

The Definition of Investment Consulting including Typology and Segmentation

Abstract

This paper provides a definition of the profession of investment consulting including a methodology for typology and segmentation. Starting with a general view on management consulting it explores the investment consulting as an independent professional advisory service. Next to the origins of the consulting profession and a description of the history of the consulting market it also gives an overview of the tasks, functions as well as roles of consultants.

Keywords: Investment consulting, management consulting, independent professional advisory service, problem solving, consulting tasks, consulting functions, roles of consultants, roots of modern consulting, history of the consulting market, origins of the consulting profession, typologization criteria.

This document is available on the website of

The IC Research Institute
<http://www.ic-research.org/research-approach-on-investment-consulting>

Definition and Scope

According to Steele 'consulting' is "any form of *providing help* on the content, process, or structure of a task or series of tasks, where the consultant *is not actually responsible for doing the task itself* but is helping those who are."¹

A commission of experts in the USA has defined 'management consulting' as "an independent and objective advisory service provided by qualified persons to clients in order to help them identify and analyze management problems or opportunities. Management consultants also recommend solutions or suggested actions with respect to these issues and help, when requested, in their implementation."²

Kubr combines – in collaboration with an international circle of authors – the contents of these two definitions and concludes: "Management consulting is an independent professional advisory service assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes."³

The term 'management consultant' can be defined as "a universal term for any professional who provides assistance to others, usually for a fee."⁴

All four definitions include the essence on which consulting is based: independent assistance with problem solving.⁵ The existence of a problem is, thus, constitutive for a consulting demand.⁶

Unlike the expert who solves a problem on his own, the work of a consultant is characterized by interaction with the client in solving the problem.⁷ This interaction is reflected, on the one hand, in the consultant's understanding of the client's affairs and, on the other hand, in the collaboration between consultant and client.

¹ Steele (1981): Consulting for Organizational Change, pp. 2 f.

² Wilkinson (1995): What is Management Consulting?, pp. 1-4.

³ Kubr (Ed.) (2002): Management Consulting: A Guide to the Profession, p. 10.

⁴ Biswas/ Twitchell (2002): Management Consulting: A Complete Guide to the Industry, p. 6.

⁵ See Kubr (Ed.) (2002): Management Consulting: A Guide to the Profession, pp. 3 and 7. For an historical and language cultural derivation of the word 'consultant', that also comes to the same conclusion see Ziegler (1995): Beratung beim Wort genommen, pp. 55 ff.

⁶ See Mohe/ Heinecke/ Pfriem (2002): Beratung als Problemlösung, p. 131.

⁷ See Maister (2010): Professionalism in Consulting, p. 36.

Moreover, the criterion of specialization in the expert sense is not sufficient since independence is another constitutive element of an external consultant: “Outside advisors brought specialized knowledge, not otherwise available, into organizations that faced problems that internal staff members could not easily resolve,” but “it is not their specialization that sets consultants apart but their continuing independence from the corporation.”⁸

In 1982, Turner presented a hierarchy of eight levels that illustrate the consulting tasks in a differentiated manner thereby contributing to an even more detailed definition.⁹

1. Information conveyance
2. Diagnosis of current state to redefine the problem
3. Problem resolution
4. Recommendations for action based on the diagnosis
5. Implementation support
6. Development of a joint understanding and commitment
7. Support for organizational learning
8. Permanent improvement of organizational effectiveness

According to Fink, management consultants ‘make’ management concepts. They invent the basic principles, design methods and instruments, and, that way, solve the problems of their clients.¹⁰ Insofar, also knowledge transfer is, besides problem solving, a dominant function of consulting¹¹; thus, knowledge is a central parameter in the definition of consulting.¹²

⁸ McKenna (2006): *The World's Newest Profession*, p. 12.

⁹ See Turner (1982): *Consulting Is More Than Giving Advice*, pp. 121 ff.; Gummesson (2000): *Qualitative Methods in Management Research*, p. 7.

¹⁰ See Fink (2003): *Managementansätze im Überblick*, p. 14.

¹¹ See Kraus/ Mohe (2007): *Zur Divergenz ideal- und realtypischer Beratungsprozesse*, p. 268.

