

The role of ‘sector knowledge’ in client-consultant relationships: a comparative case study¹

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INTRODUCTION

Valuations of the knowledge possessed by management consultants cover the spectrum from positive to negative. Some researchers emphasize knowledge that produces powerful solutions for clients and dictates trends in global corporate fashion; for others ‘consultant knowledge’ is almost an oxymoron. Perhaps the reason why approval swings so irrationally is because its terms were not meaningful to begin with. In seeking an alternative, this paper identifies a form of knowledge that emphasizes credibility without claiming unrealistic status for a group like consultants. The argument focuses on consultants’ outside expertise and in particular consultants as *sector specialists*. An important part of the appeal to the client, it is suggested, derives from the sector knowledge they accumulate from repeated assignments in the industry where the client organization resides. However, we also see ‘the sector’ as a knowledge formation in its own right and the construction of sector knowledge as complexly.

In wider organization theory ‘the sector’ has been something of a Cinderella concept. Perhaps because of other focuses in organization studies (the marketplace, networks or industries), the notion of an external structure of bodies to which managers orient decision making has received only sporadic attention. Nevertheless, its promoters stress the importance of the arena in which firms operate as a formation in the minds of managers. The sector represents a set of coherent boundaries, more relevant to managers than vague ideas of markets or environments, and hence relevant too for consultants as a client-dependent group. The industry sector where rivals and competitors operate is the source of vital information about technologies in use and networks of contacts, and intermediaries who bring news of this are crucial figures. For ‘outside experts’ like consultants, we might well conceive of their expertise having a component of sector-based knowledge. Their expertise claims are helped by being bedded in experience of solutions and problems in a particular industry grouping; the sector specialist claims to bring benchmarking-type judgements, and knowledge configured in this way enables consultants to play the role of outside expert *and* draw on a language and experiences held in common with the client.

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The role of consultants as sector intermediaries is explored in the paper through four case studies in UK organizations. The cases were of a small-scale local building society, a large metropolitan local authority, a global company engaged in retail, distribution and production, and a prison. They provided significant contexts for sector-based interaction. In the first three consultants used sector experience for framing their understanding of the client problem; in the fourth case (the prison) the consultants were not sector experts and we were able to examine knowledge legitimation in the absence of sector experience as a context for knowledge.

The paper explores consultant sector knowledge from two distinct angles. First the process of knowledge construction focused on how consultants utilize this form of expertise in decision making and how they solidify it to support claims of legitimacy – how expert knowledge translates into action. Consultants construct their appeal to the client through various kinds of special knowledge. Perhaps the most obvious (or ‘professional’) involves mastery of some technique or area of abstract skills; consultants also build occupational identities around the more esoteric skills of rapport and divining clients’ problems. However, ‘sector knowledge’ represents a kind of summation of experiences of past projects and the experience of problems and solutions in a particular sector represents another way both of framing clients’ problems and claiming special skills. The second angle focuses on ‘the sector’ itself viewing it as a separate institutional space. Here client firm dynamics can be seen as not simply constrained by pressures from sector rivals but as being negotiated with external networks. This approach suggests that the ‘simple model’ of the consultant as outsider who brings privileged knowledge in (and, implicitly, the client as insider) needs greater nuance. Before looking at the empirical material a framework for these twin aspects of sector knowledge will be developed.

CONSULTANT KNOWLEDGE AND SECTOR KNOWLEDGE

Sector knowledge as an element of expertise is developed partly within consulting firms and ‘extracted’ and formalized as a collective knowledge type. Consultant firms, particularly larger ones, have been regarded as ‘knowledge systems’ (Werr and Stjernberg 2003) for generating new management ideas, frameworks and fashionable models, and part of this knowledge-fabricating activity involves the development of sector know-how in trainee consultants. As an example of modern knowledge-intensive firms (Alvesson 2004), the big agencies tend to have structures that combine a range of bureaucratic, functional and disciplinary aspects – but these complex organizational designs also have arrangements of industry and sector-based concentrations of activity. Consultants are groomed within these structures, and given experience of related groups of clients, before moving on to other kinds of experience. Individual consultants capitalize on such experience by targeting this knowledge.

