermeulen (2013); Factiva (2019); Greiner and Poulfelt (2010).

Furthermore, the impact of “Peer Collaborations” in developing disruptive power, irrespective of the industry in which they are built, is also confirmed by Bin Hao and Yanan Feng (2016). In fact, they see these forms of collaborations useful in order to acquire and share knowledge and stimulate radical and disruptive innovations thanks to the long-term relationships building and the activities of experimentation and exploration among the involved companies. One interesting fact is that the type of disruption discussed in the paragraph is more related to the broader alternative interpretation outlined before and not in Christensen sense. Indeed, even if these innovative networks incorporate a potential disruptive power, in the sense that they can deeply transform the industry in which operate, they are difficultly included in the Christensen theory based on *low-end and new-market disruptions*.

2.4 Theoretical Findings

The previous paragraphs have led to an understanding of the different innovative business models and forms of organization and collaboration that are emerging or are already present in the

management consulting sector. Some considerations need to be made at this point in order to have a clearer overall view of what the industry has been experiencing over the years.

As can be noted, there are some common threads shared across the different entities previously outlined (big and small firms). For instance, the discussed transition from a *Solution Shop Model*, typical of traditional firms, to a *Facilitated Network*, through the increase of modularization in the services, is endorsed by both the entities shown above. More precisely, while the complete transition is implemented mainly by large organizations, the features of the Facilitated Network seem to be already incorporated in many of the small realities emerging in the market.

Moreover, a new business model, *The Continuous Consulting Model*, introduced within the discussion about big companies and their forms of organization, does not preclude its utilization for smaller firms. Indeed, it is based upon the use of new tools, processes and data analytics to accelerate service delivering, new revenues models based on recurring revenues and allows to have continuous and repeated processes. These are precisely some of the features on which smaller companies are working on to face some main concerns expressed by the customers, such as the need of faster results and lower prices.

Also, the BMM presents different innovations in business models that might be implemented not only in big firms, but also in smaller settings, in some cases even in a better way. For instance, the extreme model of *Instant Consulting*, which enables firms to deliver value from day one, is adopted by new stat-ups with the aim to revolutionize the traditional models. At the same time, especially small companies are developing *Hyperspecialization* in several segments of the market to offer an increased value to customers through sophisticated services, fighting against the full range type of services offered by long-standing businesses. Furthermore, a recurring concept across all the different forms of organization displayed concerns the creation of collaborations and networks. In fact, it appears some forms of networks and partnerships are emerging in the consulting landscape, enabling firms to share and co-create the knowledge, build long-term strategies through relationships and increasing flexibility in providing the service thanks to the complementarity of their offerings.

All in all, some interesting potentially disruptive internal forms of organization and external forms of collaboration arise from the literature around the phenomenon of disruptive innovations in management consulting. Moreover, some of the emerging forms of potential disruption, such as newcomers that are targeting the more ignored market segment to than scale up, reaching the mainstream customers, are included in the definition of *pure disruption* emphasized by Christensen. Other settings, instead, can be considered disruptive only according to the *alternative interpretation* provided before, such as for what concerns the creation of innovative networks and external forms of

collaboration across firms. Then, there exist some forms of internal organization leading to a potential disruption both according to the Christensen’s view and the alternative interpretation, such as for what concerns the *Continuous Consulting Model*. To provide a holistic view of the main theoretical findings and allow the reader to appreciate a clearer picture of those, two tables are outlined at this point. The first one is a reminder of the two types of disruption considered by the author and used to widen the theory provided by Christensen (**Table 4**). The second one (**Table 5**) summarizes the key aspects identified through the literature review. The two are useful, at a later stage, to make a comparison with the empirical findings through the analysis section of the work.

The two types of disruption	
Pure disruptive innovation	Alternative interpretation of disruption
Based on Christensen theory	Based on the other existing perspectives around the term
Low-end and new-market disruptions (Christensen, Raynor and McDonald, 2015)	Broader vision of disruption
Disruptive innovations as opposed to sustaining innovations (Morrish, Whyte and Miles, 2019)	New experiences and values perception transformation (Hekkert, n.d.), business models causing disorder (Gobble, 2016), target the mainstream market (Vázquez Sampere, Bienenstock and Zuckerman, 2016)

Table 4: The two types of disruption. Compiled by the author based upon Christensen, Raynor and McDonald, (2015); Gobble (2016); Chase (2016); Hekkert (n.d.); Vázquez Sampere, Bienenstock and Zuckerman (2016).

Form of organization	Description	Company type/size	Type of disruption	Reference
Internal forms of organization potentially leading to disruption				
Self-disruption	New units’ creation	Big	Pure disruptive innovation	Christensen, Wang and van Bever (2013)
From Solution Shop to Value Added Process and Facilitated Network	Increase of modularization of the service	Big and small	Pure disruptive innovation	Christensen, Wang and van Bever (2013)
The Continuous Consulting Model	Data analytics, new revenue model and repeated services	Big and small	Both definitions	De Man and Seipl (2016)
Instant Consulting	Faster results delivery	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
Hyperspecialization	Increase level of specialization in the firm	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)

Revenue model innovation	Shift from billable hours to multiple revenues flows	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
Virtual consulting	New digital ways of interacting with the client	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
New technologies adoption	Adopt and understand how new tech works	Big and small	Alternative interpretation of disruption	Factiva (2019)
External forms of collaboration potentially leading to disruption				
Collaborative consulting model	Different types of collaborations among companies towards projects	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
Consultant-supplier model	Small firms' delivery of specialized services to bigger companies	Small	Alternative interpretation of disruption	De Man and Seipl (2016)
From go-it-alone firms to networks	Work with outside partners and build external networks	Big and small	Alternative interpretation of disruption	Greiner and Poulfelt (2010)
M&A	Merge or acquire smaller specialized entities	Big	Both definitions	Factiva (2019)
Knowledge creation and sharing	Creation, co-creation, sharing of knowledge	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
Virtual Consulting Model	Online networks based on virtual platforms	Big and small	Alternative interpretation of disruption	De Man and Seipl (2016)
Relationships management with clients	Create and retain good relationships with clients	Big and small	Alternative interpretation of disruption	Vermeulen (2013)
Alumni network	Cultivate and grow the firms' network	Big and small	Alternative interpretation of disruption	Vermeulen (2013)

Table 5: Theoretical findings summary. Compiled by the author based upon Christensen, Wang and van Bever (2013); De Man and Seipl (2016); Factiva (2019); Greiner and Poulfelt (2010); Vermeulen (2013).

3. Research methodology

The following chapter has the objective of showing and explaining to the reader which methods have been used in addressing the main challenges of the work and the research question. Within the chapter, both the research strategy and the research design are highlighted and analyzed. Moreover, the discussion will then move to the aspects of data collection and data analysis. Lastly, the concepts of validity, reliability and replicability will be addressed.

3.1 Research strategy

The initial decisions towards choosing the appropriate research strategy refers to understanding if a quantitative or qualitative study has to be followed and what fits best between a deductive or an inductive approach. The latter aspects are those from which the decision process takes hold.

The chosen field of study and the main research question appear of a more general kind and aim to provide, as the outcome, some descriptive findings out of observations of the phenomena. This implies that the most appropriate approach to be used to answer the research question seems to be the inductive approach, which, as Bryman and Bell (2011) explain, results in the generation of a theory starting from observations and findings of the studied concept. In fact, it is true that the analysis leads to the creation of a kind of framework which highlights the different setting companies can adopt to innovate and potentially disrupt the market. The inductive approach choice is also justifiable by the fact that not much data is available around the concept of disruption in the management consulting industry and more specifically, how the disruption will emerge in the sector through different innovative forms of organization and collaboration. Therefore, the application of a deductive approach would have been complicated given the fact that, within the research field, there is not enough theory from which deduct enough observations or findings. This makes the inductive view more suitable for the purpose of the study. However, it is true that usually, as again Bryman and Bell (2011) point out, the two approaches tend to coexist. More precisely, it could happen that after the inductive strategy is applied, leading to theory-generation, the researcher wants to go further, implementing a more deductive type of approach, by gathering additional data to test the theory previously developed. In this case, even if the main strategy remains of an inductive type, the author uses also an “iterative” process to be able to move more freely across the literature and the empirical data, delivering a better refined research and consequent outcome.

The next step in defining the proper research strategy is connected to the choice of adopting a quantitative or qualitative research. The first consideration in this sense is related to the previous choice of an inductive and iterative approach. This is indeed the typical strategy used within the qualitative approach, thus becoming the right candidate for the choice to be made. But before that, a more detailed comparison of the two types of research is in order to make a proper evaluation.

The quantitative strategy is linked with the activity of gathering numerical data and, thus, it basically deals with numbers, which are seen as being more facts based and subject to objective interpretation (Bryman and Bell, 2011). Here, a first difficulty arises in applying this strategy to the proposed research on disruptive innovation. In fact, as already mentioned, given the scarce data around the concept and the broad type of research question, a quantitative analysis through a deductive approach

based on numbers could not easily be adopted. Moreover, this type of analysis is built around the concept of the “Natural Science Model”, in which the key concepts refer to experimentations and hypothesis testing of the data found (Mills, Durepos and Wiebe, 2010), and is in contrast with the “Interpretivism” model outlined within the qualitative type of research. This is an essential aspect to highlight, because with the interpretivism model, the focus is instead on analyzing the social world, by gathering insights from the interpretations given by its actors. This type of way of thinking appears to be a more appropriate fitting choice for the research. The last is indeed based on collecting information around the challenges and opportunities associated with the various settings companies can adopt, to then develop a theory as a final result. Throughout the work, indeed, the author has the objective of gathering explanatory and detailed information from the interviewees, by understanding their beliefs, their thoughts and their opinions around the topic. This is an activity which can be better performed through a qualitative study instead of a quantitative one, given their different way to gather data and the different degree of detail within them. To further strengthen the choice on the qualitative research, an additional consideration refers to the fact that, as already mentioned, it encourages a more inductive and iterative approach (characterized by the theory-generation from initial observations) and it is built around words and explanations instead of numbers (Bryman and Bell, 2011). Therefore, the qualitative research seems to be the right one to properly answer the research question.

3.2 Research design

The consequential step, after having chosen to apply a qualitative analysis based on an inductive approach, is to evaluate which research design is to be performed. In order to provide the most suitable design, the choice has been made taking into consideration the five designs emphasized by Bryman and Bell (2011), the purpose of the study and the outcome that the author wants to achieve.

The main purpose of the study, as already mentioned before, refers to understand if new internal forms of organization and external forms of collaboration among consulting companies can become a potential setting leading to disruption in the management consulting industry. The outcome of the research leads to the creation of a framework which pinpoints the main features of the most potentially disruptive settings.

Therefore, among the various designs the most suitable seems to be the cross-sectional design. Indeed, by adopting this approach, it is possible to gather data which are related to more than one case at a specific time in order to collect enough information which can be analyzed to discover “patterns of association” (Bryman and Bell, 2011). It is also true that, even if the cross-sectional analysis seems to be usually related with quantitative analysis, this is not the case, since it can be applied to a

qualitative type of analysis. The choice of a cross-sectional design has been made after a comparison with the other types of approaches. While the experimental design and the longitudinal design have been more easily excluded from the alternatives, given their features which are not consistent with the purpose of the research, a more challenging decision process has been faced with respect to the comparative and the multiple case study design. For what concerns the former, this has been excluded because, even if it is mainly connected with comparisons between different cases and thus it may be applicable in the work, providing differences among the various settings being examined, it does not fit properly with the purpose of the analysis. In fact, the researcher is more concerned with the finding of a general model or framework to identify how the potential disruption of the management consulting sector might be shaped through internal organizational forms and external collaborative settings, instead of delivering a pure comparison among the studied companies. On the other hand, to choose between adopting a multiple case study or a cross-sectional design, the evaluation has been performed based on the main focus of the work. This means that, if the focus and the aim of the researcher is to explore the specific cases and their respective circumstances, the design is framed as a multiple case. If instead the particular situations of the different companies are not the main focus, and this is related on providing more general findings, the cross-sectional design fits best (Bryman and Bell, 2011). Therefore, notwithstanding the comparisons among the companies involved in the study and a careful analysis of them, the cross-sectional design is the most suitable approach for the research. This is strengthened by the fact that the focus is not related to the deep exploration of the specific companies providing a pure comparison among them, but it concerns the formulation of a more general framework based on the analysis of the companies and their settings.

However, it is important to state that the previous highlighted distinctions are not always so clear, and, within quantitative and qualitative analysis, some confusion could arise on which method is actually used (Bryman and Bell, 2011). This is why there was the need to point out such a qualification of the type of research design employed in the study, also to have it in mind during the work and build the entire research with a specific strategy as a common thread.

3.3 Research method

After the research strategy and design have been outlined, the research method adopted throughout the work is now explained. This last is built upon two main sources of data gathering. The first concerns the secondary data collection, which has been performed by looking for relevant information around the studied phenomenon through a systematic literature review, which enables the author to provide the grounds upon which the information have been gathered throughout the research process and clarifies the process of analysis of the same data (Bryman and Bell, 2011). The second source

relates to primary data collection, gathering insights from qualitative and explanatory interviews with different consulting companies.

3.3.1 Secondary data collection

The work of data collection had its first start in looking for general information on the internet around the concept of disruptive innovation in the management consulting industry. This was the first activity performed by the author with the aim to understand the level of knowledge around the topic and where to focus on more precisely. Indeed, an initial screening of some websites, journals and reports has been essential in order to identify some early keywords and some main borders for the research work (Bryman and Bell, 2011). The work of systematic literature review started after the identification of the initial keywords by searching around them on electronic databases in order to look for the previous work on the topic. More precisely, the most relevant areas on which the literature review and, consequently, the theoretical framework have been based upon, refer to the *concept of disruptive innovation, the potentially disruptive internal forms organization and the external forms of collaborations*. Indeed, the strategy outlined below has been implemented for these main areas.

Thus, after the initial research of general insights around the overall topic, the following activity performed by the author has been that of identifying a clear and understandable research question based on the two previously explained approaches (see 1.3 Research Question), developed by Bryman and Bell (2011) and Watson (1994). After the research question has been built, the author started the process of reviewing the existing material on the topic, in an attempt of conducting a “*comprehensive and unbiased search*” through the previously found keywords (Tranfield, Denyer and Smart, P, 2003). This has been conducted, before, by looking at more general kinds of keywords such as “*innovation*”, “*disruption*” or “*disruptive innovation*”, to then deepening the level of study with more specific keywords such as “*disruption AND consulting business*” or “*consulting firms disruption*”. For what concerns the systematic literature review, several documents, such as articles and reports, were used to search for the right data, together with some other information gathered in other websites, given the little existing literature around the subject. However, the majority of materials are e-journal articles and reports found through the adoption of different databases. Moreover, in the reviewing process, some new keywords have also been added, thanks to the deepening of the knowledge around the studied topic. After an extended list of documents has been created through the mentioned process, the author engaged in the task of selecting the most relevant ones to include in the review, based on the abstract, introduction and the general issues addressed in the papers, starting to analyze them (Bryman and Bell, 2011). Lastly, the author begun to report the collected data, making sure to guarantee a clear representation of the research by always identifying, as Bryman and Bell (2011: p.98) state, “*who the contributors are, where they are based, and when*

the main temporal periods of research activity on the subject occurred'. A visual representation of the process followed for the literature review is displayed in **Figure 8**.

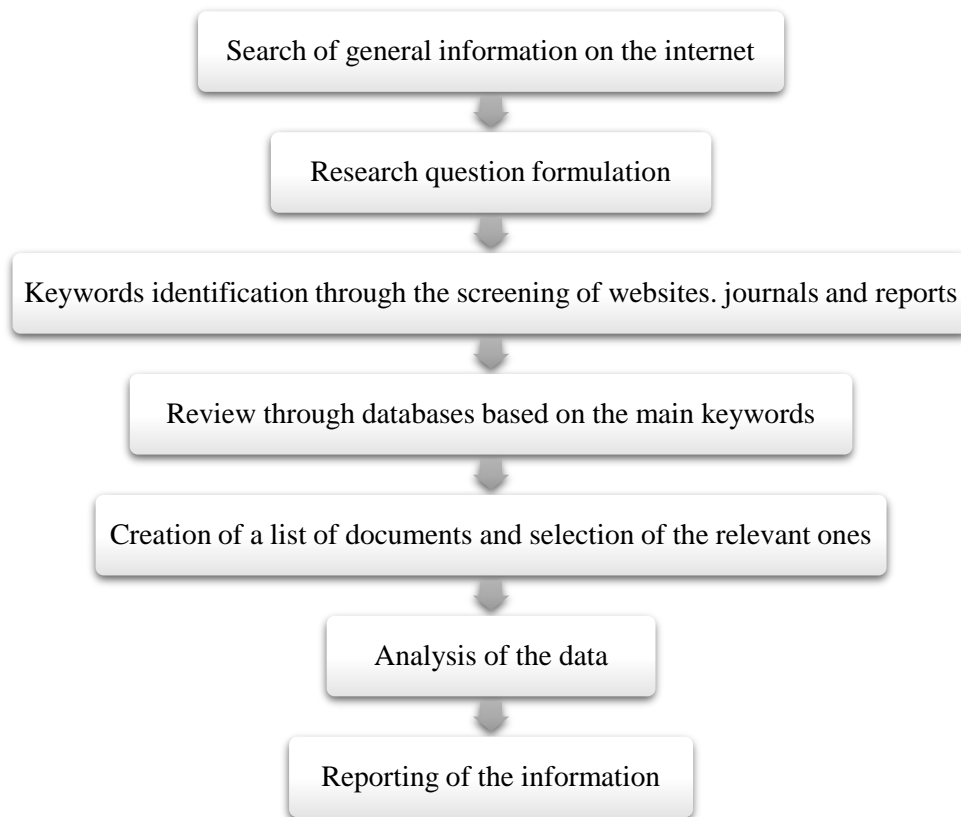


Figure 8: Literature review process. Compiled by the author based upon Bryman and Bell, (2011).

Therefore, for the sake of clarity and to make sure that the reader can understand and easily follow the research strategy performed by the author throughout the work (Bryman and Bell, 2011), the databases, inclusion and exclusion criteria adopted in the searching process, together with the main keywords are shown in below.