¹² See McKenna (2006): *The World's Newest Profession*, pp. 8 ff.; Binnewies (2002): *Strategisches Management professioneller Dienstleistungen am Beispiel der Unternehmensberatung*, pp. 38 ff.

Besides law firms, auditing companies, and also investment banks, investment consultants are among 'professional service firms' that perform particularly knowledge-driven services.¹³

Other functions that can be classified as latent are:

1. Political function, i.e., use of a consultant to assert unshakeable notions and already a-priori made decisions.¹⁴
2. Enforcement function, i.e., use of a consultant to support the achievement of a consensus in case of still variable notions and open decisions.
3. Legitimation function, i.e., use of a consultant to block or at least reduce attribution of unfavorable or unpleasant developments to the management in charge.¹⁵
4. Interpretation function, i.e., use of a consultant as (external) conversation and sparring partner to obtain new insights and perspectives through contemplation.

Regarding the political function of consultants, McKenna states that “administrators have employed outside advisors for thousands of years, but their counsel has traditionally been political, not commercial.”¹⁶

For a deeper understanding of consulting in general, it is advisable to take a look at the roles.¹⁷ Since it is not expedient or even possible in the framework of this study to enumerate

¹³ See Kraus/ Mohe (2007): Zur Divergenz ideal- und realtypischer Beratungsprozesse, p. 271.

¹⁴ See Niewiem/ Richter (2007): Make-or-buy Entscheidungen für Beratungsdienstleistungen, p. 67.

¹⁵ In the framework of the principal agent theory, the legitimation function of consultants is assigned great significance, which, however, they are only partially able to fulfill; see Franck/ Pudack/ Benz (2003): Unternehmensberatung als Legitimation, p. 10. For a wider-reaching examination on consultants' legitimacy see Ernst/ Kieser (2002): In Search of Explanations for the Consulting Explosion; Faust (1998): Die Selbstverständlichkeit der Unternehmensberatung; Kieser (1998): Unternehmensberater; Sturdy (1997): The Dialectics of Consultancy; Gattiker/ Larwood (1985): Why Do Clients Employ Management Consultants?.

¹⁶ McKenna (2006): The World's Newest Profession, p. 10.

¹⁷ For a more thorough inspection on consultants' roles generally see Bloomfield/ Danieli (1995): The Role of Management Consultants; Canbäck (1998): The Logic of Management Consulting – Part 1; Ernst/ Kieser (2002): In Search of Explanations for the Consulting Explosion; Gattiker/ Larwood (1985): Why Do Clients Employ Management Consultants?; Gummesson (2000): Qualitative Methods in Management Research, p. 39; Heuermann/ Herrmann (2003): Unternehmensberatung, pp. 339 ff.; Kieser (1998): Unternehmensberater; Nees/ Greiner (1985): Seeing Behind the Look-Alike Management Consultants; Sturdy (1997): The Dialectics of Consultancy. For an earlier and more practice oriented description see Bower (1982): The Forces That Launched Management Consulting Are Still at Work, pp. 4. ff.

all the possible roles of consultants as “the list of roles is endless,”¹⁸ the following figure offers an integrative observation of roles, functions, and tasks of consultants.¹⁹

		Types of consultation		
		Instrumental	Conceptual	Symbolic
Consulting commitment aims	Consulting tasks	<ul style="list-style-type: none"> • Information delivery and intermediation • Recommended commitment based on diagnosis • Supporting implementation 	<ul style="list-style-type: none"> • Support with organisational learning • Improving organizational effectivity • Developing comprehension/commitment 	<ul style="list-style-type: none"> • Problem solving • Situational diagnosis for problem redefinition
	Consulting functions	<ul style="list-style-type: none"> • Management function • Reorganization function • Staff function 	<ul style="list-style-type: none"> • Orientating function • Intervening function • Moderating function 	<ul style="list-style-type: none"> • Political function • Implementation function • Legitimation function • Interpretational function
	Consultant roles	<ul style="list-style-type: none"> • Information provider • Realizer • Crisis manager 	<ul style="list-style-type: none"> • Management coach • Change agent • Process promoter 	<ul style="list-style-type: none"> • Katalysator • Externer Problemlöser • Neutraler Sachverständiger

Consultation as a capacity loan (Economic calculus)	Consultation as the transfer of experience (Development calculus)	Consultation as the basis of trust (Objectifying calculus)
---	---	--

Fig. 1: Tasks, functions, and roles of consultants.²⁰

¹⁸ Biswas/ Twitchell (2002): Management Consulting: A Complete Guide to the Industry, p. 7.