In the work context, experience accumulated around particular client groups contributes directly to tradable knowledge. For a sector speciality to develop, knowledge comes through repeated assignments and extra-project contacts with the main sector players and their technologies and networks. For consultants the sum total of interaction over a group of related clients has been shown to equate to this sector-based experience. For example, Fostenlokken et al. (2003) highlighted the importance for consultants of learning from

clients and joint project teams. Client interaction seen as a form of knowledge development reverses simple assumptions about knowledge transfer in client-consultant relationships being only an expert-to-client flow. These researchers point out that having 'good clients' was a major factor in consultants' development and was rated more highly than conventional cognitive forms of learning. Such alternative knowledge sources and formations represent 'weaker' forms of know-how that are reliant on esoteric skills and sensitivity to client needs, yet they may provide relatively stable combinations of cognitive knowledge and practical abilities.

However, while management consultants may be well-placed to acquire outside knowledge in these ways, boundaries are not rigid and clients too will have knowledge of their markets and industry sectors. Knowledge construction in this more critical sense has been described by institutional theorists in terms of interaction between internal and external actors and the networks that cross firm boundaries and serve as information channels (Suddaby and Greenwood 2001). Simple ideas of sector evolution may argue for convergence between firm level competencies and structural constraints, but there are many uncertainties of emerging sector recipes (Whipp and Clark 1986). Client managers certainly seek to understand the world in terms of constructs shared at sector level, and institutional knowledge of this sort is often a touchstone in decision making. But the path they seek lies between 'sector determinism and unconstrained volition' (Child and Smith 1987:371) and they engage in active rather than unreflective learning from rivals and other sector actors. In other words, these researchers suggest, sector recipes guide and do not determine action, and a given course of action will reflect pooled sector knowledge considered in a wider context of internal needs.

Sector knowledge thus needs to be conceived in some senses as an object-under-construction between internal managers and outside experts. This kind of know-how is subjectively defined insofar as 'the sector' is what client and consultant says it is, i.e. the sum total of relevant actors, groups, organizations and contacts that managers and consultants perceive and define. Of course, this has an objective aspect, as there will be actors and groups that any client or consultant in a particular industry is constrained to recognize. But still the possibilities of variation in knowledge and perception mean people may share or dispute views of what knowledge of the sector means, and what is deemed relevant or irrelevant, so that knowledge is pragmatically constructed. As already indicated, a simple model of knowledge flow is not the whole story, and there will be limits to notions of sector knowledge being owned solely by outside mediating groups, as well as notions of knowledge guiding action in some unreflective mechanistic way.

THE CASE STUDIES

Sector knowledge was studied via the case studies in the following manner:

The building society

The first case study was a regional UK building society that was buying in a new computer package and the consultants were from the software house supplying the technology. This was a replacement for the society's computing infrastructure and the

platform for its entire product range. The research focused on the steering committee that kept senior client management informed of progress in installing the package.

The local authority

Here the consultants were one of the so-called Big Four IT/consulting firms and were developing a procurement model for buying in staff used in supplying council services (home help, administrative and professional staff etc). The project was part of a larger 'e-government' agenda and the focus was on the supplier interface with various agencies from which contract staff were employed.

The multinational

The client in the third case study was the strategic planning unit of the multinational and the consultant was a well-known strategy firm; the project involved the early phases of the main strategy cycle for the business where the emphasis was on creativity and ideas generation, though data models for the various businesses had to be developed.

The prison

In the prison, a small consulting firm assisted internal prison staff in a benchmarking exercise that was part of a government-driven performance review. Distinctively, the consultants had no prisons (i.e. sector) experience and were selected using broader reputational criteria.