Databases: With the aim to look for the most appropriate sources of data, a combination of different databases and the utilization of the “*Supersearch*” tool through the *Gothenburg University Library* were adopted. The databases employed for the research process were mainly *EBSCO Business Source Premier*, *Emerald*, *Wiley Online Library*, *Science Direct* and *Google Scholar*. Moreover, as mentioned, different relevant articles were found in the different databases through the *Supersearch* tool available in the online library. Together with the valuable data found through these main databases, as already said, some other sources, in a minimal part, have been used to collect information. These refer mainly to the utilization of *Google*. The reason to look for additional data in the mentioned search engine has been driven by the little academic works around some specific aspects of the study. However, notwithstanding the enormous amount of knowledge one can find in

these search engines, the websites are not always reliable, and one needs to look at them with a critical eye. That is why, in the research process, the author has been careful and meticulous in evaluating every website found through Google by looking at the authors and their reasons for publishing, by looking at the location of the site and the date, before using the material as a reliable source.

Inclusion and exclusion criteria and keywords: In order to build a proper theoretical framework some considerations need to be made concerning the inclusions and exclusion criteria followed during the literature review process. Those can be found in the following table (**Table 6**).

Inclusion criteria	Exclusion criteria
Articles dealing with the management consulting industry	Articles that mainly deal with disruption in other industries than management consulting
Article dealing with disruptive innovation and its definition	Articles that mainly deal with new business models in other industries
Articles dealing with disruptive innovations in the management consulting sector	Articles in other languages than English
Articles showing contrasting theories about disruption with respect to the one of Christensen	
Articles dealing with business model innovations in management consulting	

Table 6: Inclusion and exclusion criteria. Compiled by the author.

As can be seen from the table, the author has decided to not have too many inclusion and exclusion criteria. The reason around this choice lies in the fact that the studied phenomenon is quite recent and there is not much literature available around it; thus, the concept of disruptive innovation in the consulting industry and the forms in which it could materialize, has been researched by the author from different viewpoints in an attempt to not exclude articles that could have been relevant for the purpose of the work.

Moreover, within the systematic literature review some main keywords have been utilized to look for the most appropriate material, as shown by the table below (**Table 7**).

Keywords
Innovation
Management consulting industry
Disruption
Disruptive innovation

Disruptive innovation AND definition
Disrupting consultant
Consulting disruption
Consulting firms disruption
Disruption AND consulting business
Consulting AND disruption AND business models

Table 7: The main keywords. Compiled by the author.

3.3.2 Primary data collection

After the methods related to the secondary data collection, needed to build a clear theoretical framework, have been discussed, the primary data gathering process will be now presented.

In this regard, information and insights have been gathered by conducting *qualitative interviews* to consulting firms, different in size and in offered services, as will be better explained later. The adoption of this approach was perceived as the most suitable given the type of research question created and the explanatory and exploratory approach followed through the study. In particular, the scope of this type of research is to explore the phenomena to extrapolate some relevant qualitative information and derivate a theory as a result. Qualitative interviewing fits in this requirement. This method, although generally being time-consuming, allows a great extent of flexibility, by giving the researcher more space and ease of time management (Bryman and Bell, 2011). Moreover, qualitative interviews are not to be confused with structured interviews. The difference is critical, since, with the former it is possible to get some knowledge from the interviewee's viewpoint, while the latter is more related with the researcher's point of view. It is also true that, as the name implies, the structured interview entails a more rigid approach, better applicable to a quantitative type of analysis (Bryman and Bell, 2011).

Having said that, the specific strategy followed by the author was that of performing *semi-structured interviews* instead of unstructured ones. Two main reasons led this decision. The first lies in the fact that through the former type it is possible to have a structure in mind when asking the various questions, by pinpointing and dividing the process of interview in separated major themes. This is useful especially if a specific focus upon which build the interview is clear (Bryman and Bell, 2011). The second aspect concerns the type of research design (cross-sectional), which incorporates a requirement similar to that of the multiple case study, being the need to develop some comparisons. By implementing a semi-structured interview, the author can have some main themes within which

develop what Bryman and Bell (2011) call “*cross-case comparability*”, ensuring a background structure to the interview.

Interviews were therefore conducted based upon a main *Interview Guide* (**Appendix 1**), which provides a good structure to follow by addressing the main concepts that want to be explored and giving, at the same time, enough space to the interviewees to express his/her thoughts without any major limitations. Indeed, the semi-structured interview, as emphasized by Bryman and Bell (2011), gives the respondent a great freedom in discussing around the asked topics. Moreover, even if the interviewer has a structure to be followed in proposing the different questions, the adopted process enables him to move freely across the various concepts depending on the answers given by the interviewee. It is not rare that the order of the questions is adjusted based on the flow of the interview, and, in addition, the flexibility incorporated in semi-structured interviews allows the interviewer to deepen some aspects emerged during the discussion more in detail (Bryman and Bell, 2011).

3.3.2.1 The participants

In order to increase the level of quality of the overall study and with the aim to collect some critical insights towards the topic, seven² different consulting companies have been interviewed. To get more information and opinions by the different respondents, the author has chosen firms operating in the consulting business which differ in offered services and size. The need to have such distinctions in the provided services lies in the fact that every organization have its own processes, services and way of operating. Thus, to increase the chance of collecting interesting findings, the researcher has tried to augment the variability across the interviewees by looking at their different perspectives with respect to the studied phenomenon. For what concerns the size, as seen through the theoretical framework, both big and small companies are discussed, since it seems that both might have the ability to disrupt the market. Hence, respondents have been chosen accordingly. Further, it is necessary to mention the fact that, within the interviewees, the Strategy Manager from Accenture, Tomas Zimmerman, provides his own view about the company, thus, the findings are related with his perspective, instead of the one of Accenture as a company. This notwithstanding, the collected insights remain extremely valuable given the position of the manager in Accenture and his experience, which enables him to provide interesting viewpoints related to the studied topic.

In this regard, the type of sampling adopted within the study is the *purposive sampling*. As Bryman and Bell (2011) explain, the term of purposive sampling is in fact strongly related with a qualitative research. It aims to strategically identify the participants so that they can be of a strong relevance for

² A list of the participants involved in the study can be found below in table 8. For a brief description of the companies' operating space see table 9.

the purpose of the research. This is in line with the semi-structured approach for what concerns the qualitative interview, since it allows to better understand the considered phenomenon of disruptive innovation within the management consulting industry, focusing on precise subjects for the interview, and therefore gathering detailed information around the topic. The initial sample has been also widened thanks to the snowball effect, which enabled the author to reach out with additional relevant participants as contacts provided by already interviewed companies or actors involved in the study. Moreover, in the process aimed at choosing the proper participants for the research, the focus has been directed to entities operating in Sweden, given the previously mentioned limitations in time and operating space of the author.

An additional clarification needs to be made at this point. Indeed, the author has received the support of a third party to find relevant interviewees for the purpose of the thesis. More precisely, the Swedish consulting company First To Know (FTK), and in particular the inspirer and advisor of the firm, Per Östling, has held an active role in providing a valuable network of potential participants in the study. After an analysis of the main aspects upon which the theoretical framework has been built, and having in mind the research question created, interviewees have been accurately selected. Through this process, the author, together with FTK, identified some of the most knowledgeable figures within the potential companies able to address the main topics of the research, leading to highly responsible respondents such as CEOs and managers. All of them have been contacted initially by email (**Appendix 2**). This included a brief introduction of the researcher and the thesis subject, together with the interview guide, in order to make the parties aware of the major themes upon which the interview would have been conducted. Indeed, this last technique might be useful in increasing the degree of dependability of the research, thus, improving the quality of the work (Bryman and Bell, 2011).

3.3.2.2 The interview guide

As already mentioned before, due to the approach followed for the primary data collection, based on semi-structured interviews, an *Interview Guide* has been developed (**Appendix 1**). This differs from the idea of a structured interview schedule, as Bryman and Bell (2011) argue, given that it includes a short and general list of questions and topics to be asked, avoiding the detailed and strongly structured layout, typical of a structured interview approach. One of the main benefits connected with the adoption of an interview guide is that it has been possible to follow a general structure when looking for the perspectives of the different participants, avoiding losing the focus during the interview, but also enjoying a great level of flexibility. This last, enabled the author to deepen some aspects through follow-up questions, if necessary, and adapting the order of questions according to the interview flow (Bryman and Bell, 2011).

The process of creation of the interview guide has been based upon the theoretical framework and the research question, by making sure to include all the main topics on which the author decided to focus on. Therefore, when building the interview guide, the concepts of disruptive innovation in general and within the firms has been kept in mind, together with the internal forms of organizations and external collaborative forms potentially leading to disruption. Indeed, both the companies' internal organizational structures and external forms of collaboration with other organizations have been included in the guide. More precisely, this last has been divided into some major themes, in an attempt to create enough order during the interview, emphasizing every relevant aspect, avoiding the danger of excessive digression from the key topics (Bryman and Bell, 2011). Hence, the mentioned themes include the *Company's organizational level*, *Company's networks*, *Innovativeness within the company*, *Disruptive innovation*. This notwithstanding, thanks to the utilization of follow-up questions, the author has been able to clarify some particular aspects and talk about further topics.

A straightforward and simple layout for the questions has been adopted, avoiding including any excessively specific query, leaving them open enough to give the interviewee freedom to discuss around the topics. Moreover, to increase the quality and the clarity of the questions, making them more understandable, these have been discussed with peers and FTK to receive feedbacks and suggestions about them. After a review from the parties, the final interview guide has been developed, as presented in **Appendix 1**.

3.3.2.3 The interview process

For what concerns the interview itself, the author has tried to accommodate the preferences of the interviewees in order to let them feel comfortable and discuss freely. To achieve this, the researcher gave free choice to the respondents to decide how to perform the interview, according to their schedule and preference. In this regard, *face to face* interviews were preferred by the author and were performed when the participant suggested it. The reason lies in the fact that this approach enables to have a more personal conversation, by increasing the level of engagement between the parties and the length of the interview (Bryman and Bell, 2011). However, due to the interviewee preferences, time and cost limitations, some of the interviews have been conducted by telephone, as can be seen in **Table 8**. This notwithstanding, when performing a telephone interview, a private and quiet room has been chosen, after having performed some tests to see which places were the most suitable by considering the noise, probability of external interruptions and comfort (Bryman and Bell, 2011).

Entity	Interviewee	Title	Date	Duration	Type
Accenture	Tomas Zimmerman	Strategy Manager	2019.03.14	40'	Skype for business

Preera	Sara Farnebo	CEO	2019.03.19	35'	Microsoft teams
Fintegrity	David Filippson	CEO	2019.03.21	60'	Face-to-face
Effort	Stefan Book	Managing Partner	2019.03.31	80'	Telephone
Pollen	Jonas Thorngren	CEO	2019.04.09	60'	Face-to-face
DigJourney	Joakim Jansson	Co-founder	2019.04.23	40'	Skype
GoodFellows	Karl Malmström	CEO	2019.04.24	30'	Telephone

Table 8: Interviews list. Compiled by the author.

During the interviews, the author has always aimed at engaging with the respondent establishing what Bryman and Bell (2011) call “*rapport*”. This was deemed to be important to immediately build a good relationship with the interviewee in order to stimulate him/her in continuing the conversation and actively participating in the discussion, avoiding, however, to trespass, extending too much the rapport (Bryman and Bell, 2011). Once a good level of involvement was reached, often through the use of introductory questions, the other questions were asked following the order in the guide. This notwithstanding, often the author had to change the queries’ sequence to maintain a good flow of the interview. Lastly, due to the difference in the native languages of the parties, all the interviews were conducted in English.

A last consideration regarding the interview process concerns the recording and transcription of the interviews. Indeed, after the permission of the respondent, all of the interviews were accurately recorded to avoid any loss of crucial information (Bryman and Bell, 2011). These recordings were then analyzed right after the interview had taken place, because of the higher level of focus on the topic, by transcribing them. The transcriptions were then sent by email to the interviewer to get a validation of the information, making sure to avoid any potential misunderstanding.

3.4 Data Analysis

To develop a proper analysis of the data found through the interviews, the concept of *thematic analysis*, one of the most utilized approaches within the qualitative data analysis tools, has been adopted (Bryman and Bell, 2011). This approach, differently from others, such as grounded theory, does not seem to have any precise roots and it has not been divided into specific techniques or methods. Indeed, it is not connected with any specific theoretical view (Maguire and Delahunt, 2017). However, the author perceives it as the most relevant tool to be applied in the research, due to its ability to detect some major trends in the analyzed data, leading to the identification of significant

themes based on the frequency in which specific words and phrases occurred during the interviews performed (Bryman and Bell, 2011).

It is also to consider that some disadvantages are present within this technique. In fact, as previously mentioned, there is poor literature around this approach, which can make the researcher not comfortable on how to structure a proper analysis. In addition, the flexibility embedded in this approach could lead to a scarcity of coherence in identifying the themes extrapolated from the interviews (Nowell et al., 2017). This notwithstanding, it appears appropriate to adopt a thematic analysis for the purpose of the research, since it provides a higher level of flexibility during the study, leading to detailed information as a result, and it can be seen as more easily applicable and understandable given the lower amount of procedures to be followed, compared to other approaches (Nowell et al., 2017).

In order to provide a clear analysis to the reader, the author has followed a step by step process for the thematic analysis, built by Virginia Braun and Victoria Clarke (2006), which includes six phases that are presented in the following figure (**Figure 9**).

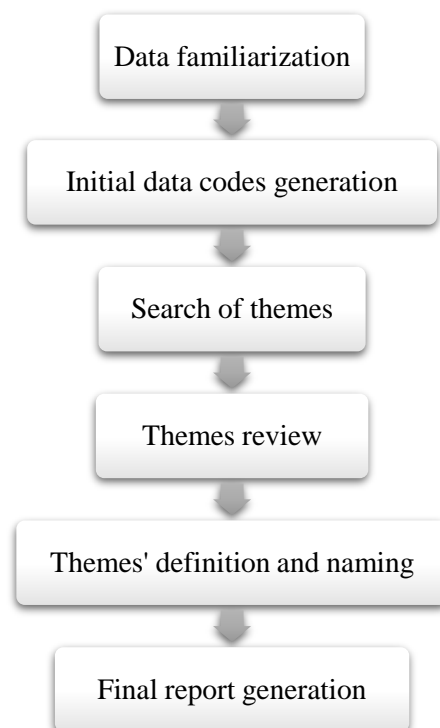


Figure 9: Thematic analysis process. Compiled by the author based on Braun and Clarke (2006).

The first step related to *data familiarization* consisted in an accurate listening of the interviews' recordings together with the reading of the developed transcripts. Also, the author started to take some first notes and some marks to be used later for the coding phase, as suggested by Braun and Clarke

(2006). The subsequent activity involved the *generation of initial codes*, which consists in labels given to the data gathered. These have been identified according to the level of interest of the researcher and closeness to the focus of the study. After a list of initial codes has been created, the third step refers to the *research and identification of the main themes*. Therefore, the author has arranged the different codes by using various colors and he identified major themes, combining various codes of the same color together to build a broader theme. The following task (step 4) has been that of *reviewing and refine the found themes*. This activity is necessary since it might happen that some of them does not include enough information or different themes can be combined into a same one (Braun and Clarke, 2006). After coherence in all the data sets forming the themes has been found and the same themes seemed to be in line with the information gathered, the consequential stage consisted in *defining and name the different themes*. At this point, the researcher should “*define and refine, hence identifying the ‘essence’ of what each theme is about*” as argued by Braun and Clarke (2006: p.92). The last phase concerns the work of *writing down the analysis* through the found themes.

To increase the level of clarity within the overall study, the author has divided the section 4 (Empirical Findings) in four broad areas, which reflect the structure followed in the interview guide: *Company’s organizational level, Company’s networks, Innovativeness in general and within the company* and *Disruptive innovation*. This has been done with the aim to make the discussion of the empirical findings straightforward and avoid losing the focus of the overall study. Consequently, this lays the foundations to develop in section 5 (Data Analysis) a proper analysis of the data found through the interviews and through the literature review, comparing the different perspectives to derive some interesting outcomes out of it. Therefore, thanks also to the early division into four key areas in the interview guide, following a thematic analysis process led the author to identify some major themes, especially related with the different settings companies might implement to face disruption or disrupt the market themselves. These are presented in the section 5 (Data Analysis) and used to compare the interviews’ findings to the secondary data collected. In order to make the comparison and analysis clearer, these themes can be found under three core concepts reflecting the topics discussed within the theoretical framework: *the company’s organizational level; the concepts of disruptive innovation; the potential disruptive internal forms of organization and external forms of collaboration in management consulting*.

However, before the empirical findings are presented, some considerations about the quality assessment of the overall work need to be made.

3.5 Research Quality

In order to assess the quality of the research three main criteria are suggested by Bryman and Bell (2011): validity, reliability and replicability. In general, the two authors perceive the *validity* as related to the rightness connected to the findings and outcomes of the research, the *reliability* concept concerns evaluating the consistency of the measurements adopted for the studied phenomena and, lastly, the *replicability*, which consists in the ability of replicate the same research. These three criteria are extremely important when adopting a quantitative research, given, for instance in the case of reliability, the necessity to make sure that the measure the researcher is adopting is stable and does not fluctuate. However, some difficulties arise in evaluating their relevance in a qualitative setting. Thus, the author will adapt these aspects to the qualitative type of research adopted in the work, by addressing the quality of the study through the more precise concepts of internal and external validity and internal and external reliability (LeCompte and Goetz, 1982), by considering, among other things, also the replicability issue. Moreover, when a qualitative type of study is in place, Bryman and Bell (2011) state that some other authors suggest the utilization of alternative criteria to better assess the quality of the study, given their more precise adaptability to the type of research. Therefore, together with the main mentioned aspects, some additional criteria based on *trustworthiness* and *authenticity* will be considered in the analysis (Guba and Lincoln, 1994; Lincoln and Guba 1985).

Hence, the choice of the author has been to assess the quality of the research through the main criteria of internal and external validity and reliability, including the one of replicability and, when applicable, strengthening the evaluation through three criteria incorporated in the trustworthiness concept (*credibility, transferability, dependability*), given their equivalence to the ones highlighted by LeCompte and Goetz (1982). However, for the sake of clarity, the alternative criteria suggested by Guba and Lincoln (1994) and Lincoln and Guba (1985) will be outlined later in the last paragraph to let the reader aware of their existence and implications.

