

Management Consulting

A CAREER PROFILE

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and Information Technology

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I. General Observations

1. Preamble

- Business consultants perform a comprehensive analysis of an organisation or its operating environment. Based on this analysis, they develop and implement solutions through a combination of consulting, execution and intervention. In addition, they manage consulting and communication processes both within organisations and externally with the marketplace.
- Within the scope of their licence, management consultants may integrate legal advice into their consulting services.
- This career profile is based on the historical evolution of client perceptions and the current perspectives of business consultants themselves regarding the nature and scope of their activities.
- This career profile outlines the responsibilities, roles and scope of practice of the profession with reference to relevant legal and ethical standards.
- This career profile represents a current snapshot of the profession and is evolving dynamically with the overall economic landscape.
- The Austrian Federal Economic Chamber's Professional Association of Management Consultancy, Accounting and Information Technology (WKO - Fachverband Unternehmensberatung, Buchhaltung und Informationstechnologie) has published this current career profile based on the perspectives of relevant stakeholders and reflecting previous revisions in 2003, 2004, 2006, 2016, 2017 and 2023. This career profile, as amended in 2023, was adopted by the association's committee on 21 September 2023.

2. Legal Foundations

- The scope of a trade licence is determined by several factors as outlined in Sec. 29 Austrian Trade Regulation Act (GewO): The specific work processes required to conduct the trade, the historical development of the trade and the views and agreements of the relevant trade circles. The present occupational outline serves as a current snapshot of the profession.
- As stipulated in Sec. 136 GewO, the scope of licence for business consultants, including business organisers as defined in Sec. 94 Z 74 GewO, encompasses the following activities within the framework of their trade licence:
 - Provision of employment services, limited to the target group of management personnel, provided they possess the required proof of qualification for this activity.
 - Consultation in company formation, company closure and business transfer matters.

- Consultation in restructuring and insolvency.
- Professional representation of the client vis-à-vis third parties, in particular customers and suppliers, as well as before authorities and public bodies.

From the explanatory notes to the parliamentary documents (in German only)¹:

Consulting activities are always performed in the context of business operations and can be performed even for clients who do not or no longer have a business licence. Business consultants are therefore also competent to advise on matters relating to the establishment, closure and succession of businesses (cf. the career profile above). This is now also explicitly mentioned in the law.

In accordance with the relevant occupational outline, business consultants also specialise in restructuring consulting. This area encompasses the preparation of restructuring reports, the organisation of restructuring plans, the review of restructuring plans and accompanying monitoring during the implementation of restructuring plans and advisory services in insolvency, debt restructuring, debt settlement and corporate reorganisation proceedings. Previously subject to a licensed trade, the activity of compensation mediation is now permitted to be practised by business consultants. . The rights of currently existing commercial insolvency mediators remain unaffected by the new regulations (see Sec. 376 (34c) (1)).

Under Austrian federal law, the right to provide full representation in a professional capacity is reserved for lawyers (Sec. 8, (1) and (2) Code of Lawyers - RAO). However, Sec. 8 (3) RAO preserves 'powers granted in other Austrian legal provisions that fall within the scope of authorisation of regulated or licensed trades.' Therefore, the representation rights necessary for business consultants to properly conduct their trade should be explicitly set forth in regulations.

- In addition, Sec. 365m (GewO) assigns the following activities to business consultants, including business organisation, for which the regulations on the prevention of money laundering and terrorist financing (Sec. 365m to 365z GewO) must always be observed:
 - Formation of companies or other legal entities,
 - Exercising managerial or executive functions of a corporation, holding a managerial position in a partnership or holding a comparable position with respect to other legal entities. This includes the ability to authorise another person to perform these functions,
 - Providing a registered office, business, administrative or mailing address and other related services for a corporation, partnership or other legal entity or arrangement,
 - Acting as a trustee of a trust or similar legal arrangement, or facilitating another person's ability to perform these functions,
 - Acting as a nominal shareholder for another person, other than a company listed on a regulated market subject to disclosure requirements under

¹ https://www.parlament.gv.at/PAKT/VHG/XXV/I/I_01752/index.shtml

Community law or equivalent international standards or causing another person to function as a nominal shareholder.