Four cases are not a sample but they provided a breadth of examples illustrating some of the main forms of consulting (change management, strategy, IT) found in contemporary business services. They illustrated underlying aspects of the role of sector knowledge in consulting, such as examples of where such knowledge was intensively used and limiting cases where it was diffused and even absent; they also provided examples of contingent factors, such as power and its interaction with sector know-how. The cases firstly dispel any simple notion of the consultant as a figure in sole possession of privileged outside knowledge. This image fits none of them. In the building society, there was a strong element of sector specialization in the consultant team represented by a 'client relations' consultant. But even here client managers possessed wide ranging knowledge of other societies' doings. In the local authority case, the client-consultant project team also debated at length what other councils were doing, particularly in relation to uncertainties about the basic model of procurement they should adopt. But it would be hard to say which side brought more to the table. In the multinational, sector knowledge appeared the most ambivalent; here the power position of the client came most to the fore, and the client effectively suppressed consultant attempts to trade off their sector know-how. The prison was our limiting case of absent sector knowledge on the consultancy side. Here knowledge transfer revolved more around specialist skills (mainly project and financial management) and the consultant was had only wider public sector experience rather than anything specific to prisons.

Thus if we were to draw up a 'scale' of the extent of sector knowledge in circulation in the case organizations, in descending order it might look like Table 1. Certainly sector knowledge was used more or less intensively. In the prison, consultants started with no

knowledge of the sector which led to initial apprehensions from staff insiders about their suitability for the work; at the other end of the scale, in the building society, client and consultant were almost part of an extended family of local societies which seemed to exchange information about each other constantly. But these aspects are only useful as a starting point and there was no sense that levels of knowledge in circulation led to simple functional outcomes.

The building society	The sector a coherent ‘peer group’ reference
The local authority	Consultant and client both claim significant sector knowledge
The multinational	Sector knowledge is absorbed and mediated
The prison	The consultants start with no knowledge of the sector

Table 1 Levels of sector knowledge

ROLE OF SECTOR KNOWLEDGE

Of the four cases, the building society probably best confirms the importance of seeing an aspect of consultant knowledge constructed in this way. In part that is because the sector here was a close-knit group of regional organizations that was intensely ‘present’ in discussions about the new IT system. Senior managers spoke of being ‘building society people’ and knowing managers from other societies on personal and professional terms. The sector comprised an almost moral sphere of action. Respondents saw managers in other societies as a peer group and identified a network of channels and institutions like the IT user groups and the family-like relations between managers. Within the building society community, we were told, ‘word gets round’ and that the community was a ‘kind of discipline’. There were many factors of affiliation and conformity over and above purely technical or market pressures – managers simply did not want to look bad in the eyes of their peers. These were relatively collaborative groups formed among companies that were supposedly rivals in economic terms.

It’s an odd industry. It’s odd – building societies – and I never see it as strange but other people do. But some of the best friends I have work for building societies, and it’s just second nature to people. If I need an answer to something and we haven’t got it here, I’ll go to building societies I’ve got a contact with, and say how are you doing this. And they’ll tell me (Senior client manager)

In the second case, the local authority, the sector was invoked more intermittently. The consultants were investigating the supplier interface to the agencies from which temporary staff were employed. Here it was the agencies that were part of a competitive private sector connected by market rivalries, whilst what we might think of as the regular inhabitants of the industrial sector, the group of organizations similar to the client organization (other councils, in this case) were not competitively linked. Thus there were no direct information flows from supplying agencies and the consultants worked on internally-held data about contracts and payments. But how other councils tackled problems, and the kinds of deals they were obtaining from supplying agencies, was important information and was invoked to help internal decisions. A feature of this case not obviously present in the others – though commonly referred to in consultancy

literature – was an issue of clients being suspicious of consultant encroachment on their knowledge. Normally this is assumed to be ‘internal’ market-sensitive knowledge, but it can also be aspects of sector knowledge. Thus the possibility exists of conflict over fractions of sector knowledge and client and consultant differentially valuing their access to the sector. In the local authority, the belief was that the consultants brought in conventional business skill, whereas because of the structure of local government, they, the client, possessed valuable sector knowledge the consultant wanted access to.