3.5.1 Validity – Internal and External Validity

Internal validity is connected to ensuring a significant match between the findings and the theories developed by the researcher (Bryman and Bell, 2011; LeCompte and Goetz, 1982). In general, one of the advantages of the qualitative strategy is to provide detailed and explanatory information to then develop some theoretical insights out of that. Therefore, adopting a qualitative strategy positively affects the internal validity of the study. Moreover, this last is also strengthened by the constant transcription of the interviews and the activity of sending it out to the interviewees in order to get a validation and, when appropriate, a deepening of the data collected. The idea of *respondent validation* is also suggested by the alternative criteria used to assess the research quality and related to the

concept of *trustworthiness*, and more in particular to that of *credibility*. This, indeed, represents an alternative to internal validity and should ensure that the overall research techniques and concepts follow good practice and that the interviewees of the social world studied agree to what the researcher has understood (Bryman and Bell, 2011; Guba and Lincoln, 1994; Lincoln and Guba 1985).

External validity refers to the generalizability of the findings; thus, to what level they can be feasible in different social settings (Bryman and Bell, 2011). This is recognized as problematic to achieve in qualitative researches, especially when case studies or small samples are employed (LeCompte and Goetz, 1982). With the aim to strengthen the external validity of the study, various firms which differ in size, offerings and practices have been interviewed. Moreover, the management consulting industry is active in various countries and in social realities that differ from the one studied throughout this work, therefore increasing the possibility of generalizing the findings. This notwithstanding, the number of companies which participated in the study is still limited and tied to the country of Sweden, which is recognized for the high level of innovation, and this may arise some concerns connected to the degree of external validity of the research. Indeed, companies might have different settings or levels of innovativeness which differ from the ones studied in these circumstances, making the external validity of the study questioned. In this regard, given the cross-sectional design aimed at providing some general findings, by studying the different forms of companies' organization and collaboration, a good strategy followed to increase the generalizability of the findings has also been that of providing a rich and detailed analysis of the phenomena through a *thick description* of it. This activity is also suggested within the *trustworthiness criteria* by the alternative concept of external validity, being *transferability*. In fact, by engaging in such practice, the author may simplify the transfer of data collected to other contexts or to the same one, but a different time (Bryman and Bell, 2011; Guba and Lincoln, 1994; Lincoln and Guba 1985).

3.5.2 Reliability – External and Internal Reliability

External reliability refers to the replicability of the study, leading to the same conclusions if the analysis would be conducted by a different author, which is a difficult aspect to match in qualitative researches (Bryman and Bell, 2011; LeCompte and Goetz, 1982). This could in fact be a problem for this type of work, given the fact that the social setting taken into consideration rapidly changes over time and thus, a perfect replication of the research becomes increasingly difficult. However, the overall process followed in the study has been explained in detail and under the different aspects considered in order to simplify the replicability by others. This notwithstanding, given the already mentioned rapid path of change in the companies' organizations and business models, different conclusions might be reached.

Opposed to the difficulty to give the study the ability to be replicated, given the external factors not controlled by the author, related to the industry growth and disruptive forces, which can rapidly transform the market, the objective of *internal reliability* could be reached if properly managed. This refers to coherence. It entails the same understanding of the studied data and facts by different researchers: if more than one research is in charge of the study, all of them should agree about what they get from the analysis (Bryman and Bell, 2011; LeCompte and Goetz, 1982). In this case, to deal with the internal reliability issue, the research has been based upon specific directions regarding the strategy, the design and the methods used. Moreover, also the semi-structured interview should provide a guideline to be followed avoiding confusion in the findings. Lastly, as suggested by the alternative to reliability included in the *trustworthiness criteria*, the one of *dependability*, the author followed an *auditing approach*, consisting in recording all the different phases of the research, such as the problem discussion and research question creation, the choice of respondents in the interviews or the interview transcripts, and letting them accessible to external parties. This, together with some confrontations with peers operating as auditors during the work, will ensure that the processes and techniques have been properly followed and applied (Bryman and Bell, 2011; Guba and Lincoln, 1994; Lincoln and Guba 1985).

3.5.3 Replicability

For what concerns the replicability issue, as the name implies, it is connected to the possibility to replicate the analysis and the overall work (Bryman and Bell, 2011). In order to make this possible, or, at least, increase the chances for it to happen, it is necessary to provide detailed explanations on how the work has been developed. The author, with the aim to make the study replicable, has provided the reader the necessary details for the different parts of the research, starting from the problem and research question formulation, the data collection methods to the aspect of the interviewees' selection and the process of the interviews.

3.5.4 Trustworthiness and Authenticity Criteria

As introduced in the beginning, together with the main concept adopted by scholars to assess the quality of the research and related to validity, reliability and replicability, some other authors suggest alternative criteria which are more suitable for a qualitative type of study. Those refer to the concepts of *trustworthiness* and *authenticity* (Bryman and Bell, 2011; Guba and Lincoln, 1994; Lincoln and Guba 1985). The former consists in four main aspects which have a counterpart in the quantitative study: *credibility*, *transferability*, *dependability* and *confirmability*. The first three concepts have already been explained throughout the assessment of quality developed before. Indeed *credibility*, as an alternative to internal validity consists in making sure that the tools, notions and ideas used in the research are in line with the concept of good practice and that the participants in the interviews agree

with the interviewer's understandings (respondent validation). *Transferability* is related with the activity of simplifying the transfer of the gathered information to different social settings or to the same one in a diverse time. This criterion has been discussed as the parallel of external validity and suggests engaging in a detailed description and analysis of the phenomenon (thick description). Within the internal reliability assessment, the concept of *dependability* stood out, in which the main strategy suggested is to implement an auditing approach, making sure that all records related to the several research phases are maintained. Together with these, the last criterion relates to the one of *confirmability*, connected with the concept of objectivity. It consists of ensuring that the researcher has worked in a good faith, avoiding to letting personal inclinations to interfering in the research (Guba and Lincoln, 1994; Lincoln and Guba 1985).

The second main criterion emphasized by Guba and Lincoln (1994) and Lincoln and Guba (1985) refers to *authenticity*. This is composed by *fairness*, connected to guarantee a fair representativeness of different perspectives among the participants in the social world being studied; *ontological authenticity*, referring to the ability of the interviewees to better understand the social setting thanks to the researcher; *educative authenticity*, related to the power of the researcher to help members agree with other's viewpoints; *catalytic authenticity*, seen as the capacity of the researcher to encouraging members in acting to change their settings; *tactical authenticity*, still connected with the empowerment ability of the researcher towards push the participants to take action (Bryman and Bell, 2011; Guba and Lincoln, 1994; Lincoln and Guba 1985). While conducting the interviews, the author has been careful in keeping in mind these criteria in order to strengthen the quality of the data collection process and consequently of the overall research.

4. Empirical Findings

The following section aims to show the most relevant information found through qualitative interviews with the different consulting companies involved. The objective is to provide an additional perspective to the one displayed through the theoretical framework.

It has to be said that the insights outlined below have been collected through the interviews and the author does not add own opinions or thoughts. His main activity has been that of better organize all the information in a clearer way, by dividing the section in four main parts, corresponding to the structure of the interview guide. This approach has been chosen in order to increase the clarity of the information, offering the reader a wide view of the various companies' perspectives regarding the main themes subject of study. A visual perspective of the companies involved in the study and their operating space is found in **Table 9**.

Company name	Interviewee	Company description	Company size (employees)
Accenture	Tomas Zimmerman	Global consulting firm offering services in strategy, consulting, digital, technology and operations to several top companies in different industries	288.384
Preera	Sara Farnebo	Swedish management consulting company operating in the public and private sector with offices in Gothenburg and Stockholm	40
Fintegrity	David Filippon	Swedish consulting company operating in the area of finance, accounting and auditing for small and mid-sized enterprises	2 - 10
Effort	Stefan Book	Swedish management consulting company with an orientation towards sustainability delivering the service to mid-sized firms	11 - 50
Pollen	Jonas Thorngren	Swedish management consulting company with an orientation towards innovation working with large firms in Gothenburg and in the Västra Götaland region	2 - 10
DigJourney	Joakim Jansson	Swedish management consulting company oriented towards digital transformation, working with consulting firms, as partners, and delivering their services to other companies, operating in different industries, as end clients	2 - 10
GoodFellows	Karl Malmström	Swedish IT management consulting company focused on working with mid-sized firms and acting as their internal IT department, offering services from strategy to management and support of businesses related to IT	11 - 50

Table 9: Description of the companies participating in the study. Compiled by the author and based on data on firms' websites, LinkedIn pages and introductions provided in the interviews.

The initial theme relates to the companies' organizational level. This is deemed important since especially the internal forms of organization of the consulting companies might be connected with the services offered by the firm, the level of control incorporated in the organizational structure of the company (hierarchies), its revenue model and the target clients. The second aspect concerns the company's networks. This is fundamental in order to understand the importance of external forms of collaboration through consulting companies, together with how these are built. This topic should also stimulate the interviewee in thinking about the external forms of collaborations as potentially disruptive settings, by providing interesting insights around that. The following phenomenon deals with the concept of innovation. The need to include this in the interviews relates to the fact that it has deemed to be relevant to enable the interviewee to talk about innovation and then switch to disruption in a more smoothly way. Indeed, the author, to provide an exhaustive view of the disruptive innovation concept and, more important, to make the respondents more comfortable and incline to talk about disruption, has addressed the topic of innovation in general and within the specific companies. Also, by including this concept, the researcher has tried to avoid getting limited answers due to the highly misunderstood idea of disruptive innovations, which is often confused with the term innovation. This approach has been strengthened by investigating also which were the main thoughts and definitions about the two terms as perceived by the interviewees. The last section of the chapter refers to disruptive innovations, by including both the various definitions provided by the respondents, their opinions about it in the management consulting industry and as applied to their specific firm.

4.1 Company's Organizational Level

The first area around which the interviewees have expressed their opinions, giving interesting insights, has been the one related to the organizational level of the company. Within this topic, some key themes have been identified during most of the interviews. Those are shown below and can be divided into four aspects.

4.1.1 Companies' framing

The initial subject emerged during the primary data collection relates to the identification of the companies interviewed. Indeed, among all the participants, Sara Farnebo, CEO of Preera, labels itself as a small management consulting company, while all the others give different definitions. The closest one is given by Stefan Book, Managing Partner at Effort, who states: *"We call ourselves as a management consulting company with a strategic oriented work. We also work on building management systems"*. Tomas Zimmerman, who, as mentioned before, does not answer on behalf of Accenture, but proposes his own view, as a Strategy Manager of the firm, does not see his company

as a management consulting organization only. He argues it is more than that. As he explains: *“it is a professional services firm which solves the clients’ challenges, by providing services in strategy, consulting, digital, technology and operations”*. David Filipsson, CEO of Fintegrity, instead, depicts his firm as an accounting management company, both in accounting and in management – it deals with both the behaviors and processes, as well as the financial outcome and how those interact with each other. Indeed, he outlines three main areas in which his company operates: management accounting or controlling (it helps small and mid-size enterprises to look forward regarding financial outcome and financial management); corporate finance (more project-related services such as company evaluations, options valuations, due diligence, vendor due diligence); CFO as a service for SMEs, the most unique job delivered. Jonas Thorngren, CEO of Pollen, presents his organization as an innovation consultancy company, which is between a management consulting type of firm in one extreme, and a concept of improvisational theater on the other side. As he sees it: *“In management consulting you want data, certainties, you want to know, and you build everything through those data, by creating an analysis on top of that. The management consultancy is very much structured. There is not too much culture, behaviors, experimenting and observing, associating and so on. There are not a lot of these innovation behaviors. Those innovation behaviors come to their full extent in the improvisational theater – it’s like that we are about to see a merge between design studios, design thinking and improvisational theater. The same behaviors that we use in improvisational theater are the same that we use in creative processes”*. As he continues, this process is related to combine two extremes: creativity in its most genuine form and management consulting, which is more structured and fueled by data. As J. Thorngren states, *“Any task we take on, helping companies becoming better innovators, they need structure and culture, and we can mix those two because we have both”*. Moreover, Pollen is also part of a larger network called Vinn-group, which incorporates 13 consulting companies specialized in different niches. Vinn-group, as J. Thorngren states: *“It can be seen as an entrepreneurial house, which, in a way, provides risky capital (even if it is very little, to get the company started) and it is also a holding company providing mentoring to the firms incorporated”*. Furthermore, Joakim Jansson, co-founder of the company DigJourney, sees his firm in a moment of redefinition of its operating space. In the beginning it was a transformation consulting company. Now, it is going more towards offering software as a service and it is building a business based on partners and on working through them. Indeed, DigJourney has been formed by relying on a book, wrote by the same J. Jansson and a friend of him, which incorporates a methodology related to the management of digital transformation. This last is, in fact, the perspective adopted in the organization, which, however, has been changing over time more into a way of working through other people. These are partners who have been certified by DigJourney and its methodology and who are supported by digital

tools in delivering the service. As the co-founder of the company points out: *“If we were to focus on consulting towards end clients: we could handle 3-4 of them, but, if we work through partners, we can handle 25 partners, with the same amount of people. So basically, our partners are consultants helping the end clients, and we are also consultants helping end clients, but we do it more and more in the side of research and development”*. Moreover, as J. Jansson states: *“We consult the consultants – which is the model we are striving for”*. Lastly, Karl Malmström, CEO of GoodFellows, labels his firms as an IT management company. This operates as an internal IT department for the client, by handling the strategy, the management and the support of everyday business concerning IT.

4.1.2 Companies’ level of control and key valuable assets

A further element, which has been identified during the interviews, refers to the degree of control and hierarchies in the organization, together with the individuation of the most valuable asset for every firm. In this regard, T. Zimmerman connects the degree of control to the position in the organizational hierarchy: *“The more senior you are the more you have freedom in decision making and the more responsibilities you have”*. At the same time, he feels the employees are the most fundamental asset for the company. On the other hand, the other interviewees emphasize the fact that the level of control and hierarchies in their organizations remains low. As S. Farnebo, from Preera, states: *“We are a rather small company, thus no need for rigid or too complex structures: around 30 people work at Preera. We have all but 3 consultants work in Gothenburg and 3 working from the Stockholm office. Preera’s CEO, indeed, suggests a collective principle to run the company, meaning that the employees own the organization and need to feel in power and responsible for what they do and with freedom in their decision processes. As she points out: “In order to work closely with the client they need to have a high decisional power and responsibilities [...]. Our consultants also need a strong feeling of collectiveness and team spirit. They shall always feel a great deal of support and encouraging from the company, that is from the formal leaders as well as from their colleagues. We therefore also work very consciously with our processes and work-ways, our way of communicating within the company, our leadership behaviors, how we work with feedback and so on”*. That is also why the main asset pinpointed by S. Farnebo concerns the employees working in the firm. The low level of hierarchies is also shared by Fintegrity, Effort, GoodFellows and Pollen who see their employees as collaborators who enjoy a great level of freedom in their activities. In this regard, D. Filipsson highlights the model of Fintegrity as a purpose-based consulting, which puts high importance in the purpose of the task carried out: *“If we are going towards the purpose of better control for the companies for example, than it’s no problem”*. An additional interesting concept pointed out by S. Book relates to the strong relevance of the co-creation activity among those that are employed in Effort: *“Everything is built around co-creation among those that are employed and those are part of the leadership as much as*

we, as partners owning the firm, are. They are very strong people. We create shared power to develop in a certain direction towards we believe in". Also, while mainly all the companies identified the employees as the most valuable asset, S. Book, notwithstanding the importance of those, proposes a different point of view. He highlights as a key strength, the fundamental understanding of what it takes to understand and develop a company from a management systems' perspective in today's world and make that in a sustainable way. As he argues: *"You always say it's your employees. Actually, I think we have some type of core culture which is very grounded in our company. I think our strategic asset number 1 is the fundamental understanding of what it takes to understand and develop a company from a management systems perspective in today's world and make that in a sustainable perspective"*.

4.1.3 Revenue Model

One further key theme which came out through the data collection activity is related to the revenue model adopted by the different companies. Indeed, S. Farnebo depicts the Preera's revenue system as fees paid per hour (approximately 95%): *"Most often we are paid per hour. We have also projects, mostly leadership programs, were we get paid per participant. But this is an exception"*. The same approach is adopted by Effort, which counts the major portion of its revenues as hourly based. However, sometimes the company delivers some services at a set price, based on the results. The cases in which the firm can utilize this last model, as S. Book states, refer to the ones whose outcomes can be controlled. Lastly, Effort is also working to develop a new revenue stream based on selling solutions. As the Managing Partner presents it: *"We have also a third revenue model, which we are developing now: selling solutions. We have a digital platform that we are developing, and we sold it to a third company. That is a revenue stream we are aiming for"*. T. Zimmerman, from Accenture, argues that they use different models, which are based on the clients' needs and the type of projects. Those could be fixed fees or also effort-based fees. The Strategy Manager outlines two examples: *"In transactions-based relationships is the customer that decides. With partnerships, instead, is more a co-creative process in which we decide together on compensation and flows of financial assets"*.

The CEO of Fintegrity divides the models based on the service provided. Within the corporate finance area, one system consists of fixed prices (e.g.: for companies' evaluations), while the other is characterized by hourly fees (e.g.: due diligence). However, he emphasizes the importance and difference of a last approach related to the CFO as a service area: *"We have a subscription model which includes consultancy hours, the daily accounting operations (wages, suppliers...), and in the bottom you have systems, licenses. In total you have a subscription for this package – you get all of this and it is long-term"*. In this regard it is also important to mention the fact that D. Filipsson perceives the billable-hours model as a less sophisticated one which might lead to the creation of

entrepreneurs who, in the long run, will be afraid of advices and consultants, because they know that every hour costs. A similar perspective is given by J. Thorngren, who does not “sell hours or days”, but packages. Pollen’s CEO is also thinking about how to implement a new model based on subscriptions or in a way that the customer, instead of paying for the service immediately (or maybe by paying a small upfront fee), gives a small percentage of the revenues coming out as a consequence of that service. However, some challenges are connected to that, such as understanding how much of the revenues are a direct consequence of the service provided by Pollen. Also, J. Thorngren thinks that consulting companies should adopt a subscription-based revenue model instead of a billable-hours one: *“I think that the subscription model is one of the revenue models that every consulting company or service company, which sells per hour or day, should adopt. The revenue model should become value-based: this can be disconnected from time, such as a subscription model”*.

For what concerns DigJourney, two main revenue models can be pinpointed. The first is connected to when they work as consultants. In this case, as J. Jansson explains: *“When we work as consultants, we usually work with a “retainer fee”- we don’t work per hours, but we have a fixed amount each month”*, thus consisting in a fixed amount paid each month and not in fees per hour. The second is instead related to the work with the partners: *“They pay us a kind of license fee through which they get access to the methodology, to content, services, exercises, PowerPoints, tools and so on”*.