¹⁹ For a consideration of the personal characteristics required from a management consultant comp. Gummesson (2000): Qualitative Methods in Management Research, pp. 196 f.; on the necessary competencies see Maister (2010): Professionalism in Consulting, pp. 38 f.

²⁰ Illustration on the basis of Caroli (2007): Unternehmensberatung als Sicherstellung von Führungsrationalität?, p. 117.

The term 'investment consultant' is not a protected professional title. This is also the reason for the lack of any official or generally recognized, clear and unequivocal definition. The U.S. Securities and Exchange Commission (SEC) subsumes investment consultants under the term 'investment advisers:' "A person that advises as to the selection or retention of an investment manager is considered an investment adviser"²¹.

Yet, according to Mohe et al. the lack of a profession in the socio-professional sense [...] does not necessarily [mean] the leave-taking from notions of professionalism as defined in a knowledge-sociological sense.²²

Literally, the term 'investment consultant' refers to a consultant in matters of the asset side of a balance sheet. Consultants who are solely specialized in the analysis of the liability side and in actuarial consulting are, strictly speaking, called 'pension consultants.' The meaning, however, covers in fact a much wider scope than that.

If the term 'management' is replaced by 'investment', the above-mentioned definitions of management consulting largely provide a fitting template for a *practice-oriented* real definition²³ of investment consulting:

Investment consulting is
an independent professional consulting service,
which interactively – directly and as an intermediary –
supports institutional investors and their decision-makers
through solving investment problems
to optimally achieve their financial objects and goals.

For systematic specification of the roles of investment consultants, the classification of the roles of management consultants according to Schein will be applied.²⁴ Investment consultants' activities, as well as value-creation fields respectively, will be classified along those of management consultants and will be dealt with extensively and in a detailed manner in the following chapters.

²¹ U.S. Securities and Exchange Commission (SEC) (2004): Investment Advisers Act of 1940, Definitions, SEC. 202. [80b-2] (a) (11), Advisers Act Rel. No. 1092.

²² Mohe/ Heinecke/ Pfriem (2002): Beratung als Geschäft, p. 221.

²³ A real definition is a statement about the essence and the characteristics of a subject area or a situation that – in contrast to a nominal definition – implies reality; see Kromrey (2009): Empirische Sozialforschung, p. 155.

²⁴ See Schein (1988): Process Consultation Vol. 1, pp. 1 ff.

In the framework of the ‘physician-patient relationship’ according to Schein, a customized solution is recommended following a comprehensive and detailed analysis of the client’s situation. In investment consulting, the following value creation steps must be attributed to that class: definition of investment policy, asset-liability analysis, and strategic asset allocation. With the ‘purchase of expertise’ according to Schein, the client makes use of the specific knowledge and expertise of the consultant in this area: These include such services as manager selection, allocation, and monitoring. In ‘process consulting’ according to Schein, consultants assist with their methodological competences, among them, services implementation as well as investment controlling.²⁵

The essence of investment consultants’ classic roles – i.e., in the narrow sense²⁶ – is that “the role of the investment consultant is to *manage*, not to *make* investment decisions.”²⁷ In the same way the general roles of management consultants also apply to investment consultants, as do, by nature, the general functions. Investment consultant-specific functions pertaining to investment-related questions are the quality assurance function and the intermediation function.

Through professional ‘screening’ as well as due diligence in the framework of manager selection, investment consultants reduce an information asymmetry that basically exists at all times, thereby contributing to an increase and respectively assurance of their clients’ quality of decisions. The intermediation function is the result of investment consultants being effectively active as ‘mediators.’ The following figure serves the classification of investment consulting within the context of various consulting services – and, thus, the distinction from other service types:

²⁵ For further specification of the roles see Kleeberg/ Schlenger (2000): Die Rolle von Consultants im Rahmen der Spezialfondsanlage, pp. 871 ff.

²⁶ ‘Implemented consulting’ and ‘fiduciary management’ are not among the roles in the narrow sense..

²⁷ Trone/ Allbright/ Taylor (1996): The Management of Investment Decisions, p. 243.