Under the normal project you’ve employed them [consultants] because you haven’t got that expertise, and therefore because of your knowledge gap you’re sort of the weaker partner. And that wasn’t quite the case on this one. We sort of started off with equal knowledge and on areas of public procurement we had more knowledge. I’d say it was 50/50 but there were certain elements of that about the structure of procurement within a local authority which was to their business advantage. (Authority manager)

Implied in the above two cases, then, are differences in the immanence and free circulation of sector knowledge. At least broadly a distinction could be drawn in terms of the intensity with which sector knowledge figured in decision making. In the building society we glimpsed the intricate structuring of an industrial sector. Comparisons were frequently made with other institutions, and information from them frequently sought. In the local authority, networking and contacts with other societies whilst considerable seemed less intensive. Council officers had good collegial contacts with other officers, but parochial and personal relations weren’t common (contacts tended to be formalized, such as visits to other councils), and there was a level of suspicion about how knowledge might be used by the consultant group.

In the multinational ‘outside expertise’ was of more indeterminate value. Consultants were developing operating models for divisions and areas of the business, aiming to identify new ‘lenses’ through which to view major investment/divestment decisions, and second-hand strategy from industry rivals was not what the client wanted. The client insisted that ‘war stories’ about previous clients should form no part of the justification for new strategic ideas. The consultant had to walk a narrow line: the client wanted to know what rivals were up to but these initial stages were about ideas generation. Power-dependency in particular added layers of uncertainty for the consultant. The multinational was a powerful client by any estimate; the strategy process was basically their turf – an established planning and investment round that the consultants had to adjust to – while the consultants were very anxious to establish a foothold in this level of work. Thus it still could not be said that sector knowledge was any less important even though it was submerged and diffused. There was a great depth of experience of the industry sector within the consultancy team and the client expected to draw on this knowledge and for it to be infused in eventual solutions.

In the fourth case study, the prison, the project was to assist the client in preparing a benchmarking review. This was in fact a formal bid document to government for improvement investment which covered a wide range of performance criteria. A small

consulting firm that had public sector experience (specifically in health) but none in prisons was selected, because the kinds of work they had done seemed to ‘fit’ the standards required in the bid, and partly explained why the lack of sector experience was deemed to be acceptable if not desirable. However, the case seemed to contrast with the other cases: the total lack of any insider experience in the consulting team meant that sector knowledge from their side played no role. Yet the project was successful – the transfer of project management skills, which were initially seen as alien to a prisons culture, did take place – and on the surface at least it undermines our basic thesis. However, there were significant contingent and explanatory factors that made this case in a sense an exception that supported the rule.

There was a strong emphasis on the client wanting specialist (rather than pragmatic) skills. This may have been making a virtue of necessity – in the selection process other consultants who had done this work in other prisons had not impressed the client team – but even so client managers kept stressing that ‘we were very clear about what we wanted’. They were not looking for implementation from the consultant and skills transfer to the prisons team was a big consideration – specifically skills in project management and financial analysis in planning and also to provide quality assurance. In this context, the rapport that developed between client and consultant, which took a long while to come good, probably has to be seen as contingent and uncertain. The consultants’ lack of prisons experience for some months did cause a rift; client managers disregarded a lot of the consultants’ ‘advice’ and reacted poorly to what they saw as ignorance of the pressures of running a prison. So although client managers became enthusiasts for these methodologies, this did not detract from the impact of the absence of sector knowledge.

Case and project	Relationship to the sector
IT systems implementation in a building society	<ul style="list-style-type: none"> ▪ Sector frequently ‘present’ in discussions ▪ Dedicated consultant a conduit for sector knowledge ▪ Links to sector players informal and personal
Improved procurement model in a local authority	<ul style="list-style-type: none"> ▪ Sector actively but intermittently discussed ▪ Links to sector players formalized ▪ Suspicion about consultant access to sector contacts
Early-stage strategy formation in a multinational	<ul style="list-style-type: none"> ▪ No sector contacts or experiences discussed ▪ Sector knowledge incorporated and mediated ▪ Client power displaced sector knowledge
Performance improvement in a prison	<ul style="list-style-type: none"> ▪ Consultant possessed no sector knowledge ▪ Emphasis on specialist not pragmatic skills ▪ Absent sector knowledge might have been decisive

Table 2 Role of sector knowledge

In the four cases, then, sector knowledge played different roles (Table 2). It seemed more ‘present’ in some client-consultant interactions and more ‘distant’ in others. Individual case dynamics revealed instances where outside knowledge was used in indirect ways rather than being fed directly into decision processes. And each case ‘narrative’ defined

other contingent factors that conditioned knowledge use – the nature of the project and what it was supposed to produce, the salience of power relations and the strategic significance of decision making – which all formed important contexts for the role of sector knowledge.