Finally, the revenue model discussed by K. Malmström, from GoodFellows, is characterized by a monthly recurring fee based on the user level, as it has changed from the old billable-hours model used also by its competitors. As the CEO shows it: *“When we meet a new customer, we form an IT strategy. Based on that and based on the needs of the company and the situation in which they are, we architect an IT environment that supports the needs and the demands of the organization. Then we present this to them, and if they accept that, we charge them per employee and per user and per month. It is a fixed price and we take full responsibility for the IT architecture and infrastructure”*. What the CEO highlights is that they never charge any hour when providing the service. They also have some projects based on fees and an hourly perspective, but the price is fixed, not as a billable-hours model. It is a price calculated by the company and presented as a fixed one. As K. Malmström argues: *“This is one of the reasons why we have such long-term relationships with our clients. We have, indeed, transformed the interaction in a win-win model”*. The CEO strengthens the fact that they do not want to be a supplier, but rather become a partner.

4.1.4 Target Customers

A final category identified during the interviews can be found in the main customers of the different companies. As the Accenture’ Strategy Manager points out: *“We partner with more than three-*

quarters of the Fortune Global 500. However, we work also with other smaller clients. When it comes to strategy projects that are more of short-term relationships, those are usually made with big companies; other customers might be startups within which we make investments, for instance for a go-to-market strategy for them. The clients' breakdown can be seen as 80% of the projects of a traditional kind, while 20% are for other ways to go to market with smaller companies”.

For what concerns Preera, the CEO make a subdivision between the public and the private sector: *“We work mainly with the public sector. 70% of our revenues come from public sector. We work both with public companies and public services. The city of Gothenburg is our largest client. But when we work with private companies (30% of revenues) we work with some of the biggest companies of Sweden (SKF and Volvo)”.* The further difference between the two sectors is that, while in the public one the consultants work at the group and strategic level, in the private it is more a specialized type of service. A similar customer group, for what concerns the size of the clients, is served by Pollen, which works with various large organizations in Gothenburg and in the Götaland region.

S. Book, from Effort, sees the main customers as a mix. *“Looking at the volume right now, it's more medium size than larger ones from a Swedish perspective. We offer help also to smaller companies but in less volume”.* However, the company is moving towards a trajectory of increasing the number of bigger entities. There are also some projects oriented towards small companies aiming to become medium players. However, as the Managing Partner highlights: *“The point is that larger companies can hire you for a long time and it's not too much a problem concerning the costs. We prefer relationships where we can build long relations and trust over time”.*

Fintegrity's main target group is composed of small, medium-size companies and startups with revenues up to 100 million Swedish krona. Furthermore, the CEO highlights the fact that the target market, in his view, is mistreated: *“I see is more important for us to help these companies to be larger and stronger and tell them to be like that – working as a coach. Therefore, we try to help them grow in the initial stages”.*

For what concerns DigJourney, a differentiation needs to be made. On the one hand, looking at the end customers, among several, the firm has been working with real estate companies, retail companies, transport and airlines. In addition, they also try to educate by working with entities such as the Stockholm School of Economics Executive Educations. On the other hand, the partners' side is composed by IT consulting companies, strategy consultants and some changes consultants.

Lastly, GoodFellows company works mainly with mid-sized corporations of 50 - 250 employees.

Company	Structure	Degree of control	Revenue model	Target customers
Preera	Small management consulting company	Low	Billable hours; per project	70% public sector firms; 30% big private firms
Accenture	Professional services firm	Connected to the position in the firm	Fixed fees; effort-based fees	More than three quarters of Fortune Global 500; other smaller firms
Fintegrity	Accounting management company	Low: purpose-based consulting	Fixed price; billable hours; subscription model	Small, medium-size firms and startups
Effort	Management consulting firm with focus on sustainability	Low: co-creation and shared power	Billable hours or set price; working on a new model based on selling solutions	Medium-size firms; moving towards larger entities
Pollen	Innovation consultancy company	Low	Sell packages; thinking how to implement a subscription model	Large organizations in Gothenburg and Götaland region
DigJourney	Before: transformation consulting company, now: more software as a service	Low	Retainer fees for end clients; license fee for the partners	End clients: different companies in different industries; partners: consulting firms
GoodFellows	IT management company	Low	Monthly recurring fee based on user level	Mid-size firms (50 – 250 employees)

Table 10: Companies' organizational level Findings. Compiled by the author.

4.2 Company's networks

The second section of the interview guide addressed the topic of companies' collaborations and networks with other organizations. In this regard, S. Farnebo, from Preera, sees collaborations as an absolute must for every business today. She strengthens this statement by highlighting the collaboration with 5 or 6 companies (industries colleagues), which have a similar size to that of Preera. The CEO identifies this kind of partnerships as an ecosystem – *“We collaborate with different companies depending on which questions we need to address. We look always for win-win solutions, for us, the partner and the client”*. Moreover, Preera collaborates also with other 15 small companies which can be helpful in providing specific competencies when needed or with which can work together towards addressing a particular project. An additional fundamental aspect cited by S. Farnebo is the trust. She argues that this is very important when embarking in relationships with the partners. This is also the reason why she admits: *“It takes time to build strong relationships and we try to do that, but we cannot have 10 large companies with which we work with. It would be too much*

to build good relationships and trust with all of them. With the 5-6 companies with which we collaborate with we have high levels of trust”.

Also T. Zimmerman, from Accenture, confirms that they collaborate with other parties which usually have different capabilities, in order to complement each other. The approach that the company adopts, according to its Strategy Manager, is either a collaboration with other firms or an acquisition of those. Indeed, as the Manager states. *“We acquire niche boutique strategic firms as well integrating them in Accenture strategy practice, as we acquire transformation, design and consulting small boutique firms. Sometimes we collaborate and sometimes we acquire them, depending on the synergetic effect the companies can build together”.* The high level of trust with these partners is proven by the length of the relationships – a key point is a new Joint Venture with Microsoft called Avanade. Lastly, T. Zimmerman, confirms the importance of the networks in competing nowadays and points out the significance of ecosystems in the industry. He states: *“We are going from a buyer-supplier relationship to more ecosystem partnerships and we create value in ecosystems rather than in network hierarchies, and differently with respect on how it was before”.*

D. Filipsson, from Fintegrity, perceives collaborations as part of the company’s DNA. The firm, indeed, has a value called “integrated competencies”, which is adopted both inside and outside the organization. The CEO considers his partners as *“other hearts and minds that can complement Fintegrity”* – the organization, by collaborating, creates much more value-added services than the ones the firm could deliver alone. The relevance given to networks by D. Filipsson is also confirmed by the support he provides to third parties in building their own networks and platforms in order to become a better advisor and in top of the mind of customers. Furthermore, Fintegrity is not itself in a specific network of companies but has many informal relationships. Finally, as the CEO argues: *“The all foundation is the trust. We engage in long-term relationships only. We have an additional concept which is called “high weights for growth” that means you need to build infrastructures for the long run. I don’t like short term solutions”.*

For what concerns Effort, the business is managed by the same company alone. The reason lies in the fact that the processes and thinking paths can take several time to be understood by partners – this is why the ownership of the process is important. However, the firm is part of a knowledge network composed of a community of sustainability interested actors.

The concepts of knowledge network and knowledge exchange are mentioned also by J. Thorngren, from Pollen, who sees the activity of talking with people and be curious as a significant one. Then, the CEO considers the Vinn-group as a network of companies and people with open spaces and great opportunities of networking. Through Vinn-group, they also are able to do research projects with

other entities, such as the research group KTH (Royal Institute of Technology in Stockholm). J. Thorngren states: *“That’s a very good relationship, since we get state of the art research in our field, and at the same time we help the companies with which we work with, also for KTH – we have mutual benefits”*.

The relevance of collaborations is highlighted also by J. Jansson, from DigJourney, who, having different partners, sees the company working as specialists and experts in collaborations: *“We sometimes work with companies really good in one-to-one coaching. There could also be companies really good in organizational structures, cultural transformation and so on”*. To make it clearer, the co-founder of DigJourney provides a differentiation between two types of partners: *“On the delivery side, where we work with end clients, we work with different types of companies. Some are individual consultants, while others are bigger firms. On the other hand, we have the partners, which are the consultants we support”*. As J. Jansson argues: *“We say that we want to transform ourselves into a scalable ecosystem for transformation. This needs to be both formal and informal. Informal to be able to work, but also, it’s good to have parts that are formal, to have some kind of glue that help the network stay together”*. Moreover, the firm is also developing a kind of alumni network, among the certified consultants, to increase value for them over time.

Lastly, when it comes to GoodFellows, the CEO mentions the fact that, having the role of a virtual CIO, the company often run into several needs of the clients that it cannot fulfill or deliver. Therefore, at that point, the firm becomes the purchasing power for the customer against other suppliers and create partnerships with them. However, as K. Malmström argues: *“The partnerships are always based on the needs of the customers, not the needs of ourselves”*.

Company	Networks and collaborations
Preera	<ul style="list-style-type: none"> - Absolute must for every business - Collaboration with 5/6 industry’s colleagues and 15 small firms - Trust is fundamental
Accenture	<ul style="list-style-type: none"> - Collaboration with partners with different capabilities - High level of trust proven by the length of the relationships - From buyer-supplier relationships to ecosystems’ partnerships and value creation
Fintegrity	<ul style="list-style-type: none"> - Collaborations as part of the firm’s DNA - Integrated-competencies value both inside and outside the firm - Value added through collaborations - Not in a specific network but has many informal relationships - Trust as the all foundation
Effort	<ul style="list-style-type: none"> - Part of a knowledge network of sustainability interested actors
Pollen	<ul style="list-style-type: none"> - Knowledge network and knowledge exchange (as also Vinn-group)

DigJourney	<ul style="list-style-type: none"> - Collaboration with different partners - Aims to transform itself into a scalable ecosystem for transformation - Alumni network
GoodFellows	<ul style="list-style-type: none"> - Partnerships to deliver specific services

Table 11: Companies networks Findings. Compiled by the author.

4.3 Innovativeness in general and within the company

The idea of innovation has been defined from S. Farnebo (Preera) as the practice of bringing old ideas or old thoughts together to create something new. As she perceives it: *“It is almost always about bringing what you already know and what is already here to create a link between them and create something new”*. The CEO gives a high relevance to know and understand what innovation is. In fact, she states it is important to being able to help the Preera’s customers in developing new thoughts and possibilities when dealing with challenges. Moreover, it is also significant in order to attract new consultants to the company and be perceived as at the forefront of innovation in the consulting industry. At the same time, she continues: *“It is also a challenge. Most of our consultants are busy in projects and finding time to get together to share ideas and brainstorm is a challenge tome-wise. It takes effort because it means extra hours. So, what we try to do is to reuse as much as we can from our projects and sit together in teams and find out what is the new thing going on, what the market is asking and looking for, what competences and ideas that we have can match the demand and need of our clients”*.

The Accenture’ Strategy Manager provides his own view about the concept of innovation in the firm, by highlighting also the “Accenture Innovation Architecture”, which is how the company perceives innovation. From this last point of view, the innovation architecture consists of both an approach followed by the firm but also an architecture infrastructure for how to seed and grow innovation from employees starting at Accenture to seniors working in the company. Thus, it is both an approach but also a physical place composed of Accenture research, ventures, labs, studios, innovation centers and delivery centers. On the other hand, T. Zimmermann sees innovation as a key concept at the forefront of the services provided by Accenture and as part of its DNA. According to the Strategy Manager: *“Innovation for me means that we find new ways to deal with our clients and deliver services based on their mission and vision creating value to them in new ways”*. In his view, several services’ innovations and products’ innovations within his company comes from co-creation with the same clients, meetings with them, interactions and everywhere where a need may be found, which can be successfully addressed using technology or other innovative business solutions. There is, as T.

Zimmermann perceives it, a cycle of innovation in the company: both a top-down innovation mindset and an infrastructure for growing bottom-up innovation.

At the same time, D. Filipsson states: *“I would say that you perceive innovation with other minds and people”*. According to him, indeed, it means to have an open mind. Fintegrity creates innovation both inside and outside the firm by working with three target groups: employees, clients and partners. As the CEO argues: *“Innovation is not negotiable, is an evolution, and the only constant is change. This doesn’t mean you have to change everything every hour and every day, but that you need to be aware in the long run things will change”*. An additional viewpoint provided concerns D. Filipsson’s perception on how the industry, especially its branch, will change in the future: *“It will be more segmented and clearer what you are delivering. Are you delivering accounting or CFO? Not everything together. There will be the need to specialize more and provide one or the other service: a more competitive market in which you will have to package your services in a better and more sophisticated way”*. Furthermore, within Fintegrity’s market, he perceives the Human Resources area as the most mistreated – how to treat the employees, how to make them grow and develop, how to make them enjoy the work. D. Filipsson feels that this branch, in a couple of years, will be a fight about competencies: *“If you want to have the best competencies, you need to have a good employer branding. We are quite transparent on how we see the different levels and where one employee starts and where will be if he/she remains with us in the long run. Companies are very focused on the services instead of the people”*. The company’s CEO, finally, in addressing the level of innovativeness in his firm, describes it as a puzzle: *“It is the all puzzle that matters and building a really strong and value creating structure is like a puzzle. You cannot say there is only the price model or that we treat each other with respect. It’s all pieces in a puzzle: you need to see the all picture and the all puzzle working on every piece in order to create a good company”*.

The centrality of the innovation idea is mentioned also by S. Book, from Effort, who states that an innovative business model is at the core of the sustainable strategy. Indeed, the Managing Partner sees a connection between the two concepts – he talks about sustainable innovations. This means that innovations must be considered from a multiple stakeholder’s perspective, by meeting the needs of the society for instance. As S. Book states: *“You should be able to see that an innovation is contributing in a sustainable way towards the development that we wish, as we believe in a sustainable future. Within innovation you have products, solutions or services but you also have the culture of innovation, how you capture and stimulate new ideas”*. Effort’s strongest innovative aspect consists of its interface with clients and their own models of thoughts: they provide innovative ways to find solutions for the customers. There is where, according to S. Book, the innovation takes place: *“We have multiple models – we choose and adapt the way of working that suits the company with*

which we are working with in that moment, matching its specific needs. In that stage we are very creative. Thereafter the strategy and innovative process to adapt to the company have been found, then it is a process of fine tuning and improvement of methods that we already have”.

A definition of innovation is also provided by J. Thorngren, who sees it both as a set of capabilities and as the final delivery of an idea, process change or invention. The issue in this, according to the CEO, is that one can only evaluate the value afterwards: *“Once the value is found, you can look at it from the future and either say yes, that was fruitful, that was an innovation. At the same time, you can also say that the value was not there, it was a failure and it was not an innovation. You can never know from where you stand”.* For what concerns Pollen, innovation is more about being creative. It is in the design on how the firm carries out a certain task, in the design of a certain service it provides, it is in finding and defining the right questions to ask and to dare to ask those questions. A last consideration strengthening the innovativeness of the organization is related with its principle of combining improvisational theater with management consulting. As J. Thorngren argues: *“For us it’s a manner of packaging the service around that mix, in a really attractive service, which should be easy to sell and easy to buy. This is our main challenge”.*

The relevance of the innovation concept is then highlighted by J. Jansson, who sees it at the core of what his company does. Indeed, it is included in the three main pillars of DigJourney’s methodology. *“Innovation can be seen”,* as the co-founder states, *“on three levels, which are the ones followed by the firm: the incremental smaller steps, the structural and larger steps and the disruptive/radical innovation”.* DigJourney works across these three levels and tries to balance what they do today with what they will do tomorrow – operational excellence on the one hand and innovation on the other one. In this regard, there might be ambidextrous companies in which one part takes care of the today business and the other takes care of the tomorrow business.

A last interpretation of the innovation idea is provided by K. Malmström. GoodFellows has worked for a long time with the minimum viable product way to think. As the CEO argues: *“We always work close with the customer and we develop our own new products and competitiveness together with the client”.* The firm does that with small tests, which are elaborated and changed. Moreover, the innovation in the organization is more of a service type rather the products. *“An example of innovation”,* as K. Malmström states, *“is the transformation of the business model over the years”.* That is changed to create new ways to meet the customers’ needs through internal innovation. It has changed becoming similar to an insurance model: a fee is due every month and whenever a problem is identified, the insurance is there to help. The model has seen a transition from selling hours to delivering solutions.

Company	Innovativeness in general and within the company
Preera	<ul style="list-style-type: none"> - Bringing old ideas or old thoughts together to create something new - Be able to help customers developing new thoughts when dealing with challenges - Combine competencies from different fields to create new ideas and approaches
Accenture	<ul style="list-style-type: none"> - Accenture Innovation Architecture - Key concept part of Accenture’s DNA - Find new ways to deal with clients creating value to them in new ways - Innovation as co-creation with the clients - Within the firm: top-down innovation mindset and an infrastructure for growing bottom-up innovation
Fintegrity	<ul style="list-style-type: none"> - Innovation perceived with other minds and people – have an open mind - Within the firm: innovation created through employees, clients and partners - Innovation of the branch: fight about competencies - Within the company: innovation as a puzzle where everything matters
Effort	<ul style="list-style-type: none"> - Innovative business model is at the core of a sustainable strategy - Sustainable innovations - Within the firm: innovative interface with clients and model of thoughts - Innovation as adaptation of the offerings
Pollen	<ul style="list-style-type: none"> - Innovation as a set of capabilities and final delivery of an idea, process change or invention - Within the firm: innovation as being creative - Within the firm: combining improvisational theater with management consulting
DigJourney	<ul style="list-style-type: none"> - Innovation at the core of the company’ services - Three steps of innovation: incremental, structural and radical/disruptive - Balance what the firm does today with what it will do tomorrow
GoodFellows	<ul style="list-style-type: none"> - Innovation as co-creation with the client - Within the firm: innovation through transformation of the business model

Table 12: Innovativeness Findings. Compiled by the author.

4.4 Disruptive innovation

For what concerns the last theme identified through the interview process, two main subthemes have emerged and are shown below.