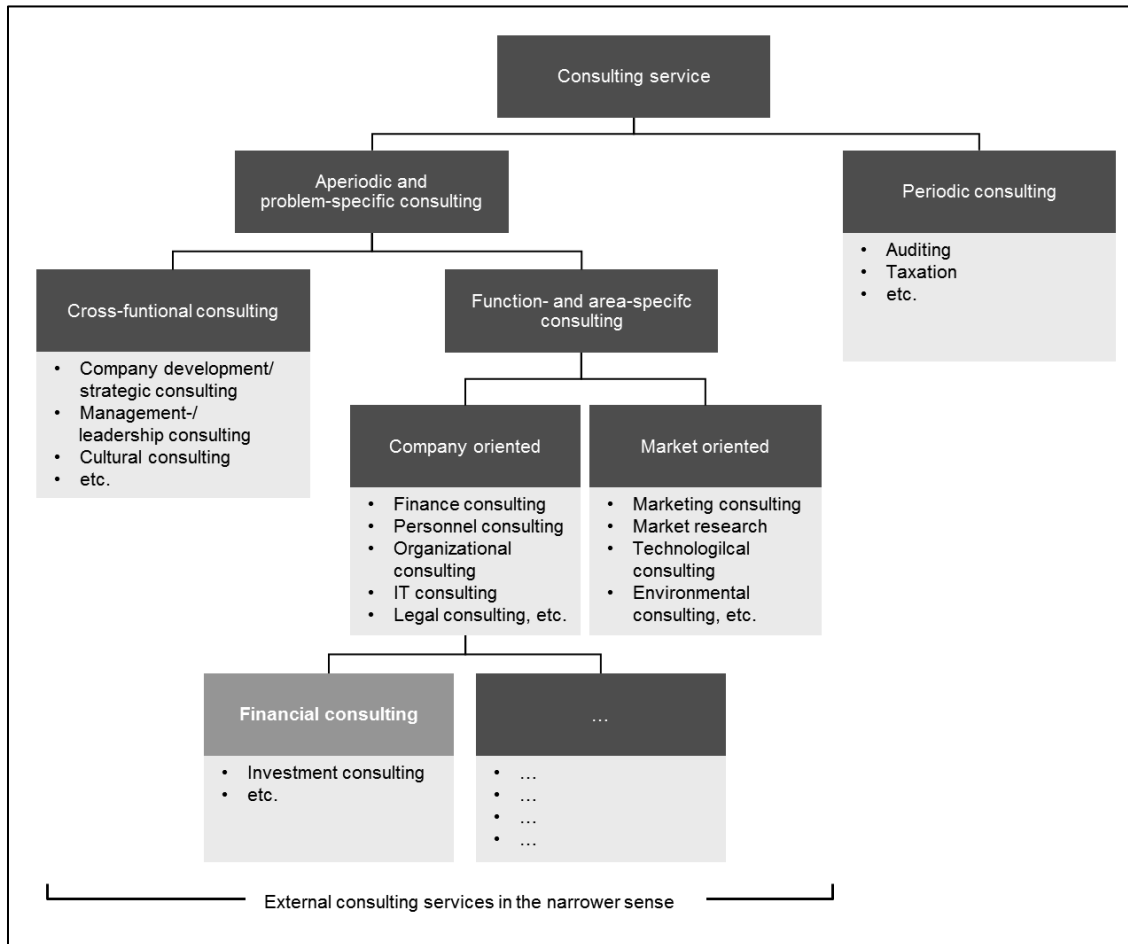


Fig. 2: Investment consulting within the context of various consulting services.²⁸

This systematic classification and distinction enables an abstraction from the practice-oriented real definition and, that way, leads to a theory-oriented real definition of investment consulting:

*Investment consulting is
an external, [basically aperiodic,] problem-specific and
function- resp. area-specific consulting service,
which represents a form of financial consulting for institutions.*

²⁸ Illustration on the basis of Caroli (2007): Unternehmensberatung als Sicherstellung von Führungsrationalität? p. 111.