3. Standards and Recommendations

- ISO 20700 Guidelines for management consultancy service
- professional principles and code of conduct for business consultants

4. Characteristics

- The primary focus of business consulting is to look at the totality of a company, business or organisation with a focus on both the present and the future. This distinguishes it from other business consulting professions that focus primarily on the present or even the past.
- Business consultants create value for companies, businesses and organisations by advising and supporting them in the development of their internal structures in the economic, communicative, technical, administrative and social spheres. The objectives are to maximise and secure opportunities, to address and mitigate risks, and to facilitate the implementation of strategies and actions.
- The business consultant operates as an external, independent and professional advisor who is not bound by instructions. The result is a broadening of the company's internal perspective to include external perspectives. They have the autonomy to incorporate any information and insights they deem relevant in the completion of the assignment.
- The business consultancy has a special relationship of trust with the client organisation. As a result, it treats all information obtained with the utmost responsibility and strict confidentiality.
- Beyond their specialised knowledge, management consultants require in-depth expertise in methodologies and strong social competencies. This includes change expertise in particular. The synergistic interplay of different skills forms the foundation for a successful consulting process, ultimately benefiting the client organisation.
- Business consultants fulfill diverse roles with frequent overlap and blending of responsibilities.
 - General and interdisciplinary consulting, particularly at executive level
 - Specialised expertise and subject matter consulting
 - Operationalisation support/execution facilitation
 - Taking on specialised projects
 - Expert assessment activities
 - Facilitation

- Systemic consulting
- Coaching (especially of managers)
- Mediation
- Business skills enhancement
- Interim management

II. Consulting Process, Methodology and Social Skills

The core objective of business consulting is to create lasting, positive change for the benefit of client organisations. While a range of promising methods exist, ensuring success hinges on meeting certain fundamental conditions.

1. Essential Framework for a Consulting Project

- Securing essential background information from the client organisation is crucial for planning any effective business consulting intervention.
- Establishing clear understanding of goals and non-goals for client organisations and potential divergent stakeholders
- Self-assessment of the business consultancy's capacity to make a vital contribution to objective achievement.
- Proposal of the consultant's methodology and associated role
- Definition of a content-driven work plan
- Definition of the project steering
- Definition of the commercial conditions
- Client's engagement of the business consultancy
- Execution of the project deliverables
- Steering of the project
- Completion of the project

The extent and detail of regulatory compliance is primarily determined by four factors: the size and duration of the project, the uniqueness of the issue at hand and the level of clarity. For a comprehensive overview of regulatory considerations, see the international business consulting standard ISO 20700.

2. Execution of the Consulting Project Deliverables

While there are many ways to execute the deliverable in a consulting project, a typical engagement follows these key phases as standard:

- Collection of the relevant data
- Evaluation and analysis of the data
- Development of scenarios and/or recommendations
- Facilitation of decision-making
- Implementation of the decisions made
- Review of degree of objective achievement and completion

3. Facilitation of Change in Client Systems - Change Expertise

Organisational change in particular requires the informed involvement and active participation of those directly affected and responsible. Therefore, business consultants also prioritise integrating and empowering these stakeholders by

- Raising awareness
- Unlocking and harnessing existing knowledge and igniting and fostering creativity
- Developing solutions by or in consensus with employees
- Promoting the ability to learn
- Business skills enhancement and knowledge development

4. Consulting Roles and Methodologies

General and cross-functional consulting across all organisational levels

- A core competency of business consultants is their extensive knowledge of business management and organisation
- While specialised knowledge may be relevant here, a thorough understanding of all key operational functions and organisational units across the company is equally crucial.
- Consulting deliverables are increasingly taking on a strategic dimension. As a result, it is critical to consistently consider the impact of consulting interventions on the overall business strategy.
- As a rule, consulting services are aimed at senior management. Business consultants in particular think and act strategically at the executive level.