4.4.1 Disruptive innovation in the management consulting industry

Starting from S. Farnebo’s perspective, when thinking about the concept of disruptive innovations, she considers the ideas that are transferred from an industry to another one, which can become highly disruptive: *“We also see that startups, having the advantage of being more flexible and having an easier way to move a plan into action, can become really disruptive in a short time, and this is also happening in different industries”*. She perceives the consulting industry becoming a more complex environment. What the CEO highlights is that consulting firms and clients have started to understand more and more that there are few one-dimensional problems: *“You need to have a broad perspective on your challenges, all the time”*. As she continues: *“Because of the increasing complexity of the environment, IT companies want to become management consulting companies; design companies enter the management consulting field; others are coming from the communication services industry*

and so on. We can say there is a mix, a big blend: everyone can compete for the same type of project". As she states: *"We need to focus on what we are good at and be sensitive in what is happening also around us all the time"*. An additional aspect, emerged in the discussion with S. Farnebo, contributing to this transition, relates to the higher degree of digitalization in the industry. Indeed, new players are winning projects thanks to the digitalization. They would not have been able to do that five or ten years ago, instead, they would have gone to a more experienced management consulting company. Furthermore, one other aspect that is changing in the market, as the CEO points out, concerns the clients' side; *"They buy in different ways today with respect of what they were used to do before. Before they bought more from "a company perspective". Now they want to use specific consultants from different companies"*. They want, for instance, two from Preera, two from their own team, one self-employee consultant and so on. As she argues: *"This is disruptive to us and we are changing our way of work consequently. They want more specialty competence, the experience from a specific area"*.

The idea of disruptive innovation is then outlined by T. Zimmerman, from Accenture. He considers the disruptive impact exponential tech might have both internally and at the clients' side. As he explains: *"Exponential tech is everything that has an exponential evolution speed. We are talking about the "hockey stick" technologies – those that, in a graph, if you have tech advancements on the y axis and time on the x axis you see an exponential evolution that looks like a hockey stick. It starts quite low and then you have a rapid turn upwards"*. Following the same area of technological impacts, the Strategy Manager perceives also the power of Artificial Intelligence and Deep Learning in disrupting the consulting industry. For instance, many people are employed to collect and analyze data. With AI and Deep Learning, they might be unlocked to work on more innovative thinking, creating a reconfiguration on what a consulting company looks like in different aspects. An additional aspect, brought up by T. Zimmerman, concerns the phenomenon of ecosystems. As he outlines it: *"We are now more and more competing in ecosystems and around the concept of coopetition. And also, ecosystems are enabled by platforms where different actors are creating new values in order to create new markets. You can also have revenues coming from the consumer and other coming from ecosystem partners"*.

The Fintegrity's CEO provides his point of view about disruptive innovations, by highlighting that in his branch, the phenomenon is related more as new ways of thinking in terms of Human Resources (HR) and how the service is packaged. *"It means disrupting it by taking away the hourly taxation for example, package it in a way that the customer wants"*. The CEO suggests, as a way the consulting industry might be disrupted, the transition from an hours-based revenue model to payment per functions, to then achieve a value-based price model. In this regard, the firm needs to have well

informed customers, and currently this situation is still far away from the reality. Moreover, it is also connected to how the accounting service is delivered. As he states: *“The new disruptive model in our branch, for instance, relates to working more with system integration and be more a system integrator and accountant, and that is more or less disruptive”*. D. Filipsson strengthens also the importance of collaborations: *“When you do the math: $1+1=3$, and that is the value added. It is about got persons to understand that either we collaborate, or we die”*. Following the same logic, he perceives that cross-company collaborations will evolve.

S. Book’s view, from Effort, consists in feeling disruptive innovations as a shift of the logics of a business based on a more sustainable model. The business is not done as how was done many years ago, so it disrupts the logic of the market. As he puts later: *“What has been functioning for many years is not functioning any longer. Your sustainable innovation comes into play and all business models goes outdated or not work anymore”*. Some other aspects connected to this phenomenon of disruption, as the Managing Partner argues, concern the growth of areas such as digitalization, automation and the understanding of a “sustainability perspective”. As he continues: *“If you develop a product/service today, and you cannot answer multiple questions, which for you would not be relevant maybe, but today they are – you need to be much more knowledgeable about your materials, products, processes and so on”*. Thus, according to S. Book, a disruption occurs when there is some type of transformation in place, which needs to be not only incremental by modifying or fine tuning what is already present. Furthermore, disruptive innovations come from people viewing, at the same time, so many opportunities and so many threats. Within this tension, the innovation is created and leads to disruption in many systems. As the Partner from Effort points out: *“We have so much knowledge available today – so much research has been done where you have mature knowledge which is ready to be used – and if you have knowledge within four different fields which is ready to be use, you can combine things from those four fields. There are unlimited opportunities today”*. A final consideration regards the fact that consulting companies, according to S. Book, are working in the same way they have worked from many years – giving advice, doing workshops, collecting data and so on. In his opinion, to find a real disruption, one needs to look at specialized type of companies and services. It is where new technologies and solutions might be found.

The phenomenon of disruption, as intended by J. Thorngren, from Pollen, relates to the customer’s disconnection from perceiving and evaluating a service based upon the hours of work, instead of the real value. To make it clearer, the CEO makes an interesting example by looking at the clients of a supermarket. When they go and buy cheese, in order to evaluate the price of the product, they do not consider how many hours are behind producing that cheese. In this situation the customers do not think per hour of work, but rather per value. As J. Thorngren states: *“Therefore, being able to*

disconnect there, so that the customers look only at the value, without thinking about the price per hour. The disruption in consulting might come there, when the customer has this disconnection”.

J. Jansson, from DigJourney provides his own interpretation of disruptive innovation, perceiving it with a wider approach with respect to the Christensen’s definition. As he states: *“I think that if you disrupt a business, by making the incumbents really struggle, then that is disruption, no matter what the value proposition is”.* The co-founder of the firm identifies disruption as a phenomenon where someone, usually startups (because they can compete differently from incumbents since they lack legacy), come into the market and see opportunities that no one else has seen yet, usually driven also by technology, even if is not necessarily like that. They start working and collaborating with their model and usually it takes time to reach product market fit and for it to scale. It takes time before the company can disrupt the market. As J. Jansson continues to explain: *“Usually the incumbents can see that some changes are happening but tend to ignore it for several reasons. They think also that if something happens, they can buy the company. The problem with this viewpoint is that, today, very often incumbents can’t buy the company anymore, because these companies are so well funded that you cannot afford to buy them, and they will not sell to an incumbent too early or at all”.* The DigJourney’s co-founder then highlights three main factors which might be disruptive for the consulting industry. The first refers to the analysis work, which is high in management consulting firms. It is time-consuming and also expensive. In this regard, J. Jansson thinks that this activity will be automated to a large extent through machine learning and AI, which will handle this much faster, in a better way and from more perspectives. Then, the human labor will be more around, for instance, draw conclusions from the analysis. Another aspect concerns the speed of change, which is increasing over time. The co-founder perceives the balance between strategy, on the one hand, and transformation, on the other hand – where strategy is what the company should do, whereas transformation is more like how to change, change capabilities and adaptability skills – will become more inclined towards transformation. As he argues: *“I believe it is more important to be able to adapt continuously in smaller or large steps, and strategy I believe will be a more continuous work companies will do”.* A last aspect touched by J. Jansson is the fact that companies should either automate several processes, repackage the offerings with tools and adding new services apart from paid hours in the value proposition, or target the high position in the client’s company. Otherwise, it might be hard to compete. Competing only with hours will lead to high competition from offshore and automated services.

According to K. Malmström disruption means innovating on how the company changes the way it meets the customer in a certain situation. *“It is where you change the need for the product and for the service; how you deliver it to the customer; how you make the customer attracted by your product*

or service”. Within the consulting industry, the GoodFellows’ CEO sees dramatic changes happening quickly nowadays. For instance, there are smaller companies that are privately run by non-professional management teams (more like entrepreneurs and people who are not educated and hired as a CEOs). There has been a transition towards acting more as a private person. This means that now people do not buy stuff, they rent them and pay for the use. This is reflecting into the business community as well. Companies want to pay for what they get, and this is coming quickly. As K. Malmström states, disruption is related both to customers’ new needs and to new people running companies.

Company	Disruptive innovation in management consulting
Preera	<ul style="list-style-type: none"> - Ideas transferred from an industry to others, which can become highly disruptive - Disruption by small startups being more flexible - Need to have a broad perspective – big blend concept - Higher degree of digitalization - Changes from the customers’ side
Accenture	<ul style="list-style-type: none"> - Disruptive impact of exponential tech both internally and at the clients’ side - AI and deep learning as disruptive in the consulting industry - Competition within ecosystems and concept of coopetition
Fintegrity	<ul style="list-style-type: none"> - In its branch: new ways of thinking in terms of HR and service packaging - Disruption through transition from billable-hours revenue model to payment per functions and value-based price model - Cross-companies’ collaborations fundamental to create value
Effort	<ul style="list-style-type: none"> - Disruption as transformation which needs to be not only incremental - Disruption as shifting the logics of a business based on a more sustainable model - Disruption from digitalization; automation; understanding of a sustainability perspective - Disruption coming from people viewing opportunities and threats - Disruption coming from specialized firms and services
Pollen	<ul style="list-style-type: none"> - Disruption coming from customers’ disconnection from perceiving and evaluating a service based upon the hours of work, instead of the real value
DigJourney	<ul style="list-style-type: none"> - Wider view of disruption with respect to Christensen - Disruption occurs when someone come into market and sees new opportunities - Disruption through AI and machine learning automating the analysis work - Disruption through increase of importance of transformation with respect to strategy - Disruption through automation; offerings’ repackaging with new services apart paid hours in the value proposition; targeting high positions at the clients’ site
GoodFellows	<ul style="list-style-type: none"> - Disruption as innovating on how the company changes the way it meets the customer - Disruption as changing the need for the product/service, the delivery of it, how to make the client attracted from the firm’s offering - Disruption through new non-professional management teams acting as private people – subscription fee - Disruption related to customers’ new needs and new people running firms

Table 13: Disruptive innovation in management consulting findings. Compiled by the author.

4.4.2. Disruptive innovation within the firm

When talking about the degree and attempt of disruption within the firm, S. Farnebo, from Preera, outlined how they actually disrupted the market in a way, during the first years of the company. Indeed, as the CEO states: *“Preera uniqueness is to work with people and for people and with concepts of change leadership and change management. We were very early in speaking out about the importance of leadership, engagement, dialogue, participation and trust and all these things that now everyone is talking about. When we started, we were kind of disruptive”*. Moreover, as the CEO explains, she feels like to be in a big blend: the firm needs to focus on what it is good at and, at the same time, be sensitive in what is happening around it all the time.

T. Zimmerman gives his viewpoint upon how he thinks Accenture deals with disruptive innovations. According to the Strategy Manager: *“the firm is experimenting with most of exponential tech, differentiating itself from other strategy and transformation services organizations”*. He perceives the company might actually disrupt the industry when it comes to how they apply new technologies, both inside and outside the firm. To strengthen this argument, the interviewee has highlighted the several mergers and acquisition made by Accenture. Together with these examples, a crucial one concerned also the launch of “Accenture Applied Intelligence” in 2017 (the first in the market) as a combination of the company’s competencies in advanced analytics and artificial intelligence. As the Manager suggests: *“We have our industrial IoT and innovation centers and design thinking centers and labs – several of those have been the first ones launched in the market compared to other professional services firm”*. Then, according to T. Zimmerman, other paths of disruption comes from both the interactions and way of interacting with their clients, leveraging on exponential technologies such as AI, but also on how they internally try to adopt AI across the company. A final consideration deals with the efforts of the firm towards innovating on circular economy and understanding how technology is enabling to go from a linear economy to a circular one. As T. Zimmerman argues, *“This is disrupting the market regarding how clients conduct the business and how they go from ownership to usership. Thus, we are trying to drive disruption not only from a technology perspective, but also from a more holistic perspective related to how we do business and how business interacts with society”*.

The disruptive innovation activities coming from Fintegrity relate to deliver a better service by understanding if it can be delivered from a different angle, packaging it and creating a diverse type of communication. According to its CEO: *“The firm has disrupted and still disrupts the market, through another level of competencies”*. Following this line of reasoning, his message to the market is *“Bring it on, talk about corporate finance, options, accusations, financing, CFOs, and in that way, you tell other players in the market to step it up”*. This means to shift from being the “historic

accounting figure”, it is not what customers are looking for. It is more a need of sophisticated and qualitative work. As D. Filipsson argues: *“This is the most disruptive aspect of having a wider and deeper collections of competencies”*. Furthermore, the company is looking towards the integrated services, where the accounting competencies collaborate with the finance ones, looking at the KPIs and so on. The disruption in this is that, while all areas look at the income statement, balance sheet and cash flow, they see that from different angles and the customer receives this visual “in a silver plate”. Lastly, by considering the previous discussion about the various price models leading to disruption, Fintegrity is now working with the functions-based revenue model, but in the long run, the value-based price model is the one the firm is striving for.

S. Book, from Effort, perceives that the disruption in his firm is connected to “going for solutions”: *“It is related to find new types of revenue streams, new type of added value on which we can also build trainings and consultancy services”*. A further relevant factor concerns the concept of sustainability. Indeed, the company has trained over the years 50 sustainability coordinators who work around various industries. The aim is to make sustainability become mainstream. The reason is because, by doing so, Effort will be seen as an ordinary management consulting company, which is very skilled in that area. The disruption appears when something that was seen on the side (sustainability) turns into being the core of every business. The final objective is that of having the same idea of sustainability fully integrated in each organization. As S. Book states later: *“Our aim becomes that of eliminating the need of ourselves. But then, we will have other services to offer. Our goal is that companies should have sustainability integrated in their genes, and the proof that this is true is that we have trained 50 sustainability coordinators in the society”*.

The DigJourney’s co-founder perceives that the company’s model might have a potential to be disruptive, because it is a scalable model. As he argues: *“I believe the key here is to find the balance with what will and can be automated and handled through digital tools and what needs to be delivered and handled by human beings”*. Also, as a form of potential disruption, the firm is looking into the software as a service market, which is impressive, and seems interesting to look at it from a management consulting perspective.

K. Malmström, from GoodFellows, thinks his company has already disrupted the market in a way, through its new business model based on subscription fees. Indeed, various followers are obtaining the same business model as the one of GoodFellow, when it comes to IT services’ selling. The subscription is divided into three areas. First, the services part – the reactive support (e.g.: if the client organization has a problem, it can contact the customer service center which will help it). Second, the proactive part – the company has a strategy and tactical focus where it meets the customer on a regular

basis, depending on the needs of this last. Third, the hardware part. It relates to servers, the space they use, backup and so on. That is charged afterwards, more traditionally, as a cost-based model. The key point is, as K. Malmström perceives it: “When the clients have the invoice, they will not look at what you did that hour and what you did in the other one. They will think if the system has helped them to become more competitive or not and evaluate that”.

Company	Disruptive innovation within the company
Preera	<ul style="list-style-type: none"> - Disruptive because innovative in the activity of working with people - importance of leadership, engagement, dialogue, participation and trust - Big blender concept – focus on what the firm is good at maintaining a wide view
Accenture	<ul style="list-style-type: none"> - Experimenting with exponential tech and its application inside and outside the firm - Disruption facilitated also through M&A - Disruption through IoT innovation centers, design thinking centers and labs within the firm - Disruption from the way of interaction with clients - Innovating on circular economy
Fintegrity	<ul style="list-style-type: none"> - Package the service differently and from different angles - Possess a wide and deep collection of competencies is fundamental - Integrated services to have different perspectives - Working with function-based price model and striving towards value-based
Effort	<ul style="list-style-type: none"> - Go for solutions - Find new types of revenue streams and added value - Sustainability concept as disruption – make sustainability become mainstream
Pollen	-
DigJourney	<ul style="list-style-type: none"> - Disruption through its scalable business model based on partnerships with consultants and a retainer fees-based revenue model - Balance between automation and human labor - Software as a service from a management consulting perspective
GoodFellows	<ul style="list-style-type: none"> - Disruption through its subscription-based revenue model - Disconnection from the hours-based price model

Table 14: Disruptive innovation within the firm findings. Compiled by the author.

5. Data Analysis

The following section provides a comparison of the main findings in the theoretical framework and in the primary data collection through interviews. Therefore, the author will develop an analysis of the results found during the process of information gathering with the aim to address and answer the research questions highlighted in the study. Indeed, in order to do that both the literature and the empirical findings need to be assessed. More precisely, within the following section, the theoretical framework has been used as a basis to develop the analysis, by understanding if the several organizational and collaborative forms existing in the literature are also adopted by the practitioners. At the same time, this theoretical basis has been implemented and flanked by some other interesting insights and themes emerged throughout the interviews and which have not been found in the

literature. Those relate, for instance, to some settings identified by analyzing the data gathered through the interviews and the respondents' perspectives on the phenomenon.

Moreover, to make a clear structure of the chapter, this last has been organized following an order similar to that of the empirical findings. reflecting some main themes emerged during the interview process (companies' organizational level and the idea of disruptive innovations), combining them with the potential disruptive internal forms of organization and external forms of collaboration highlighted in the theory. Thus, after an overview of the companies' organizational level is displayed, the next section considers the key concept of disruptive innovation. This will be analyzed both from a more general viewpoint, as the one provided within the theoretical framework, but also from the specific firms' perspectives. This is deemed to be necessary in order to go deeper especially in the phenomenon of disruptive innovation, by letting the interviewees reflect upon the strategies and forms of organization adopted in their companies, both internally and externally through collaborations. Strongly connected to this is the following part of the analysis, which compares and examines the similarities and differences between the theory and the empirical findings for what concern the internal forms of organization and external forms of collaboration potentially leading to disruption. This step will be crucial to answer the main research question, by understanding how a disruption in the industry might happen.