SECTOR KNOWLEDGE AND DECISION MAKING

In two cases in particular (the building society and local authority) the meanings and understandings created in discussions in project teams involving sector actors were directly instrumental in the skilful handling of work. Discussions could be seen serving an integrative function in achieving decisions. Consultants are often seen as outsiders talking a jargon alien to most managers (Kieser 2002). But a shared vocabulary that allows basic information processing to go ahead represents an essential basis of decision making (Carlile 2002: 443). In this sense, the insider language of firms is based partly on shared industry/sector knowledge, and knowing the sector helped consultants as outsiders to acquire a language in common with client managers.

Thus, in financial services IT is the core technology, as these are essentially information-processing industries, and in the building society case the systems project was the technology platform of the entire business. A language that combined IT functionality with the technicalities of the savings and loans business was the common basis of the client-consultant relationship. Similarly the procurement models of local government were embedded in the unique nature of local authorities as spending institutions. Distinctive concerns involved the contracts with vendors of temporary labour, the detail of labour markets, councils' spend and budgets and so on. In both these cases, a mass of detailed knowledge was familiar to managerial insiders and consultants.

In the prison, in contrast, no shared language existed and despite the fact that the client explicitly desired skills transfer, the reality of learning was difficult. There was much early tension over the kind of project-management 'jargon' that the consultants used, and terms and phrases were picked on by client managers as being alien to them and effectively symbolizing the rift.

Sometimes it's complete crap, isn't it? In the managerial process you can fall short on those things and just be more straightforward in terms of how you speak. But I think some things, like [the consultant] always talks about process and deliverables, and he says things like 'best in class' and stuff, and 'fit for purpose'. It just has no resonance, I think it has *very* little resonance. I mean fit for purpose isn't terminology I would ever choose to apply. But even the more neutral stuff that doesn't really jar isn't necessarily immediately understandable, I don't think, in the prison service (Client manager)

Integrated decision making, however, meant overcoming differences in deeper value systems. Innovative relationships require a process of interaction and common cultures to develop that create wider sympathies for each others' positions and priorities (Carlile 2002). In the prison, after an initial period of hostility, the beginnings of a more stable relationship between client and consultant were marked by stereotypes that were initially

sources of conflict (the consultant was deemed to be distant and 'difficult to love') being accepted and laughed about and above all client managers' accepting that the consultant had something to teach them.

I think it really helps bringing somebody in who really knows about project management. He just comes in and checks what you're doing and asks you some probing questions, because although that in itself is a sort of learned skill and you can probe yourself in that way, you just don't. You just don't get the opportunity to stand back, and even sometimes when we're justifying and explaining to [the consultant] what we're doing, that in itself is useful. Even though it's not necessarily progressing the work, I think it is a real quality check on what you're doing and whether we really truly understand what we're doing and why we're doing it in that way. (Client manager)

At the building society, as already briefly mentioned, as well as a project manager, the consulting firm was also represented by a specific client relations or account manager. It is common practice on large systems projects to have a 'commercial' consultant to look after contractual aspects as well as a technical consultant acting as project manager. The consultant responsible for client relations was deeply networked with other societies. He was effectively a specialist in sector contacts whose 'age and seniority' enabled him to get close to client managers, to cross seamlessly between work and social contexts and in particular to create wider sympathies for each other's positions and priorities. In this case, the main work of the planning committee consisted of reviewing the 'issue logs' which formally recorded progress and logged outstanding problems and queries. However, clients could get rather intimidated by this list of problems, and the client relations consultant tried to maintain a sense of proportion – in a way to keep spirits up – by comparisons with other implementation processes. Client members of the planning committee confirmed how the consultant used sector contacts and experience to bring the clients' perception of the problem in line with his own. Knowledge transfer from other societies meant the consultant could tell them what happened in this or that society, whether they had had similar problems and how they had learned from them. The strength of the consultant's contacts extended to 'even to actually give us a name to ring. You know, you actually talk to somebody and say, "Right, we had terrible problems with this functionality. How did you get round it?"' Rather than trying to persuade by force of argument, sector knowledge and contacts were more concrete and seemed to provide reassurance and common understanding.