Specialised expertise and subject matter consulting

- The specialised expertise of business consultants in relation to the consulting field, industry sector, functional domain, technology and/or methodology is paramount. Additional knowledge is sourced externally
- Effective business consulting also hinges on both an understanding of systemic contexts and strong social skills
- Management consultants develop concepts and proposals, either in collaboration with the client company or independently
- The client company regularly makes the decisions

Operationalisation support/execution facilitation

- This phase occurs after the successful completion of a consulting project or when operationalisation concepts are fully developed
- Typically, close cooperation with the client organisation
- Taking on specialist and management tasks within a project framework

Taking on specialised projects

- Time-bound or specific delivery of specialist or management expertise

- Individual arrangements

Expert assessment activities

- Objective and comprehensive evaluation of facts or objects
- Expert methodology with recording of the findings, identification of the applicable rules and expert assessment of the findings
- The outcome is a confidential report.

Facilitation

- Facilitating group efforts in the evolution of organisational structures and the pursuit of solutions

Systemic consulting

- In systemic consulting, the responsibility of the management consultant lies not in providing the technical solution, but in guiding the process and understanding its systemic effects.
- The main objective is to empower individuals or groups to amplify their resources and capabilities through a process of self-reflection
- Furnishing of stakeholders with self-help tools
- Based on systems theories, constructivism and cybernetics

Coaching (especially of managers)

- Coaching is a method of empowering individuals to discover and implement solutions to challenges from within
- The coach facilitates the coachee's discovery of their own answers through questioning
- When the coachee seeks the coach's expert opinion on the subject matter, the coaching relationship transitions from general guidance to individualised specialist consulting

Mediation

- Through facilitation, groups with divergent interests are guided toward a mutually agreeable solution
- Facilitation is strictly neutral (non-partisan) and takes a middle of the road stance
- The core function and therefore the responsibility of facilitation relates to the process. It does not propose its own solutions, nor does it get directly involved in its real-world implementation.

Business skills enhancement

- The systematic execution of training and further education measures serves the purpose of continuously developing knowledge, skills, abilities and behaviours
- It relates to all areas of a company's operations

- The focus is on interactive methods
- Training content is aligned with learning objectives and delivered using participant-centred teaching methods.

Interim management

- Temporary operational leadership

III. Consulting Fields

The business consultancy primarily supports its clients in the following specialist fields:

1. Strategic corporate management

- Strategy development
- Strategic corporate planning
- (Digital/analogue) business model development
- Business transformation
- Management information systems
- Communication strategy
- Development of a mission statement
- Corporate identity, corporate design, corporate culture
- Compliance management, anti-fraud management, whistleblowing management [e.g., Consulting in relation to the Whistleblower Protection Act (HSchG): its implementation within organisations and the assignment of tasks to an internal reporting office²]
- Consulting services for company formations, transformations, successions, sales, takeovers and liquidations
- Merger and acquisition, post-merger integration
- Management buy-out, management buy-in
- Cooperations/joint ventures

2. Operational corporate governance

- Company optimisation and restructuring
- Risk management
- Crisis management
- Project management
- Innovation management
- Relationship and conflict management
- Executive coaching
- Interim management

² To the extent permitted by the trade law governing business consultancy and its associated rights.

- Company administration and custodial safeguarding of businesses or business units

3. Business management issues

- Strategic and operational controlling
- Company analysis (weak point analysis), cost optimisation
- Corporate financing, consulting on raising capital, consulting on national and international subsidies
- Profitability analysis
- Business data analysis/business intelligence
- Company valuations
- Due diligence
- Forecast of continued existence under insolvency law
- Business consulting in the context of sustainability [e.g. fulfilment of ESG criteria (Environmental, Social, Governance) and adherence to various existing regulations, such as supply chain laws³, the EU Taxonomy Regulation, etc.)]