5.1 The company' framing and organizational level

Within the introduction and theoretical framework of the study, the author has discussed about consulting companies, by analyzing their industry and labelling them as management consulting companies. Also, by looking at the interviewed firms on LinkedIn or on the Internet, some of them remain framed as management consulting firms. However, one of the findings during the primary data collection has been that the majority of the organization studied does not label themselves as that. They usually provide some broader definition of themselves. For instance, as can be seen from **Table 10** the only entity framing itself as a management consulting firm is Preera. All the others provide different identifications going from professional service firms (as intended by T. Zimmerman for Accenture) to management consulting but with a focus on sustainability (Effort) to innovation consulting companies. The interesting outcome coming from this reflection is that it seems one cannot talk anymore about only "management consulting companies", since it sounds limited, but one should widen or narrow the labelling of the organization. It feels like it is emerging a new trend in which firms necessitate to reframe their identification to the customers' eyes, in order to give them a clearer view of what the services offered are, avoiding providing a too general label. An example of a widening of the management consulting firm is suggested by T. Zimmerman, who sees Accenture

not only as a management consulting organization, but as a professional services firm delivering services in strategy, consulting, digital, technology and operations. On the other hand, Fintegrity offers a narrower framing of the company, by labelling itself as an accounting management company. Moreover, when looking at the theory around the management consulting industry it does not seem that the just mentioned specification exists. Within the literature, firms are indeed identified as management consulting organization, while what is happening seems that they are labelling themselves differently to emerge in a highly competitive market and make clearer their value proposition. A similar insight strengthening this idea might be deduced from the big blend concept suggested by S. Farnebo. Indeed, companies which appear to work in different industries (communication, IT, design and so on) can actually compete for the same type of project. That is why the CEO of Preera underlines the importance of becoming good at what the firm is good at but always maintain an open view. As one can imagine, the disruption (considered through the alternative interpretation of it) coming from this seems to be related to the fact that firms necessitate to reframe themselves, almost leading to a reinvention of what they want to communicate with regard to their value proposition. This becomes essential to let the customers better understand and be aware of the different available options in the market. Also, it becomes crucial for companies to understand which their main competitors are.

A further consideration to be made at this point relates to the different revenue models adopted by the companies. In this regard, within the literature review, when discussing about the potential reasons behind the management consulting business disruption, one of them relates to the utilization of billable-hours revenue models, where fees are paid per hour and are not related with the outcome. Moreover, also when addressing the internal forms of organization of consulting firms, the revenue model innovation was a recurring topic, seen as a potentially disruptive path (intended according to the alternative interpretation of the term) for organizations to be implemented, by shifting from revenues based on hourly fees to multiple revenue flows and recurring revenues. When talking with the participants in the study, the theme of revenue streams came up through the interviews. While some of the firms still rely on the billable-hours model, such as mainly Preera and Effort, some other settings are taking shape, and others are already present in firms such as GoodFellows or DigJourney. These new companies' revenue models, as also emerged through the theory, are indeed shifting towards more sophisticated subscription-based price models, as the ones implemented by the last two firms mentioned, or value-based types of systems, as the one developed by Fintegrity. However, the type of models identified through the interviews are discussed in the following section related to internal forms of organization, since the new revenue models are seen as one of the major trends regarding the disruption of the industry and deserve a deeper analysis at a later stage.

A last argument that is worth mentioning refers to the target customers of the firms interviewed in the study. The reason lies in the fact that, as discussed within the theoretical framework, in the management consulting industry, some newcomers and startups are emerging, as also confirmed by Christensen, and might have the ability to threaten the long-standing businesses. Indeed, the concept of “deal size” for these last organizations has for long been present: the efforts related to time and costs, for instance, are similar disregarding the client company size. Thus, by working towards closing bigger deals, they might ignore smaller customers, which can become the target and also the leverage power for new startups in the business. In this regard, the majority of organizations interviewed in the study highlighted as the main target clients medium-size and large corporations. For instance, Preera works with the public and private sector and with bigger entities and Pollen works with large organization in the Gothenburg area. At the same time, however, some of them target also smaller firms, such as Accenture, which seems to have a 20% of its customers being smaller realities or Fintegrity which works also with startups. What appears to be interesting here is that the target customers are mixed, but it seems there is still a preponderance of medium and bigger organizations, even if some efforts towards startups are being made. As mentioned, this might be related with what the literature says about potential disruptions coming from newcomers targeting these ignored segments of customers (low-end disruption). More precisely, it means that there seems to be an opportunity for new entrants in the industry to tap into this gap and leverage on these smaller companies to then scale the market through a pure disruptive type of innovation, as intended in Christensen sense. In this regard, the only company which emphasized the relevance of working with small companies, helping them to grow, is Fintegrity, which supports them especially in their initial stage. If one looks at this from a different perspective, this might be identified as an attempt of the firm on the one hand, to avoid leaving open the previously mentioned gap and, on the other hand, exploit new opportunities through working with these smaller clients.

5.2 The concept of disruptive innovation

Given the misunderstandings and complexities connected to define in an unambiguous way the concept of disruptive innovation, as seen also from the theoretical framework, the author has investigated through the interviews what the thoughts around it were. Indeed, as discussed in the literature review, two main views with respect to disruptive innovations have emerged. One refers to the definition provided by Clayton Christensen, which has been referred by the researcher as “pure disruptive innovation”, and which perceives it as a low-end disruption or a new-market disruption, mainly caused by startups. On the other hand, the second view has been identified as a combination of other existing theories around disruption, which extend the definition provided by Christensen. Those, indeed, interpret disruptive innovations as phenomena which cause disorder and turmoil,

changing the traditional way of operating; exploit new sources of value by implementing innovative business models; innovate the customer experience and the way of value perception; target the mainstream market together with the low-end one, providing services better matching the clients' needs. This second view has been called "alternative interpretation of disruption".

What emerged through the empirical findings is that the companies interviewed have different perception and provided various interpretations of the term. It seems interesting to highlight the fact that only one, out of seven respondents, has mentioned the more recognized definition of disruption outlined by Christensen. Indeed, J. Jansson, from DigJourney, has showed his awareness of the Christensen's theory around the concept. However, the co-founder has also admitted that, in his view, disruptive innovations should be seen through a wider perspective. He strengthens this statement by perceiving disruption as a process coming from any company which can dramatically threaten an incumbent in the industry, disregarding what the value proposition is. For J. Jansson a disruption is not only related to a low-end or new-market type, but, through a broader view, as any business which comes into the market and sees opportunities that anyone has seen yet, exploit them through technology or not and make the long-standing businesses struggle.

At the same time, while the other interviewees did not mention any connection with the Christensen's theory, they have given their interpretation of the concept of disruptive innovation, which seems to be more linked with the alternative interpretation of disruption, as intended by the author. More precisely, all the respondents see this as a form of radical innovation and transformation. Some define it in general terms, as S. Farnebo, who links it to ideas transferred from an industry to another one and applied in a way that those can become highly disruptive. Her perspective of being in a big blend is fundamental. In fact, it can be related to the previous discussion about the companies' framing and labelling, which is changing nowadays. Several firms, as mentioned, are not calling themselves anymore management consulting companies, rather they are widening or narrowing their operating space, but still delivering services in management consulting. Preera's CEO strengthens this by highlighting how diverse organizations in IT, design thinking or communication are now entering the management consulting business and delivering that service. Also, a further interesting viewpoint is given by S. Book, from Effort, who sees disruption as a transformation which needs to be, first, not only incremental, and second, based on more sustainable models. Therefore, he perceives it as a kind of radical innovation, related with the sustainability concept and caused by people viewing at the same time many opportunities and threats. As he states, it is from this tension that disruptive innovations might arise. An additional interpretation worth mentioning is shared especially by S. Farnebo and K. Malmström, who see disruption as caused also by the customers and their new necessities and way of buying. This is intriguing because they provide a view from a different angle,

that of customers, who, as the companies do, are innovating and transforming their needs, buying decision processes and buying methods. Such a specific and explicit perspective is not emerged through the literature review, but is deemed to be important, since it can widen the spectra of paths from which disruption might appear. Indeed, companies should give attention to what the customer is asking and how it wants the service to be delivered. This is indeed supported by D. Filipsson, who argues that companies should work towards packaging their offerings in a way the customer wants, especially for what concerns the revenue model. A last key interpretation of the term is provided by the same K. Malmström, since he interprets it as innovating how the firm transforms the way and processes through which it meets the clients' needs. Also, he feels disruption refers to changing the same need for the product or the service, the offering of it and how to make the client attracted by it. This view appears to be highly connected precisely to the perspective highlighted by Paul Hekkert (and included in the alternative interpretation of disruption), who defines disruption as more connected to stimulating and enabling customers to engage in new experiences and offer new values through innovative ways that the potential users did not imagine. It basically transforms the clients' perceptions of the offerings, which is the same argument asserted by K. Malmström.

Thus, what emerges from both the theoretical framework and the empirical findings is that the definition of the concept of disruptive innovation is not straightforward. Indeed, it seems that sometimes it is confounded with the more limited idea of innovation and it is seldom connected with the Christensen theory. This might also be due to the fact that not every management consulting firm is aware of his theory. However, this notwithstanding, the majority of interviewees provided perspectives and definitions of the concept, which seem to be more incline towards the alternative interpretation of disruption, as intended by the author in the theoretical framework. This can be said given the much broad discussions carried out by the seven consulting organizations participating in the study, which do not limit the concept only to low-end or new-market disruptions, but go behind that, by including wider perspectives, as mentioned before.

5.3 The potential disruptive internal forms of organization and external forms of collaboration in management consulting

The following section of the analysis addresses the potential internal forms of organization of the consulting companies and the external forms of collaboration across them which might lead to disruption. Therefore, both the findings in the theoretical framework, which create the foundations to develop the work, and those gathered through the interview process will be examined, in order to understand to what extent these organizational forms may cause disruption in the industry and how this can happen.

A first consideration needs to be made. Indeed, from the literature, several challenges have emerged with respect to the stability of the management consulting industry and its resistance against the threat of disruption. As discussed in the theory, the reasons why the industry is targeted by disruption as well as the other sectors, reflects different factors and is connected with various theories, such as the one of Christensen of low-end and new-market disruption or the one of collaborations pinpointed by de Man and Seipl. Moreover, from the literature, some crucial factors augmenting the vulnerability of the management consulting business to be disrupted have arisen: the presence of few major players, the use of obsolete business practices, the slow response to adapt technologies, the strong utilization of human labor together with a billable-hours expensive price model and the decreasing of information asymmetry (see **Figure 5**).

When looking at the empirical findings, all of the respondents perceive that their industry is threatened from this phenomenon as the other businesses. This can be seen by considering that, as S. Farnebo states, various companies have understood that there are few one-dimensional problems – one needs to have a broader perspective. This is also related with her interpretation of the consulting industry as a big blend in which everyone, from a design thinking entity to an IT organization, can compete for the same project. Also, the GoodFellows' CEO is aware of the dramatic speed of changes happening in the industry and the disruptive forces emerging within it. Furthermore, the interviewees have provided several insights which support some of the findings from the theory connected to the vulnerability of the industry to disruption. In this regard, according to some of the interviewees, such as T. Zimmerman, S. Book and J. Jansson, a potential path of disruption, which will evolve rapidly, refers to the use of new technologies, such as AI and machine learning to automate the processes. This will innovate the practices utilized in the firms and will make the analysis work currently performed by humans more automated. As J. Jansson argues, the critical aspect to consider when talking about disruption will be that of balancing what can be automated and what should be left to human labor. This matches with what the theory says about the presence of outdated business practices, the excessive human labor and also the slow adoption of technologies within the organization. Also, it confirms the additional vulnerable value incorporated in the management consulting industry related to “information”. Indeed, the empirical findings are in line with what the theory states about the rise of new technologies which can enable companies to collect more accurate data to make forecasts, analysis and take decisions concerning competitors, trends and so on. A final consideration in this context, connected to the application of new technologies within the business refers to the development of the digitalization concept across the operating companies and its related tools. As S. Farnebo and S. Book state, an increasing competition is coming from the adoption and the utilization of strategies and activities built through digital means, which might permit a more

innovative approach in solving problems and participate in projects. Also, this could then eventually lead to new ways for the consulting entities to work with their customers.

Another factor identified through the theory and later arose also from the empirical findings concerns the vulnerability of the management consulting industry caused by the billable-hours revenue model. Indeed, the majority of consulting companies interviewed in the study, including Fintegrity, Pollen, DigJourney and GoodFellows, see the pricing model based on fees per hour as a not sophisticated one and ready to be disrupted. This perception is strengthened by the adoption of new revenue models by the same firms, as will be better outlined in the next paragraph. A last aspect worth mentioning is that, within the literature review, also the “execution” value is threatened by the phenomenon of disruption, given the increasing need of customers to look for a support in implementing the strategies suggested. This relates, as discussed in the theory, to the increase of new technologies and the necessity to understand how to utilize those in their new strategies. In this regard, from the empirical findings, T. Zimmerman has identified this concern, confirming what the theory states.

Therefore, what can be understood, at this point, is that both the theory and the companies subject of this study have a similar perception about the likelihood of the management consulting industry’s disruption. As just discussed, this is coming from several vulnerabilities encountered by the sector and the interviews’ respondents seem to be aware of the changes happening around them and the closeness of those to their businesses. What need to be examined at this stage is how and from where this disruption of the market is coming. In order to do that, the next two sections will deal respectively with the internal forms of organization implemented by the consulting companies and the external forms of collaborations among them potentially leading to disruption.

5.3.1 Internal forms of organization

From the literature review, for the sake of clarity and to have a holistic view of all the strategies companies might implement to face disruption or to disrupt the market themselves, a distinction has been done with regard to the size of the firms involved. Indeed, given the importance and the differences presented by small entities and big incumbents, when applicable, those have been studied separately within the concept of internal forms of organization. Throughout the interview process, however, such diversification did not emerge in a concrete way. From one point of view, this might be due to the participants in the study. Only one company can be considered as a big one (Accenture), with the others being smaller organizations. This might have led the respondents to think about other competitors or strategies adopted in similar types of firms (small ones) rather than big ones. Moreover, only T. Zimmerman, from Accenture, was able to provide insights about the way of working of a big entity. This notwithstanding, as seen also through the literature review, the majority

of strategies, business models and paths leading to disruption in the management consulting industry may be implemented by both type of firms, either big or small ones. This can be seen clearly in **Table 5** (theoretical findings summary), in which the forms of organization are divided depending on the company' size. Having said that, the following discussion and analysis will be developed by considering both types of organizations, by highlighting any relevant difference that may arise. To do that in a structured way, letting the reader have a holistic and organized view of the various internal forms of organization and external forms of collaboration, the section will be subdivided according to the key organizational forms emerged through both the theory and the empirical findings.

5.3.1.1 Self-disruption

The concept of self-disruption, suggested by Christensen, has been identified through the literature review as the creation of a new and independent business unit within the consulting company with some requirements to be matched, such as a new profit model, independent sales channels and so on. A similar idea has been pinpointed by T. Zimmerman, from Accenture, who strengthens the efforts of the company in launching such new projects and units, as the “Accenture Applied Intelligence” in 2017. This platform is also accompanied by centers inside the firm, such as IoT innovation centers, design thinking and labs. Even if it is not clear if all the requirements emphasized by Christensen to become a self-disruption are present, this unit is an example on how a big firm in the management consulting industry is trying to get ahead of the phenomenon to manage it and exploit it. Indeed, an additional example coming from the literature is that of McKinsey Solutions, which is itself a new unit built also to fight against disruption and disrupt the market itself. Therefore, such internal forms of organization seem to be possible across some big firms and some concrete examples, as the one of Accenture, provided through the empirical findings, and the one of McKinsey, extrapolated from the theory, exist. Moreover, the adoption of such strategy by only big firms appears to be confirmed by the interviews, since no small company has mentioned any creation of new units or projects of this caliber. This is probably due to the size and, especially, to the resources possessed by the incumbents as compared to smaller entities.

5.3.1.2 From Solution Shop to Value Added Process and Facilitated Network

A further internal form of organization potentially leading to disruption emerged within the literature review refers to the transition, suggested by Christensen, from consulting companies with a Solution Shop Model to a Value-Added Process and Facilitated Network. This, as discussed in the theory, consists in going from solving unknown scope's issues through the subjective opinions of the consultants, to develop a more standardized type of service and with a revenue model based on fees per output, with the extreme step being the Facilitated Network, in which services are exchanged through a network of service providers with a pricing model based upon fees paid to the network,

which then pays the consultants. While this transition seems to be straightforward in the theory, the same cannot be said through the empirical findings. Indeed, among the consulting companies interviewed no one gave any explicit insight of such new models. However, some of them, such as Effort and Fintegrity seem to have adopted or are trying to adopt new approaches resembling the one emphasized by Christensen of Value-Added Process. S. Book, for instance, wants to increase the activity of selling solutions, which suggests a more standardized type of service. The same is pinpointed by D. Filippon, who sees a disruption in the way the service provided is packaged, by presenting his current revenue model as a functions-based, but aiming for a value-based one, which is more in line with the process exposed by Christensen. In this regard, also GoodFellows, in changing its business model to better meet the customers' needs, is seeing a transition from one built upon selling hours towards one connected to delivering solutions. It seems the firm is indeed working on providing packages and solutions to the clients asking for monthly fees to get access to that. Moreover, an idea of Facilitated Network, which might better be allocated in the external forms of collaboration of companies, has been suggested by T. Zimmerman. He perceives disruption as coming also from the new concepts of ecosystems and cooptation. These ecosystems are in fact becoming more and more present nowadays and are enabled by platforms through which revenues are created: those might come both from the customers and from the partners in the ecosystem.

Thus, some similarities might be seen between the transition evangelized by Christensen and some findings gathered through the interviews, even if a clear and straightforward transformation of the companies' models seems to be missing. This notwithstanding, some changes are happening, and firms are becoming aware of those. It appears indeed that some entities, such as the mentioned examples of Fintegrity, Effort and GoodFellows, together with the theoretical findings' insights, are aiming for a more modularized type of service, where they can better offer their expertise in problems of a more defined scope, packaging them in the form of solutions.