Absolutely. I mean at the actual go live I think we did have something like 20 issues. It would be 20 things that came up that we needed to look at. And I think we've got them down to two now. But [the client consultant] said he almost wanted to bring somebody else's issue log to us, at go live period, just to show how little we had in fact... Obviously he couldn't because of confidentiality, but, yeah, they do bring that, absolutely.

Collaboration in decision making is often clinched when new solutions are identified or created (Carlile 2002:445-6). New practices within which knowledge is embedded and

invested almost by definition unite interests within interacting units in the process of being created. In our terms, sectors did not supply objectified knowledge (like a plan or blueprint) but examples of new understandings make the point that 'sector knowledge' was not only possessed by outside experts and mechanically 'brought to' the client, but could be co-produced. In all our cases, there was no doubt that sector knowledge was valuable as a decision-making resource. In the building society, for example, learning was tied to the computer package and directly applied. A common misperception of 'buying in a package' is that it is a self-contained process that involves little organizational learning. Yet this kind of technology transfer inevitable spreads new knowledge around. Client managers emphasized how much they relied on the consultants in the conversion process, when the data from their own systems was put into the new system. The process of conversion programming constantly threw up problems and issues and sorting through these, using the consultants' experience as an aid, brought the managers intimate knowledge of the new system and how it integrated with their working methods.

In the local authority, achieving efficiencies in procurement meant that a single set of bureaucratic rules had to accommodate some very different purchasing decisions and markets of supply. In this context, much uncertainty could be eliminated if they could decide beforehand on a particular principle of vendoring, so one of the central decisions, debated back and forth, involved the vendor model they should adopt. This represented a classic management dilemma (like make vs. buy, or centralization vs. decentralization) in that pros and cons, and the 'right' choice, were complex and contingent. In project meetings items of information were put together, like pieces of a jigsaw, to give a complete picture.

FIRM-SECTOR NEGOTIATION

While the sector served as a managerial reference point, it was not one that led automatically down the path of isomorphism. As already indicated, it was not a fixed object but in certain senses was being constructed and there was active learning from the sector. Justification might be derived for a course of action quite different from what another actor was doing. In terms of the complex rationalities that actors were guided by 'the sector' represented a field of activity where decisions and perceptions were shaped, but more active learning took place, indeed, was almost a necessity given the differentiation in firm-sector relationships. The existence of differences between the client organization and its context and other groups in the sector caused managerial decision makers to respond in ways that did not ape market and technology leaders; decision making was about actively 'reading' the actions of other players. Information on authoritative ideas was sought, but decision makers took on board differences that could lead to divergent strategic responses.

Managers in the building society certainly did not draw in any simple sense on this resource, nor did the consultants trade on it in an unreflective way. As already noted, external knowledge was by no means the sole possession of consultants. Senior managers in the society were themselves experienced industry insiders who could confirm or dispute sector information and rumour. The Chief Executive, for instance, had high level

contacts in the City and the Financial Services Authority and tended to be more knowledgeable about institutional constraints and statutory changes than even the consultants. In this sense, knowledge flow was not one-way traffic but insights from many sources had to be reconciled. Thus there were constraints on the ultimate relevance of outside knowledge. There remained a boundary between firm and sector and the firm itself was a practice that had to be 'respected' by consultants.

Every customer is interested in their own welfare, and I can't blame them for that. Obviously if I'm with the [X] or I'm going to the [Y] or I'm going to [Z] or wherever my customers are where I'm account manager, obviously yes, I take the knowledge of the other societies' experiences with me and share those where I can with the particular customer I may be with at the time. But, deep down, whilst they understand certain issues, and they talk to each other – and they do talk to each other. But whilst I'm with the [X] then it's the [X] I've got to concentrate on in trying to resolve any issues they may have at this particular time.