4. Finance and accounting

- Balance sheet analysis
- Preparation of profit and loss and operating income statements
- Cost accounting and calculation
- Financial analysis and planning - forecasting/budgeting/investment calculation
- Liquidity and receivables management
- Consulting in the field of organisation and management of corporate accounting, including corporate reporting⁴
- Independent management of accounts, records and financial statistics for business management purposes, including planning and cost accounting, etc.
- Consideration of tax and duty law issues⁵

5. Human resources

- Personnel systems
 - Personnel policy
 - Management principles and systems
 - Quantitative and qualitative personnel planning
 - Working time models

³ e.g. German Supply Chain Due Diligence Act (LkG)

⁴ Insofar as these services do not relate to tax issues in the narrower sense.

⁵ should be confined solely to matters directly arising from a specific commercial consulting service provided. The provision of legal and tax consulting services must never, on its own, stand alongside or supersede other professional services or be presented as a primary service or actively promoted as such.

- Workplace and performance evaluation
- Remuneration systems
- Requirement and skills profiles, job descriptions, function diagrams
- Workforce management
- Personnel information systems
- Diversity management
- Corporate health management
- Occupational health and safety management
- Competence management

- Personnel development
 - Suitability and potential tests
 - Employee development and advancement programmes
 - Executive development
 - Career planning
 - Succession planning, reintegration management, expatriation, repatriation, inpatriation
 - Coaching and mentoring
 - Supervision and intervision
 - Development of training and professional development programmes
 - Organisation, implementation and evaluation of training measures

- Personnel marketing
 - Labour market and occupational research
 - Employer branding
 - Employee search and selection
 - Conducting of suitability and objectification processes
 - Employee introduction, induction and integration (onboarding)
 - Job placement and intermediation Services in accordance with the provisions of the Trade Regulation Act (GewO) and the Labour Market Promotion Act (AMFG).
 - Outplacement, offboarding

- Personnel administration
 - Organisation of personnel administration
 - Work climate and motivation analyses
 - Fluctuation and absenteeism analyses
 - Salary comparisons

6. Marketing and sales

- Market analysis, monitoring and forecasting
- Strategic marketing planning
- Development of marketing concepts and strategies
- Market communication
- Marketing controlling
- Innovation marketing and diversification
- Product management, offer optimisation

- Sales planning and management
- Customer relationship management (CRM)
- Building and growing sales organisations
- Sales training
- Implementation of order fulfilment structures
- Franchise concepts
- Location analyses and policy
- Brand policy
- Pricing and commercial terms management
- Business licence management
- Patent exploitation
- Identifying and entering new markets
- International trade consulting: provision of expert guidance on foreign trade matters
- Advice on the development of national and international cooperation
- Digital marketing (CRM, big data, customer journeys, social media marketing)
- Digital sales (e-commerce)
-

7. Company design and development

- Company structuring (shaping a company's structure)
- Process management (designing organisational workflow)
- Information management
- Specification, selection and implementing of information systems
- Organisational development
- Change support, change management
- Business optimisation
- Quality management, quality management systems
- Operational communication
- Documentation, archiving, knowledge management
- Office space planning and workplace design
- Consulting on technical issues

8. Supply chain management

- Contract award and procurement consulting
- Procurement, production and distribution logistics
- Storage system planning
- Inventory management
- Functional planning for production and storage

9. Engineering/technology

- Consulting and implementation of information technology and data processing systems
- IT processes and data security measures
- Consulting in connection with the General Data Protection Regulation (GDPR) and its implementation in the organisation
- Analysis and profitability assessment of technical investments and products
- Product development/product design/product innovation
- Value analysis
- Production planning and control
- Production and manufacturing technology
- Production integration and automation/Industry 4.0
- Technology consulting
- Energy services/energy audit
- Work organisation/work technology/work safety
- Human resource allocation and scheduling systems/salary and reward structures
- Operational design and optimisation of business facilities
- Legal compliance representation and management of notifications and requirements
- Spatial management/spatial planning/spatial development
- Provision of services as an external safety expert pursuant to Sec. 73 Austrian Occupational Safety and Health Act (ASchG), provided that the required expertise pursuant to Sec. 74 ASchG is fulfilled.
- Provision of services as external dangerous goods officer, as stipulated in Sec. 11 (7) Act on the Transport of Dangerous Goods (GGBG) in conjunction with 1.8.3 ADR/RID provided that all the requirements outlined in the GGBG and the Regulations on the Transport of Dangerous Goods (GefStoffV) are fulfilled.
- Full-scope fulfilment of the role of external data protection officer in accordance with the EU General Data Protection Regulation (GDPR) and the Austrian Data Protection Act (DSG).