5.3.1.3 Hyper specialization

The concept of hyper specialization has been identified in the literature both within big companies and small ones, even if the major focus is put on the last, since usually those are the ones which achieve higher levels of specializations. The phenomenon relates to the transition from companies offering a broad range of services to companies which specialize in a precise one and in a specific segment. As discussed in the theory, this is done especially by small firms which, at the same time, can deliver a more focused offering and eventually at lower prices. This approach is mentioned by one company in particular, being Fintegrity. The CEO sees its operating branch will change in the future and will be more segmented: companies will need to specialize more and offer a specific service. The increasing specialization of the service is also strengthened by the same D. Filippon

through his implementation, within the company, of the CFO as a service for SMEs. This goes indeed in line with the view of more focused offerings in specific areas and it might also be related to the previous discussion about the transition from a Solution Shop to Value-Added Process. In particular, what emerges is that, through this type of service, Fintegrity is addressing a problem of a more precise scope with a “predefined” solution which is adapted to the client. At the same time, S. Book, from Effort, suggests that more specialized companies, as the ones dealing with new type of technologies, are the realities where to find a real disruption, intended in broader terms, as the alternative interpretation of it. Hence, it seems some consulting companies are looking for a higher level of specialization in their offerings. This is confirmed from the theory, but also from some firms interviewed. Indeed, by delivering more focused services, firms might become more unique in what they do and what they offer to the customer, differentiating themselves from the competition, and, as also S. Farnebo states, organizations need to concentrate on what they are good at by maintaining a wide view over the activities and the relations with the clients. Also, the same companies that have been studied through the research offer different services if compared one with each other. Realities such as Effort, which work with sustainability, Pollen, which deals with innovation or GoodFellows, which is specialized in IT services, have a clear focus. This might support the argument related to the increasing level of specialization searched by companies, which want to offer diverse approaches, capabilities and consultancy to the customer, with respect to the competition. Moreover, this is also true when looking at the customer’ side. S. Farnebo, indeed, mentions the fact that customers are changing their buying behavior: for instance, they want specific consultants from specific companies. This means that, also from the client’s perspective, they are asking for more specialized competencies and type of experiences when in need of a consultancy. They then combine diverse consultant in various companies in order to receive the more personalized service with the right level of specialization. This argument has been pointed out also from the literature through the concept of *on-demand* strategy. This consists in the client’s activity of working directly with independent consultants with the specific case or challenge and building their team autonomously.

5.3.1.4 Revenue Model Innovation

Among the several internal forms of organization discovered through the literature review and the empirical findings, the revenue model innovation is the most discussed one. Indeed, according to the theory, and as already pointed out in the first section of the analysis, a disruption is coming, both within big and small companies, through the transition from a billable-hours price model to a more recurring type of revenue streams, with the extreme being the subscription model, seen, for instance, as a fee paid per month/year. This view is also shared by the majority of the firms interviewed in the study. Fintegrity, the accounting management consulting firm, for instance, works with three different

revenue models: one based on fixed price, the other on hours and the last one on a subscription for a package including various services. The CEO, D. Filipsson, moreover, critiques the billable hours model, which is perceived from him as a not sophisticated one. A similar criticism is expressed also by Pollen's CEO, who perceives that nowadays consulting firms should implement a subscription-based revenue model, rather than fees per hours. Indeed, he believes on a more value-based type of model disconnected from time (hours). Also, both DigJourney and GoodFellows have already implemented a more sophisticated model built respectively upon "retainer fees" and "recurring fees". As K. Malmström argues, his model is becoming similar to the one adopted by insurance companies: the client pays a fee to the IT consulting organization and whenever a problem arises, the company (as an insurance) is there to help and support the customer.

Therefore, the billable hours revenue model as a reason of disruption (through its alternative interpretation) in the industry of management consulting has been confirmed throughout the interviews, both with the implementation of new models, but also with the criticism and opinions provided by the respondents. Indeed, it seems the model is becoming outdated, not sophisticated and therefore going towards an extinction, leaving room for more innovative revenue streams, as the ones highlighted.

5.3.1.5 New technologies adoption

From the theoretical framework, a new trend identified in the management consulting industry and potentially incorporating a disruptive power, especially related to the wider view of the alternative interpretation of it, relates to the rapid increase of new technologies. Companies are indeed adopting tools such as AI or machine learning in their strategies and are in need of support to understand the technology itself and how to implement that in their business. Thus, consulting firms, according to the theory, should widen their competencies in the field. This is done, for instance, by investing in startups specialized in these new trends which may become the bridge between the consulting firm and the customer' needs. The importance of this phenomenon as a mean of disruption is underlined by T. Zimmerman, from Accenture, who sees the impact of exponential technologies both internally and from the client' side. To strengthen the point, he mentions how the AI or deep learning might almost replace employees in the analysis work, unlocking them for a different type of work, more related with innovative thinking. A similar view is expressed by J. Jansson, who stresses the fact of human labor becoming more automated through AI and machine learning, optimizing the traditional time-consuming and expensive work of analysis. This issue of automation of the service is also touched by S. Book when looking at the potential disruptive paths that might happen in the business. The same Book, together with S. Farnebo, mention also the development of new tools connected with the phenomenon of digitalization, which may lead to new disruptive opportunities for the consulting

companies. In fact, it seems firms are becoming aware of the potential power of digital means, which can become a good leverage to implement new strategies and processes based upon that. This can also be translated in the starting point for consulting entities to build new models, such as the *Virtual Consulting* one, identified through the theory. More precisely, what might happen is that through the use of these digital techniques, companies can revolutionize the way in which they relate with the customers, eventually leading to phenomena of virtual interfaces. However, such extreme form of organization has not emerged through the empirical findings, thus it appears that it still might be a too premature stage in the management consulting industry to develop such approaches.

Hence, what emerges from both the literature and the interviews, is that, within the management consulting landscape, new interesting opportunities and disruptive forces are coming from the adoption of new technologies, both internally and externally with respect of the consulting entities. This means that, on the one hand, consulting firms need to be aware of the new trends linked to AI, machine learning, IoT and so on and, should understand how to implement those within their business. The example provided by both T. Zimmerman and J. Jansson gives a glimpse on what or where the organizations should try to go. On the other hand, these firms should be able to provide support to customers which are experiencing themselves the impact of innovative technologies, since, as according to the theory, this is one of the upcoming major trends. Lastly, also the phenomenon of digitalization and the potentially related aspect of virtual consultancy should be monitored.

5.3.1.6 Other internal forms of organization

Within the literature review also some other internal forms of organization have been pinpointed. However, notwithstanding the interesting theoretical foundation of them, those had not any strong correlations with the insights provided by the companies interviewed. One example concerns the Continuous Consulting Model, which is based upon the adoption of new tools, processes and analytics to speed up the delivery of the service, utilize new revenue models and implement standardized and repeated processes. Such a type of model has not been highlighted explicitly by none of the consulting firms participating in the study. More precisely, the aspect of fast service delivery to the customer, theorized also in the Instant Consulting model, has not been mentioned through the interviews. Even when some companies have reasoned by looking at the customers' side, the increasing of rapidness in providing the service seemed not to be a relevant concern for the firms. On the other hand, an attempt of the standardization of the practices suggested in the CCM has been implemented by some companies, such as Effort, GoodFellows or Fintegrity which are building some strategies in order to sell solutions instead of hours. However, this transition is still not straightforward. The only section of the CCM which emerged in a more explicit way as well in the empirical findings refers to the revenue model disruption (based on a more recurring type of revenue flows), which has been

previously discussed. Thus, it seems some firms are moving towards the direction of a CCM by implementing some of its techniques. Nevertheless, it appears to be still an early stage to talk about such a model in all its forms. Therefore, even if the highlighted model of CCM and Instant Consulting appear to have a disruptive power according to the theory, these are still not enough emerged among the interviewed companies. The reason might refer to the fact that especially the Instant Consulting is an extreme pinpointed in the literature, thus consulting firms might not have been yet adopted this into their strategy.

5.3.2 External forms of organization – Networks and Collaborations

The second key aspect studied within the work concerned the external forms of collaboration, networks and partnerships across management consulting firms potentially leading to disruption. In this regard, some interesting models and strategies have been identified through the literature. One example is connected to Mergers and Acquisitions, which is an activity big firms seem to be pursuing to stay ahead of the phenomenon of disruption. Especially incumbents, indeed, are operating in this area by merging or acquiring, for instance, design consulting organizations. This trend is confirmed by T. Zimmerman, working at Accenture, who, when discussing about the disruptive forces of the company, especially coming from the use of exponential tech, mentions M&As as one of their strategies enabling that, by emphasizing, for instance, the Joint Venture created with Microsoft (Avanade). At the same time, an interesting point of view, which needs to be taken into consideration refers to J. Jansson, from DigJourney, who perceives that incumbents might not have the ability to acquire smaller companies. These last, indeed, nowadays are both well-funded and not interested in selling their firm given the potential of it. Thus, this type of strategy appears to be implemented by big companies, such as Accenture, in trying to face the disruptive innovation phenomenon and exploit it through innovative firms or with diverse competencies. These last seems to be the most important aspect, given the new trends upcoming in the management consulting industry and related with the new technologies adoption by the companies. Through M&A incumbents might acquire new knowledge, capabilities and try to build more agile processes through smaller companies on the one hand, or also bigger companies, on the other hand, especially when referring to mergers. At the same time, as J. Jansson suggests, these businesses should be aware of the fact that small innovative firms offering specialized type of services or with some different approaches to consulting might be hard to be acquired.

An additional example refers to the Collaborative Consulting Model, which is divided, as explained in the theory, in closed and open networks, consisting of different types of collaborations across the consulting companies addressing specific projects. When looking at the empirical findings, the majority of the firms showed their involvement in a certain type of collaboration and relationship

with other companies, even if not every firm delineated it as a formal type of partnership. This argument is made explicit especially by D. Filipsson, who states that his company is not involved in any formal type of network but has more informal type of relationships with other companies. This does not mean the collaboration is not solid, but that it simply lacks a specific classification in that sense. It seems to be more related then to an open kind of Collaborative Consulting Model, which can be seen as based on freedom and openness. Also, firms such as Preera displayed high levels of collaborations with 5 or 6 industry's peers and other small companies, by strengthening the importance of collaborations in competing in the management consulting industry. Moreover, most of the respondents highlighted the significance of the trust in their partnerships, seen as a foundation of all relationships. Therefore, what seems to emerge from a comparison of the literature and the empirical findings is that consulting firms have not usually a model based on collaborations but are aware of their importance and incorporate them in their actual business models, approaching a type of Collaborative Consulting Model based on Open Networks. A more appropriate strategy in which consulting firms are finding themselves concerns the transition from go-it-alone firms to network. As confirmed by the interviews' insights, indeed, these organizations are improving and developing their external organization models by collaboration with other partners and creating new networks across firms. Also T. Zimmerman, from Accenture, perceives the importance of collaborations with other parties with different capabilities, highlighting how the trust is incorporated in every partnership given the lengths of those.

An interesting model within external forms of collaboration, well implemented in the main business model of the firm, is offered by DigJourney. J. Jansson, indeed, sees his company operating as experts in collaborations. More precisely, the firm's model, as previously outlined in the empirical findings, consists in a system of different consultants which are perceived as partners, who then deliver the final service to the end customer. Together with them, some other partners are present at the final stage of service delivery, to support the operations towards the end clients. What is relevant in this type of model is that it can be probably seen as a kind of ecosystem, in which several partnerships with external certified consultants exist. The disruptive power of this, intended as the alternative interpretation of the phenomenon, as also J. Jansson argues, comes from the scalability of the business, since it can potentially reach a large number of external consultants working through DigJourney. Therefore, this company shows a business model which is strongly related to the concept of networks and collaborations, leveraging on its system of relationships with partners in order to deliver the service to the end customer. Studied from this angle, it can be seen as a consulting firm operating through a network of independent consultants, which, paying a license fee to the company, get access to different tools, methodologies and resources to then service the final client, which, in

turn, pays a subscription fee to the firm. New alternative professional services organizations seem to be emerging in the market, composed of networks or teams of independent consultants. DigJourney seems to resemble such new organizational forms.

A further theme pointed out by some interviewees in the empirical findings is also the concept of ecosystems, as the one developed by J. Jansson. Such a term has not been identified through the literature review but seems important to be mentioned at this point. In particular, S. Farnebo defined Preera' system of collaborations as an ecosystem, where different companies collaborate with each other addressing some specific challenges and looking for win-win solutions for both the partners involved and the clients. The same phenomenon has been pointed out by T. Zimmerman, who reflects upon the fact that the consulting industry is going from a buyer-supplier relationship to an ecosystem type of partnerships within which value is created. The new trends emerging seem to be related to these forms of relationships and the idea of cooptation, where firms work together to grow and create value added. Also, the Strategy Manager from Accenture perceives some more formal types of ecosystems enabled by platforms and built around a multiple revenue model, where together with the fees received by the single entities, some other streams come from the ecosystem itself. Moreover, ecosystems are also mentioned by J. Jansson and in a way implemented in DigJourney's model. The firm wants, indeed, to build a scalable ecosystem for transformation. Thus, this phenomenon, even if not explicitly found in the theory, appears to be a more formal example of external forms of collaboration which can potentially disrupt the market, by leveraging upon partnerships and competencies' exchange through solid networks.

A last consideration concerning external forms of collaborations identified both through the literature and the empirical findings concerns the knowledge networks. In fact, within the theoretical framework, collaborations are perceived as important to enable knowledge sharing and co-creation among consulting firms. One can say that the forms of networks and partnerships are enablers of knowledge building and sharing. At the same time, some companies interviewed have underlined the significance of knowledge networks. S. Book, for instance, even if does not see forms of collaborations when delivering the service, highlight the fact that Effort is involved in a type of knowledge network within a community of actors interested in sustainability, which is the main focus of his company. Also, a similar view is provided by J. Thorngren, who discusses about the importance of knowledge exchange by networking with other people and realities. This is strengthened by Pollen's incorporation in the Vinn-group, which allows the firm to collaborate and work with others, especially concerning the knowledge generation. Thus, the knowledge network external form of collaboration seems to be increasingly important in an industry where the speed of change is rapidly augmenting, and the complementation of different competencies appears to be important to deliver a

proper service to the client. Furthermore, while some firms, as also according to the theory, does not have particularly formal knowledge networks, others, such as Effort, seem to have access to more formal types, which exist to share and co-create knowledge in specific areas. In this regard, there are also some organizations which build so called “Alumni Networks”, essential to maintain positive relationships with the previous employees for instance. These are identified in the theory but also by firms such as DigJourney, which sees them as a way to increase the value for their certified consultants.

One last model which has been detected in the theory but did not have any explicit response in the empirical findings is the Virtual Consulting Model. This, according to the literature, should consists in an online network based on a digital platform which enables a virtual type of consultancy. Notwithstanding its potential disruptive force in the theory, none of the respondents has mentioned any setting similar to that, questioning if this might still be a too early stage to talk about this kind of service. However, when widening the view to the adoption of new technologies by consulting firms and their awareness and interest in the phenomenon of digitalization, some initial roots that go towards the implementation of innovative models, such as the Virtual Consulting, seem to be there.

6. Conclusions

After the analysis has been developed in the previous chapter, comparing the theoretical framework with the insights gathered through the interviews, the main findings and conclusions can be outlined.

It appears that the management consulting industry is facing some relevant disruptive and non-disruptive changes and transformations, and some are still to come in the future. In this regard, it is fundamental to universally understand the concept of disruptive innovations. These indeed are interpreted in various ways both in the literature and as deduced from the empirical findings. More precisely, to proceed with the analysis and avoid generating confusion in the reader, an overall perception of this phenomenon has been provided by the author, highlighting two main interpretations: the pure disruptive innovation and the alternative interpretation of disruption (see section 2.1.3 and **Figure 3**). These diverse definitions make increasingly difficult to address this phenomenon as applied in the consulting business. However, some interesting results have emerged through the research and analysis.

What has been found is that consulting companies have different ideas of what a disruption is. This applies also when they present their opinions regarding how they disrupt the market. Indeed, almost every firm perceives it is disrupting the branch in which operates in a way. However, these arguments are connected with their unique view of disruption, which cannot be always generalized. What can

be said is that the common thread is the perception of disruption as a type of radical innovation and transformation, therefore as a phenomenon that cause rapid transformations and changes the traditional way of operating through new models and approaches. This is connected with the definition of “alternative interpretation of disruption”. In fact, it emerged that companies have a wider view of disruption compared to the one proposed by Christensen, but still, they often differ from each other, making difficult to outline a universally accepted definition.

It seems it does not exist a straightforward view of the concept of disruptive innovation and companies see it from different perspectives and angles, by defining it in various and not always similar ways. However, their proposed view is always broad and more connected, as mentioned before, with radical transformations which dramatically differ from the status quo of the industry. Hence, they seldom discuss about phenomena such as low-end or new-market disruptions (pure disruptive innovation). This suggests that consulting firms are adopting a wider view of disruption when thinking and talking about it, approaching the several theories which enlarge the one emphasized by Christensen. Thus, even if some phenomena related to low-end disruptions have emerged through the study, as will be seen in the next paragraph (when talking about “*Disruption is coming from small companies targeting ignored customers*”), the consulting firms involved in the study, together with the main theoretical findings, are more in line with the “alternative interpretation of disruption” hinted by the author as a combination of different theories which see disruptive innovations from a broader perspective.

Notwithstanding these existing different views of the concept, both within the theory and the practice, it emerged from the study and the analysis of the main findings that the management consulting industry is threatened by disruption coming from various angles and under different organizational forms, both internal and external ones. These lasts constitute the main findings of the overall work and will be outlined in section 6.1.2 (internal forms of organizations and external forms of collaborations leading to disruption). This second part will answer the main research question outlined in the beginning of the work and will constitute a structured guide to be aware of what is currently happening in the management consulting industry and what will potentially happen in the near future in terms of disruption of the sector. This will be then flanked by some practical recommendations from which especially consulting firms, their partners, final customers and potentially also other professional service providers could benefit from, by giving some interesting inputs on how to rethink the overall consulting industry and the services provided.

6.1 Answering the Research Question

The objective of the study has been that of investigating if and how new internal forms of organization and external forms of collaboration can lead to disruption in the management consulting industry.

With this in mind, the author has formulated one main research questions, accompanied by two sub questions, which are displayed below and addressed in the next paragraph.

6.1.1 Disruption in the management consulting industry

The research question has been built as follows:

RQ: To what extent can the management consulting industry be disrupted?

Sub questions:

- *How can internal forms of organization lead to disruption in the management consulting industry?*
- *How can external forms of collaboration lead to disruption in the management consulting industry?*

A first response to the question is that it emerged that the threat of disruption exists in the management consulting business and it is fueled by some key aspects highlighted below, related with both internal forms of organization and external forms of collaboration of consulting companies. These are enabling different disruptive paths to arise from several angles and through diverse forms, making the industry vulnerable to the disruptive wave.