(Client relations consultant – X is the current client, Y and Z other societies)

In the local authority, though the intensity of knowledge transfer was less evident, neither were council officers aping the strategic actions of other groups when sector knowledge was imported. Here as we have said a central problem was the basic procurement methodology – this could be an in-house solution, or going to a favoured main supplier, or several different suppliers. Each had a balance of factors around control and efficiency. The consultants' reading of the sector was that there were many models out there, but that 'nobody's got it spot on at the moment'. A dominant choice did seem to exist in the shape of the favoured single supplier model.

A lot of them are keen on master vendor at the moment, understandably. Sets some extremely tight monetary-rewarded performance measures around some of the analysis and some of the things you want to get done. So the additional premium you're paying is going to be paid for by the better performance that you get (Consultant)

But they also leaned towards flexibility and had stories to support different choices. One council that was rated as a great success was much smaller than the client so this meant their model was less relevant; another that used the master vendor approach had apparently seen no benefit in cutting staff costs, yet another had obtained benefits but was deemed to have done this by tightening internal management and this approach was defined as unsustainable. In short, sector knowledge was being used almost paradoxically to restrain expectations of dominant sector recipes and keep options open. In this context, though the 'master vendor' model was as an emerging sector recipe, the alternative 'neutral vendor' model needed evaluating too.

In meetings a range of inputs from sector actors were suggested 'the things we're looking for for inclusion in contracts and how the neutral transaction should work'. These included another council which had outsourced to an agent using neutral vendoring,

a legal firm specializing in procurement contracts, and an important reference was the contracting group that acts as a clearing house monitoring local government procurement and which was believed to be using a neutral vendor model for a new round of procurement contracts. In all this, however, there were concerns about interpreting what information meant for internal decisions. There were doubts that models developed were ‘not pure neutral vendoring’, that the initiative under way at the contracting group may have got stalled, and so on. And this paved the way for consensus to emerge around going down their own route; a rationale was actively constructed that they needed to focus on what was best for themselves and that awaiting events elsewhere meant that nothing would ever get done. What this illustrates is the sheer uncertainty of much of this ‘knowledge’ and the ambiguities in the knowledge in circulation. Positions were often adopted or reinforced by a pooling of half-known facts and semi-certain events where coherence compensated for lack of objectivity.

CONCLUSION

In an activity like consulting, knowledge of the sector represented an alternative type of knowledge formation. As outside experts consultants possess disciplines and knowledge ‘external’ to managerial and client insiders, and our case material demonstrated the sector as being the construct around which much of this outside knowledge was formulated. In decision making it helped to provide a context for reaching complex and uncertain decisions – and much organizational work was involved in discussing and developing it between client and consultant. The cases showed instances of sector knowledge circulating continually in decision making – even its absence created difficulties that had to be surmounted before meaningful progress could be made. Knowledge of the sector was, moreover, actively negotiated across project boundaries, suggesting that the ‘simple model’ of the consultant as outsider, bringing news of the sector to closeted insiders, needed greater nuance. Certainly we saw that management consultants were well-placed to acquire this knowledge, but the boundaries were not rigid and ‘insiders’ also had ‘outside’ knowledge and vice-versa. Sector knowledge needed to be conceived partly as joint knowledge and ground where client managers and consultants interact.

Hence the sector can be seen as a knowledge construct not ‘known’ by one privileged party, the consultant, but developed in interaction. As a result, multiple knowledge sources, conflict over ownership of knowledge and uncertainty in decision making were the order of the day. In one of the cases (the building society) part of the consultant role was as a kind of ‘gofer’ whereby meetings would generate new information needed from sector organizations and the consultant often undertook to find it. For cases where sector knowledge circulated freely (the building society and local authority) a positive political function of sector know-how was evident; possessing this knowledge – having contacts, knowing the stories of events, analysing events for their relevance to current problems – was a passport to entry to decision making. In another case (the multinational) direct sector knowledge was a rarity; a powerful client effectively stopped its open expression thus denying the consultant a form of influence. The prison demonstrated that even identifying the relevant sector can sometimes be unclear; the document at the centre of the project was effectively a contract with central government and stressed wider public-sector skills rather than the actual industrial sector.

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