Evaluation of IT-Consulting

Bachelorarbeit

zur Erlangung des akademischen Grades "Bachelor of Science (B.Sc.)" im

Studiengang Wirtschaftswissenschaften der Wirtschaftswissenschaftlichen Fakultät

der Leibniz Universität Hannover

vorgelegt von

Name: Heumann   Vorname: Maximilian

██████   ██████   ██   ████████

Prüfer: Prof. Dr. M. H. Breitner

Hannover, den 09.08.2016

Table of Contents

1 Introduction

1.1 Aim of the Work

Market requirements to enterprises nowadays are increasingly high and especially reasonable integration and implementation of Information Systems (IS) and Information Technology (IT) crucial for competitiveness. Automation is proceeding and topics as industry 4.0 are omnipresent. Entire processes proceed full automated with minimal human involvement. Entire IT-landscapes of companies are therefore designed to enable fully automated processes (see Braunwarth, 2009, p. 92). Present and developing challenges of IT result in increasing demand for knowledge and expertise in IT to support companies' IT and IS. As presented within following background information, demand for external IT-consultants is still increasing although collaboration of consultancies and client enterprises is already widespread and common practice. Thus enterprises purchase external expertise and knowledge to support and develop their IT and IS and thereby rely on know-how of external consultancy. At this point, a crucial factor for investing in external expertise is effectiveness and efficiency of the provided consultation. The increasingly competitive environment enhances enterprises requirements towards external consultancy and more and more calls for validation of service towards clients' requirements, when investing in external consulting (see Nissen, 2007, p. 9). But what guarantees the success of collaboration and projects and beyond success the best possible performance of the consultancy? Thus, how can the client be sure to invest in most efficient and effective external expertise and the consultant is most motivated? Since it is crucial for clients' investment decision, if the investment is justified, an evaluation of provided consultancy might afford a validation of external performance and enhance consultancies performance based on profound feedback. Beyond that a continual improvement is a critical factor of a best practice based branch like IT consulting and might gain value for consultancy from profound feedback through evaluation methods in interaction with clients. This work therefore aims to answer the research questions:

"What are common and possible ways of evaluating IT consultancy to validate value of IT-consulting?"

and

"May evaluation of IT consulting beyond common practice, generate value for client and consultant?"

1.2   Structure of the Work

In order to answer the papers research questions theoretical background information is provided, based on extensive literature research and interviews conducted with experts from consulting environment. Common ways of practice in IT Consulting are elaborated and finally a designed process model based on the papers research is introduced and assessed. The following chapter will introduce theoretical background information about the environment of IT consulting, including challenges of IT leading to it consulting industry, standards of IT consulting and the concept of consulting 4.0, to provide a profound basic for following research within the paper. Afterwards within chapter 3 and 4, this papers research methodologies of literature research and expert interviews are examined and explained. Chapter 5 focuses on evaluation methods and practices, examines difficulties and introduces the designed process model and the thereby proposed approach. The model is then assessed by feedback gained from expert interviews. Chapter 6 elaborates and presents this works limitations and gives a short recommendation regarding future research. The paper finally ends with a conclusion within chapter seven.

2   Theoretical Background

The following chapter will examine and introduce theoretical background information to provide an introduction into the development and state of the art of IT Consulting. Starting with challenges of IT and IS in enterprise Setting, this chapter gives an overview about possible tasks and therefore reasons for an external consultation. Afterwards the IT consulting industry is explained dealing with qualification of consultants and the demand and supply of service. Also the methods and standards of Consulting are being outlined. Finally, the upcoming concept of virtualization of consulting "Consulting 4.0" is explained in the end of this chapter. This chapters' aim is to expound basic and comprehensible information on which the following paper is built on.

2.1   New Challenges of IT and IS in Enterprise Setting

Information Technology is a fast moving branch with great potential for enterprises of all types. In times of ubiquitous information and data, IT no longer just involves competitive advantages, but is a necessity for every company to deal with, in order to en-

by inhomogeneous standards of practice, as described before. Especially bigger enterprises might establish their own standards, which are not individually captured by research within this paper (see interview, 5th of July 2016, Eifler). Furthermore, the proposed reference model developed within this work could not be validated beyond the interview assessment of the model, by interview partners Aschemann and Schnelle.

According to this works findings, future research should be guided by novel approaches of consulting 4.0. As digitalization despite its awareness in industry still is not commonly implemented in consulting setting, but implies great potential for consulting and especially evaluation of consulting as well (see interview, 7th of July 2016, Laszlo; 5th of July 2016, Eifler). Future research might also focus on combined effects of internal evaluation methods such as the aforementioned skills matrix and evaluation methods in interaction of client and consultant, with PSP's (Preferred Supplier Programs). Generally, more extensive research regarding evaluation of IT consulting is necessary, as it is rare, in spite of its importance.

7 Conclusion

IT-consulting environment is mostly driven by best practice solutions that are established by individual companies' standards. Standards that are widespread and mostly accepted dominate the environment. Some are validated by profound research, such as ITIL, or established by worldwide active associations, such as the PMI. Nonetheless IT consulting environment is fragmented and inhomogeneous, since especially large enterprises often adhere to own individual standards. The establishment of standards in practice coherent is with the introduction of best practice solutions in IT-consulting. Most client-consultant relations are requested to be long term relations, to create trust and reliability. Thus, most consulting performances are justified through established and accepted best practice solutions, long term relations often consolidated by contracts and recommendations. The works' research findings revealed an increasing demand for validation and rational measurement of IT consulting, resulting in PSP's. Although PSP's comply with the call for more profound selection criteria for the client, as previously mentioned it needs to be expanded in client and consultant interaction, to be more comprehensive about quality and cost variables. Also clients' requirements towards consultants' performance appears to grow in terms of increasing competitive environment. Current state of the art in evaluation methods, to provide profound criteria for the client and comprehensive feedback for consultant, as a basis for performance enhancement thus might have potential to improve in the future. In the face of the

concept of consulting 4.0, possibilities to implement practicable evaluation processes within a client-consultant collaboration are high, as shown by the proposed process model. The models assessment by interview partners from the consulting environment, supported by literature research, proved a possible value for client and consultant through performance evaluation by service quality measurement. Especially Consultancies might benefit from profound feedback from performance evaluation, since consultancies are facing increasing quality requirements. Quality and Performance feedback directly by client might enable future performance and quality enhancement, which might result in client benefits, as the client might profit from better Consultation (see Interviews, 30th of July 2016, Aschemann; 3rd of August, Schnelle). Nonetheless Evaluation of consulting needs to be appropriate to the collaborations extent and clients budget.