Through the study it appeared that disruption in the management consulting industry can be driven by new internal organizational forms and external collaborations, which arise as a consequence of overcoming new challenges and rethink the delivery of the service together with the interaction with clients and the way the company operates. In this regard, while specific types of organizational forms and collaborative models will be outlined later, it can be said now that those appears to be strategies to both disrupt the market and face the disruption coming from different angles. Indeed, these relate with finding new solutions in order to be more agile and flexible in providing the service to the clients by working with them to create new values and build strong relationships leading to win-win results. This is then flanked by new forms of revenue models which are built in more sophisticated ways and more in line with the requests and needs of the clients, who are stimulating disruption on their side by transforming their buying behaviors and perceptions on what they actually need from management consulting companies. Further internal organizational forms come from the need to go from the use of obsolete business practices and human labor to more innovative and automated processes which can, in turn, decrease the current excessive utilization of human labor in activities, such as the data analysis, which can be better performed by new technologies, such as AI and machine learning. At the same time, new collaborative forms allow the creation and sharing of new knowledge and the integration of various competencies which, then, can become the leverage of new networks to deliver

innovative services to the clients better matching their needs. Moreover, some more insights around the extent of disruption within the consulting industry refer to the following arguments:

Disruption is coming from the consulting firms' framing: For what concerns the internal forms of organization, this phenomenon is taking shape through as early as the identification of the same consulting companies. This means that several consulting firms are not labelling themselves management consulting companies anymore but offer that type of service. This can be seen by looking at how the various firms recognize themselves in the market, ranging from the typical label of management consulting company to innovation consulting companies to transformation consulting companies and the list goes on. This relates to a concept highlighted by one of the firms interviewed (the big blend), which explains how the most various firms, from communication to design thinking, are now participating in management consulting projects. This creates a disruption intended in a broader sense (alternative interpretation of disruption) in the perception of who is actually delivering that type of service and who is not. Consulting companies might be confounded by which their competitors are if they cannot differentiate which type of offering they provide.

Disruption is coming from new revenue models: Through innovative business models companies might disrupt the market by transforming the revenue models going from the traditional billable-hours model to more recurring types of revenues, value-based and subscription fees. Also in this context, the disruptive forces are more connected with the alternative interpretation of disruption, since the revenue model innovation is implemented by different firms (both incumbents and newcomers) and might be considered as a revolution of the entire business, not necessarily leading to low-end or new-market types of disruption. The Revenue Model Innovation is indeed a major argument identified through the study which implies that clients are reevaluating how they should pay for the provided services. It appears the traditional model based on fees per hours is going to an end to leave the room to more sophisticated price models which enable to strengthen the relationships with the customers by working on building a type of partnership with them instead of seeing them as clients to be served. In this respect, some internal forms of organization based on these more innovative revenue systems are highlighted in the next paragraph.

Disruption is coming from small companies targeting ignored customers: An additional consideration arising from the research refers to the strategy adopted by newcomers and startups which, at first, target ignored segments of the market, to then scale up reaching the upper part and stealing the mainstream customers to the large incumbents in the business. This path is the one explicitly emphasized by Christensen (pure disruption), who refers to it as low-end disruption. This was not mentioned during the interviews if not by some seeing a great potential in smaller more agile and

flexible companies. However, what might be deduced in a more implicit way is that, as the long-standing businesses in the management consulting industry have been doing over time, also some of the interviewed consulting firms have as the main customers a majority of medium and big organizations, with someone working also with some startups. This is strengthened also by the concept of deal size, where the organizations prefer closing deals with large clients and invest on them since the costs connected to time, resources, and efforts remain similar disregarding the size of the firm. Therefore, it looks like some opportunities are still present for newcomers entering the market, which might target smaller and more ignored customers, leveraging on them to then scale up reaching the mainstream market. Even if this is not a phenomenon which happens quickly, some possibilities seem to be there, leaving space for disruptive opportunities intended in Christensen sense (pure disruption).

6.1.2 Internal forms of organizations and external forms of collaborations leading to disruption

To better address the main research question of the study, two sub questions have been outlined in the beginning of the work:

- *How can internal forms of organization lead to disruption in the management consulting industry?*
- *How can external forms of collaboration lead to disruption in the management consulting industry?*

These have enabled the author to build a framework with the most potentially disruptive internal forms of organization and external forms of collaborations which have been identified. These can provide a more precise answer to the question by highlighting how they can lead to disruption in the industry.

In particular 9 key settings have emerged throughout the research:

Self-disruption: Especially big firms are building new units which have some level of freedom and independence from the mother company. These are being created with mainly two objectives. The first one is to face the disruption arising in the market by implementing new more flexible and agile departments able to better match specific needs of the client. The second one relates to the disruptive power they have: this means that these centers are not only passively fighting against the phenomenon of disruption, but they are actively disrupting their sector offering more specialized and proper services to the customers, and thus limiting the opportunities for newcomers to tap into their market segment. Moreover, the disruption forces arising in this context relate to the pure disruptive innovation of Clayton Christensen, since he highlights how the process of self-disruption works.

Hyper specialization: A great number of both big and small firms, but with a preponderance of these lasts, are increasingly striving for specialize their range of services, by mastering their methods, approaches and strategies in specific areas and niches. What can be extrapolated from the analysis, indeed, is that especially smaller companies seem to provide a more focused type of service, going from fields such as sustainability to innovation and IT. The disruption, related to the alternative interpretation proposed by the author, comes not only thinking from the organization' side, but also by looking at the customers' one. Indeed, as previously mentioned, they are changing their buying's behaviors: it appears they are asking for specific competencies which are difficult to find in only one company and, thus, they combine the skills and expertise of different consultants to have the service they need. This is one of the reasons why some consulting firms are focusing on specific niches, becoming increasingly skilled in what they offer and by complementing their capabilities, when needed, through partnerships with other organizations.

From Solution Shops to Value-Added Process: The transition emphasized by Christensen (which can be included in the concept of pure disruptive innovation) does not have straightforward confirmations from the empirical findings. This notwithstanding, a certain level of standardization of the service going from solving problems of an unknown scope towards those with a more defined objective is arising in the consulting industry. Some companies are indeed working towards the implementation of new models based on selling solutions instead of hours to the client. By embarking in such strategies, they are meeting new diverse demands of the customers by increasing the modularization of the processes and also, they are moving towards value-based approaches, as compared to hourly based ones.

Revenue Model Innovation: One of the most disruptive internal organizational forms comes from the revenue model of the specific companies. Indeed, the most traditional one identified in fees paid per hour (billable-hours price model) has been increasingly threatened by new more sophisticated systems. These are connected, for instance, with multiple revenue streams coming from selling solutions and packages at a fixed price, which is not anymore linked to the hours worked of the consultants. More precisely, some consulting organizations are selling packages to the client which includes various services inside at a price which becomes more connected to the result and value of the same, instead of being related to hours. Also, firms are implementing revenues systems based on subscription fees. It means that clients pay a fee per month/year and they have access to the services of the consulting entity. What seems apparent is that with this approach the organization is building a long type of relationship with the client, by becoming more a partner than a service provider. It is emerging, as mentioned before, a more value-based type of model which connects the price to the value the firm can receive from the consultant. As mentioned before, in this case the idea of the

alternative interpretation of disruption suits best since it is not strongly connected with any of the disruptive paths emphasized by Christensen (pure disruptive innovation).

New technologies adoption: A further field of interest concerns the disruption coming from the adoption of new technologies by both the client and the consulting firm. It seems that technologies such as AI and machine learning are being incorporated among various companies in diverse industries. These, however, are in need of support for building strategies and implementing new approaches based on these new tools. Thus, this seems to be one of the next areas in which consulting firms should look into since they need to understand and learn how to handle new technologies and their organizational implications. At the same time, the same technologies appear to have the power to disrupt, in the broader terms of the alternative interpretation of disruption, some aspect of the consulting business. Indeed, AI and machine learning might optimize the analysis' activities, which are a large part of the consultants' work, by automating these processes and innovating these business practices. This leads employees to focus in more innovative thinking and activities. Therefore, consulting firms' disruption could arise also by implementing new systems incorporating these emerging technologies in the business model by balancing it with the human labor. At the same time, an increasing adoption of new digital tools and strategies fueled by that might lead to the creation of the extreme model of *Virtual Consulting*. This last, indeed, may be the direction towards which consulting companies could look at, with the aim to digitalize their service and way of interaction with the client in a more virtual type of contact and work around the project. As a consequence, the achievement of such a model could also become the basis for an *Instant Consulting* type of service, in which the consulting company would be able to provide faster support and results to the client, for instance by working remotely through digital platforms flanked by sophisticated revenue models, as discussed before.

Mergers and Acquisitions; Ecosystems; Facilitated Network; Knowledge Networks: To both face the disruptive wave and exploit it, it emerged big companies are implementing *M&A strategies*. These are relevant to increase the competencies especially in niche areas by acquiring boutique firms, such as the ones operating in design thinking or specialized in the adoption and development of new technologies. At the same time, especially through mergers, organization can co-create and share new values and knowledge by enlarging their capabilities and service provided. The disruption in this case comes both from the alternative interpretation of disruption and the pure disruptive innovation of Christensen. The former since it concerns both the increase of companies' specialization in specific fields and it reflects a broader view of disruption related to the creation of new values to the client; the latter because it can lead to the creation of new markets not existing before (new-market disruption).

Connected to this, even if related more to the alternative interpretation of disruption, is also the concept of *Ecosystems*. It seems that companies are going from competition to cooperation, by creating value added through their collaboration and partnership in ecosystems. Indeed, the disruptive impact of this concerns the capacity of consulting firms to complement each other's competencies and services by delivering better offerings to the client and be able to match their needs by adapting their strategies, services and approaches accordingly. One can see an ecosystem as a single entity operating towards the customer's demand, by integrating a revenue model which enables to receive an income both from the client and from the ecosystem. This can also be connected with the previously discussed transition going from the Solution Shop Model to the *Facilitated Network* (pure disruptive innovation), which is related with this mentioned type of ecosystem. More precisely, it enables an exchange of resources across it facilitated by a revenue model built upon fees paid to the system or network, which then pays the consultants within it. Also, it is not excluded that such platforms, ecosystems and networks might be supported by the emerging digital tools and new technologies that are entering the market. Indeed, these types of collaborations can rapidly evolve by the adoption of AI, machine learning or digital means which may revolutionize the way companies and clients interact and work with each other, by creating more virtual places in which collaborate and create value.

Finally, also *Knowledge Networks* are emerged through the study as places in which innovative thinking and general knowledge is shared and created. Even if these are not seen as a proper external disruptive form of collaboration, they can contribute in generating new ideas, strategies and approaches leading to disruption both according to the idea of pure disruptive innovation and to the alternative one. Thus, it is interesting to look at them as a resource of knowledge and potential disruptive thinking if managed in that way.

6.2 Implications

The study aims to provide some guidelines for management consulting firms with respect to the upcoming and already existing threat of disruption. Indeed, it can help the companies to pinpoint which are the main disruptive forces happening nowadays in the consulting industry, the ones that will materialize in the future and from where they are coming. Consulting firms should indeed be aware of this in order to build some defensive or also proactive strategies exploiting the new opportunities emerging in the business by trying to incorporate some key aspects in the business model augmenting its disruptive force. An akin reasoning might be applied for other professional service providers given the possibility, in some cases and depending on the service delivered, to generalize these findings and the following recommendations to these types of companies. At the

same time, partners of consulting firms operating in the knowledge creation area might benefit from the research by gaining some interesting inputs concerning the internal and external disruptive paths companies might take and building some new knowledge upon that. This in turn could have consequences in generating new disruptive ideas to be applied. Lastly, end customers might be interested in the findings since, on the one hand, they can adopt some similar techniques in their businesses if applicable, such as the revenue models or the collaborative forms. On the other hand, they might be able to understand where the consulting industry is going and what they can expect in terms of different services or approaches, rethinking about their needs in terms of consultancy services. In this regard, the author has developed some recommendation for the readers which can be found below.

6.3 Recommendations

After the study has been developed and the research questions have been answered, the following recommendations aim to provide some useful and practical insights to the reader.

The first one relates to better understand what disruptive innovation means and how it can be identified. This means consulting firms should research upon the definition of the concept to see when an innovation can be recognized as disruptive. This is essential since it can give organizations additional innovative ideas for their business and strategies in an attempt to always better accommodate customers' needs. It can also provide the needed basis to discuss about this phenomenon given its rapid development both within the industry and in the business landscape in general.

The second recommendation relates to the label companies give themselves. Consulting firms should maintain a wide view and an open mind with regard to what is happening around them. In particular, when looking at their competitors, they should not only refer to them as the traditional management consulting companies anymore, but they should also consider different firms which recognized themselves with different names (such as communication, design thinking, innovation companies and so on) but offer the same or similar service delivered by management consulting organizations. A third recommendation connected to this and to the need to maintain an open view refers to the necessity for consulting firms to be cautious of ignored segments of the market. A suggestion is to analyze which customers in the industry are put apart and not considered as targets by more traditional consulting firms. At the same time, companies should be vigilant and be aware of newcomers emerging in the market and targeting low-end clients usually ignored. This is important since it is from here that a great number of disruptive forces take shape and by dealing with it, firms can avoid any major surprise in the market.

Given the disruptive phenomenon hovering over the management consulting sector, a fourth recommendation is that of becoming aware of the main disruptive forces in the business and the new strategies and business models emerging as a consequence. In particular, firms need to rethink about some of their practices, if those remain too vulnerable from the disruption threat. Two key arguments relate to the transformation of the billable-hours price model in a value-based one and the implementation of new technologies within the company, in an attempt to achieve new business models fueled by those, such as for what regards the Virtual Consulting. This is important so that the company can take some proactive actions towards achieving a more innovative and potentially competitive business in an industry that is rapidly facing crucial changes.

A last recommendation is to change the traditional angle from which consulting companies think and build strategies by shifting from a company-based view to a customer-based perspective. Indeed, it is from the clients that several disruptions and ideas might arise, since they are the ones who receive the service. Thus, it is crucial to dive into discussions and meetings with clients and partners to reason around what is working smoothly and what might be changed to better match the customer needs, both facing and exploiting the phenomenon of disruption.

6.4 Future Research

The phenomenon of disruptive innovation still remains difficult to identify in a universally accepted way and it is composed of different types of innovations and strategies which need to be seen from diverse perspective. Thus, the author has provided some suggestions for future researches that might be developed in this area. Those are highlighted below.

Firstly, given the misunderstandings around the phenomenon of disruption and, especially, the different theories contrasting or enlarging the one emphasized by Clayton Christensen, an interesting subject could be that of understanding if the Christensen's definition of disruptive innovation still holds. Indeed, through the study and the analysis, it seems that a great number of actors and academics see disruption in a much broader way than that proposed by Christensen. It also seldom happens that companies refer to his theory when discussing about the phenomenon. In this sense, an interesting input might be provided by G.M. Schmidt and C.T. Druehl (2008: p.347) with the statement: "*A disruptive innovation (i.e., one that dramatically disrupts the current market) is not necessarily a disruptive innovation (as Clayton Christensen defines this term)*". An additional point in this regard could be that of widening the view by studying disruption from the practitioners' side through a qualitative research of how the phenomenon can be identified and how it is recognized by them, as compared to the academics' viewpoint.

Secondly, through the research, some other internal organizational forms and external collaborative forms have emerged besides the ones outlined when answering the research questions. However, given the limited time frame to develop the work and consequently the limited number of interviewees in the study, some of them have not been identified as imminent potential disruptive forms. Thus, the author suggests implementing a deeper analysis especially with regards to the Continuous Consulting Model, the Instant Consulting and the Virtual Consulting models. Indeed, within the theory these organizational forms seem to have potential disruptive impacts in the management consulting industry. A suggestion is to dive into a more extensive and deep type of study, by, if possible, identifying highly innovative companies to then follow them during an extended period of time to see if any major changes related to the mentioned models arise. This might be interesting to pinpoint additional disruptive paths for consulting firms.

Connected to the previous argument, a further path that might be developed concerns implementing a quantitative type of analysis, amply enlarging the studied sample, by including as the main variables of the study the previously highlighted internal forms of organization and external forms of collaborations to see their adoption in different consulting companies. This may be of great interest given the increasing adoption of some of these approaches by consulting organizations and might lead to relevant findings concerning the rate of disruption in the sector based on the analyzed models.

A last additional research related to the developed work might be that of understanding how the level of control (hierarchical structure, employees' freedom and responsibilities, level of trust among colleagues) in big and small firms might impact the degree of disruptive paths and strategies implemented by the same companies. Indeed, it emerged from the empirical findings that the interviewed smaller firms have a low level of control in their organizational level, while the considered bigger firm has a more rigid structure related to the position in the company. Thus, it may be of interest to qualitatively see if this aspect within the firm' structure has implications in its ability to disrupt the market or endeavor in disruptive activities.

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Appendix

Appendix 1 – Interview Guide

Company's organizational level

- Would you label your company as a Management Consulting company?
 - Why yes or why not?
- How can you briefly explain the structure of your company?
 - Do you think is it highly or low controlled?
 - Do you think is there a principle of high or low hierarchy?
 - Do employees have high decisional power and responsibilities?
- What do you think is your most valuable asset?
- How is your revenue structure organized?
 - E.g.: Are you paid per hour or for the service?
 - What do you think about your consultancy fees?
 - E.g.: are them in line with your competitors?
- Which are your main customers? (E.g.: big firms or small firms/startups?)

Company's networks

- Does your company usually cooperate with other firms?
 - Do you think is there a high or low level of trust with the companies involved?
 - Which kind of relationships do you have with them (long/short term, strong/weak relationships)?
 - Is your company in a specific network of other firms or have fewer formal relationships?

Innovativeness within the company

- What are your thoughts towards the concept of innovation in the firm?
 - How do you perceive innovation?
 - What does it mean for you?
 - How do you think is the degree of innovation within your firm?
 - Is your firm working to pursue innovation in its processes/services or similar? How?
 - Do employees have enough power to suggest innovations themselves? Why?

Disruptive innovation

- What are your thoughts towards the idea of disruptive innovation?
 - How do you perceive it applied in the consulting industry?
 - How do you perceive it applied in your company?
 - Do you think your company can disrupt the market?
 - If yes, do you have any idea how it could do that?
- Do you have ideas around how the consulting industry could potentially be disrupted?
 - E.g.: could it appear through firms' innovative collaborations, new business models, small innovative companies or other platforms?
 - Do you have any example?

Appendix 2 – Introductory mail text sent to the companies

Good Morning / Evening,

I am an Exchange student in Management at the University of Gothenburg, and I am currently writing my Master Thesis. I received this contact thanks to Per Östling and it would be extremely valuable to have an interview with you, if that is possible according to your schedule. The thesis broad idea relates to analyze some different forms of consulting companies to understand if and from where a disruption in the industry might appear or if it is already ongoing.

In the attachments you can kindly find an interview guideline so that you can look at the main questions I would like to ask you. If you are able and interested in participating let me know some potential time slots in which you could be available.

Best Regards,

Luca Anedda