

# **Leading Professional Service Firms**

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## **General Description and Intent:**

Professional service firms (e.g. consulting, investment banking, law, money management, etc.) are playing an increasingly important role in the world economy. This course is designed to help participants learn how to create, manage, and grow professional service firms (PSFs). The purpose of this course is to help students discover what it takes to be an effective and successful professional whose fundamental job is to respond to client needs, develop business for the firm, and play a key role in helping firm to build key competencies. It therefore involves understanding the internal working and external environment of professional service firms. Towards this objective, this course will address topics related to organizational architecture, strategies, professional conduct, human resource practices, client relationship, business development, team work, and nurturing of key competencies required for managing a professional service firms:

The course employs primarily the inductive learning approach. The cases used in this course typically take a longitudinal perspective that follows professionals and their organizations over an extended period of time. Through case discussion, role-plays, and simulations, participants will be able to identify the sources of superior performance, strategic capabilities, and distinctive processes that sustain PSFs. They will also learn how PSFs react to change. The understanding of internal and external dynamics of PSFs will help participant to develop a knowledge base and mindset that is essential for succeeding in these organizations. The course builds on understanding of management concepts learnt in various courses in the first year and provides participants an opportunity to create a practice platform for their learning.

## **Learning objectives:**

During the course the participants will have the opportunity to learn the following dimensions of managing PSFs.

1. Gain knowledge of organizational architecture and strategies of professional service firms.
2. Understand strategic, operational, and leadership challenges involved in leading professional service firms.
3. Learn nuances of nurturing a team of professionals, client relationship, professional conduct, and project implementation.
4. Discuss and explore preference for a career in professional service firm

## **Evaluation:**

- Class participation: 30%
- Case /white paper: 30%

Participants are expected to develop a case (with analysis) or a whitepaper on a theme relevant to professional service firms.

- End term examination: 40%

## Content and Session Overview:

| Session#                                  | Date   | Topic                                                   | Case and Reading                                                                                                                                                       |
|-------------------------------------------|--------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Module 1: Strategy and Positioning</b> |        |                                                         |                                                                                                                                                                        |
| 1.                                        | 4-Jan  | Professional Service Industry                           | <b>Case:</b> Mckinsey: An Institution at a Crossroads                                                                                                                  |
| 2.                                        | 5-Jan  | Determinants of Success for PSFs                        | <b>Case:</b> ABC Search for the Pied Piper of Consultants                                                                                                              |
| 3.                                        | 6-Jan  | Entrepreneurship                                        | <b>Case:</b> EXL Services: Business Process Outsourcing in India<br><b>Lecture:</b> Emerging Models in PSFs                                                            |
| 4.                                        | 11-Jan | Positioning                                             | <b>Case:</b> Marketing at Wachtell, Lipton, Rosen & Katz                                                                                                               |
| 5.                                        | 12-Jan | Practice Segmentation                                   | <b>Lecture:</b> Practice Economics and Practice Segments                                                                                                               |
| <b>Module 2: Organizational Systems</b>   |        |                                                         |                                                                                                                                                                        |
| 6.                                        | 13-Jan | Capital Structure                                       | <b>Case:</b> Goldman Sachs IPO (A)                                                                                                                                     |
| 7.                                        | 18-Jan | Compensation                                            | <b>Case:</b> Brainard, Bennis and Farrel                                                                                                                               |
| 8.                                        | 19-Jan | Managing a Multi-Practice Firm                          | <b>Case:</b> Family Feud: Anderson vs. Anderson                                                                                                                        |
| <b>Module 3: Organizational Processes</b> |        |                                                         |                                                                                                                                                                        |
| 9.                                        | 20-Jan | Promotion Process                                       | <b>Case:</b> Bain & Company: Making Partner<br><b>Reading:</b> Making Partner: A mentor's guide to the psychological journey                                           |
| 10.                                       | 1-Feb  | Performance Evaluation and Development of Professionals | <b>Case:</b> Rob Parson at Morgan Stanley (A)<br><b>Reading:</b> Internal labour markets, job assignments, and promotions                                              |
| 11.                                       | 2-Feb  | Teaming Effectively                                     | <b>Simulation:</b> Sub arctic Survival                                                                                                                                 |
| <b>Module 4: Client Relationship</b>      |        |                                                         |                                                                                                                                                                        |
| 12.                                       | 3-Feb  | Managing Client Interface                               | <b>Case:</b> When Consultants and Clients clash, HBS, 1997 (Ref: 97605X)<br><b>Reading:</b><br>1. Ch 7, Mckinsey Mind<br>2. Client vs. Consultant: Fishbowl or Foxhole |
| 13.                                       | 8-Feb  | Client Relationship Strategy and Tactics                | <b>Case:</b> Client Service Vignettes<br><b>Reading:</b> Service Profit Chain (Pre-class)                                                                              |
| 14.                                       | 9-Feb  | Client Portfolio Strategy                               | <b>Case:</b> Managing the Client Mix                                                                                                                                   |
| <b>Module 5: Leadership in PSFs</b>       |        |                                                         |                                                                                                                                                                        |
| 15.                                       | 10-Feb | Professional Conduct                                    | <b>Case:</b> Martha McCaskey, HBS, 2004, (Ref: 403114)<br><b>Reading:</b> A note on ethical decision making, UV0099, Darden Business Publishing                        |

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|----------------------------------------------------|--------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16.                                                | 22-Feb | Building a High Performance Team | <b>Case:</b> Lehman Brothers (A): The rise of equity research department (902002)                                                                                                    |
| 17.                                                | 23-Feb | Leveraging Your Stars            | <b>Case:</b> Ecolab (A)                                                                                                                                                              |
| 18.                                                | 24-Feb | Decision Making                  | <b>Video Case:</b> Tragedy in the Desert                                                                                                                                             |
| 19.                                                | 29-Feb | Professionalism                  | <b>Case:</b> Broken Trust: Role of Professionals in the Enron Debacle<br><b>Reading:</b><br>1. Who is a professional (904-047) (Pre class reading)                                   |
| <b>Module 6: Personal and Professional Success</b> |        |                                  |                                                                                                                                                                                      |
| 20.                                                | 1-Mar  | Discover Your Moorings           | <b>Case:</b> Matt Leads (A), HBS, 2006, (Ref 9-4031)<br><b>Reading:</b><br>1. Ch 6 & 8, McKinsey Mind<br>2. Consulting and You, Carol Harris, Journal of Management Consulting, 2001 |