10. Environmental and sustainability management

- Strategic positioning of the company on ecological issues
- Assessment of environmental risks for locations, mergers and redevelopments
- Analysis and optimisation of corporate structures and processes for environmental impact and potential
- Consulting on issues relating to sustainability
- Sustainability management in connection with, for example, environmental, social and governance (ESG) factors and corporate social responsibility (CSR)
- Consulting on sustainable product design (use of resources, recycling, reuse, etc.)
- Environmental information and environmental indicator systems, environmental controlling and environmental balance sheets, sustainability reporting

- Environmental information and environmental indicator systems, eco-controlling and eco-balancing, sustainability reporting
- Training programmes that address ecological issues
- Project management for environmental protection projects
- Consulting on subsidies for environmental protection projects and measures
- Preparation of environmental documents for project submission to authorities
- Safety and risk assessments, alarm and hazard mitigation plans for possible environmental risks
- Legal compliance representation and management of notifications and requirements
- Provision of consulting and support services for the communication of environmental problems in everyday operations and incident scenarios
- Provision of services as an external safety expert pursuant to Sec. 73 Austrian Occupational Safety and Health Act (ASchG), provided that the required expertise pursuant to Sec. 74 ASchG is fulfilled.
- Provision of services as external dangerous goods officer, as stipulated in Sec. 11 (7) Act on the Transport of Dangerous Goods (GGBG) in conjunction with 1.8.3 ADR/RID provided that all the requirements outlined in the GGBG and the Regulations on the Transport of Dangerous Goods (GefStoffV) are fulfilled.

11. Business Mediation

- Mediative facilitation and conflict resolution support for all internal company conflicts and behaviours aimed at exclusion, such as bullying/mobbing
- Mediative facilitation and support in contentious negotiations between management and employee representatives
- Mediative facilitation and support in key structural matters, including company succession, collaborations and mergers
- Analysis of conflicts within and between companies
- Mediative facilitation and support in contentious negotiations between companies, e.g. upstream and downstream, in the process chain or with competitors
- Provision of guidance on the selection and coaching of the negotiation team
- Support with the formulation of a binding agreement
- Preventive measures for conflict management
- Establishment of a constructive culture of conflict and dispute
- Support in the implementation (possibly renegotiation) of an agreement that has been reached

To learn more about the profession of business consulting in Austria, please visit the website of the Professional Association of Management Consultancy, Accounting and Information Technology (in German only): <https://www.ubit.at>

Additional Information (History)

In 1986, the most important guidelines for members of the Professional Association of Management Consultancy, Accounting and Information Technology were developed. These include the career profile, which provides an overview of the professional qualifications required to become a business consultant. The content of this framework is regularly reviewed and updated as necessary to reflect the latest developments in the industry.

In 2003, under the leadership of the then Chairman of the Association, KommR Mag. Alfred Harl, MBA, CMC, the framework underwent a major revision. Further updates took place in 2004, 2006, 2016, 2017 and most recently in 2023.

Since the 2017 edition, the spokespersons from the respective professional groups for business consulting within the Austrian Federal Economic Chamber (WKO) and the Professional Association for Business Consulting, Accounting and Information Technology (UBIT), who played a leading role in these adaptations, are listed below by name.

Overview:

Revision	Professional group spokesperson
2017	KommR Hans Georg Götting, CMC, CSE, CFD
2023	Mag. Dr. Wilfried Drexler, MBA CMC