Typology and Segmentation

The roots of modern consulting are in the USA²⁹ and can be traced back to the first half of the 19th century. Foster Higgins (1845), Sedwick (1858), and Arthur D. Little (1886) are considered to be the first consulting companies, whereby especially the latter is seen as the precursor of management consulting.³⁰

In the 1820s, the choice of professional and external management services increased rapidly. A broad spectrum of options developed through consulting-related professions such as lawyers, accountants, and bankers. The profile of classic management consulting such as we know it today emerged only with the establishment of eventually world-renowned consulting companies such as Arthur Andersen (1913), Booz Allen Hamilton (1914), and McKinsey & Company (1926). Very beneficial in this context was the separation of commercial and investment banks through the Glass-Steagall Act of 1933. Until then, numerous tasks that nowadays are part of the core business of management consulting had been performed by commercial banks.³¹ Besides the prohibition of emission of and trade with shares, this law also prohibited commercial banks to engage in business consulting and reorganization on behalf of their corporate customers.³²

In the second half of the 20th century, further important consulting companies were founded such as The Boston Consulting Group (1963), Roland Berger (1967) as well as Bain & Company (1973). Also during that period, many consulting companies began to accelerate their internationalization and expanded their activities into Europe. US-American companies have been dominating the management consulting market worldwide ever since.

The following figure provides a chronological overview of the establishment of consulting companies in general and, thus, of the genesis and historical development of investment consulting:

²⁹ Especially in Chicago and New York numerous important consulting companies were founded and are still headquartered there.

³⁰ For a historical perspective on this subject going back to the origins of consulting see Poulfelt/ Greiner/ Bhambri (2010): *The Changing Global Consulting Industry*, pp. 8 ff.; McKenna (2006): *The World's Newest Profession*, pp. 145 ff.; Kubr (Ed.) (2002): *Management Consulting: A Guide to the Profession*, pp. 31 ff.; Wilkinson (1995): *What is Management Consulting?*, pp. 1-9 ff.; McKenna (1995): *The Origins of Modern Management Consulting*, pp. 51 ff.

³¹ See McKenna (2006): *The World's Newest Profession*, pp. 16 f.

³² See Fink (2003): *Eine kleine Geschichte der Managementberatung*, pp. 4 ff.

Organization	Year	Era
Foster Higgins	1845	Origin of consulting
<i>Deloitte</i>	<i>1849</i>	
<i>PricewaterhouseCoopers</i>	<i>1849</i>	
Sedgwick	1858	
Arthur D. Little	1886	
<i>Ernst & Young</i>	<i>1906</i>	Strategy
Arthur Andersen	1913	
Booz Allen Hamilton	1914	
Buck Consultants	1916	
Hymans Robertson	1921	
A. T. Kearney	1926	
McKinsey & Company	1926	Human Resources Actuary/ Pensions
Towers Perrin	1934	
Russell Investments	1936	
Hewitt	1940	
Hay Group	1943	
Watson Wyatt	1946	Strategy Operations Management
Lane Clark & Peacock	1947	
Mercer Management Consulting	1959	
The Boston Consulting Group (BCG)	1963	
Callan Associates	1966	
Roland Berger	1967	
Cap Gemini	1968	
American Management Systems (AMS)	1970	Actuary/ Pensions Investments
Bain & Company	1973	
Wilshire Associates	1972	
Cambridge Associates	1973	
William M. Mercer	1975	Information Technology
Aon	1982	
Computer Sciences Corporation (CSC)	1988	
Pension Consulting Alliance	1988	
Cambridge Technology Partners (CTP)	1991	
IBM Global Business Services	1991	
Sapient	1991	
The Segal Co.	1993	
Strategic Investment Solutions	1994	
Mitchell Madison Group	1995	
Atos Origin	1997	

Fig. 3: Founding years of important consulting companies.³³

The above chronology of company foundations includes classic management consultants, consulting companies focused on auditing (cursive) as well as on pension and investment consultants (bold).

³³ Own figure based on Biswas/ Twitchell (2002): Management Consulting: A Complete Guide to the Industry, p. 19;. Poufelt/ Greiner/ Bhambri (2010): The Changing Global Consulting Industry, p. 15; Kennedy Consulting Research & Advisory (2010): Consulting Market Research, website.

The history of how the consulting market evolved can be divided into three major periods, which represent the defining stages; these are: initialization, professionalization, internationalization, and concomitantly differentiation as well as consolidation. The following figure shows the attribution of investment consulting to periods and stages of the consulting market:

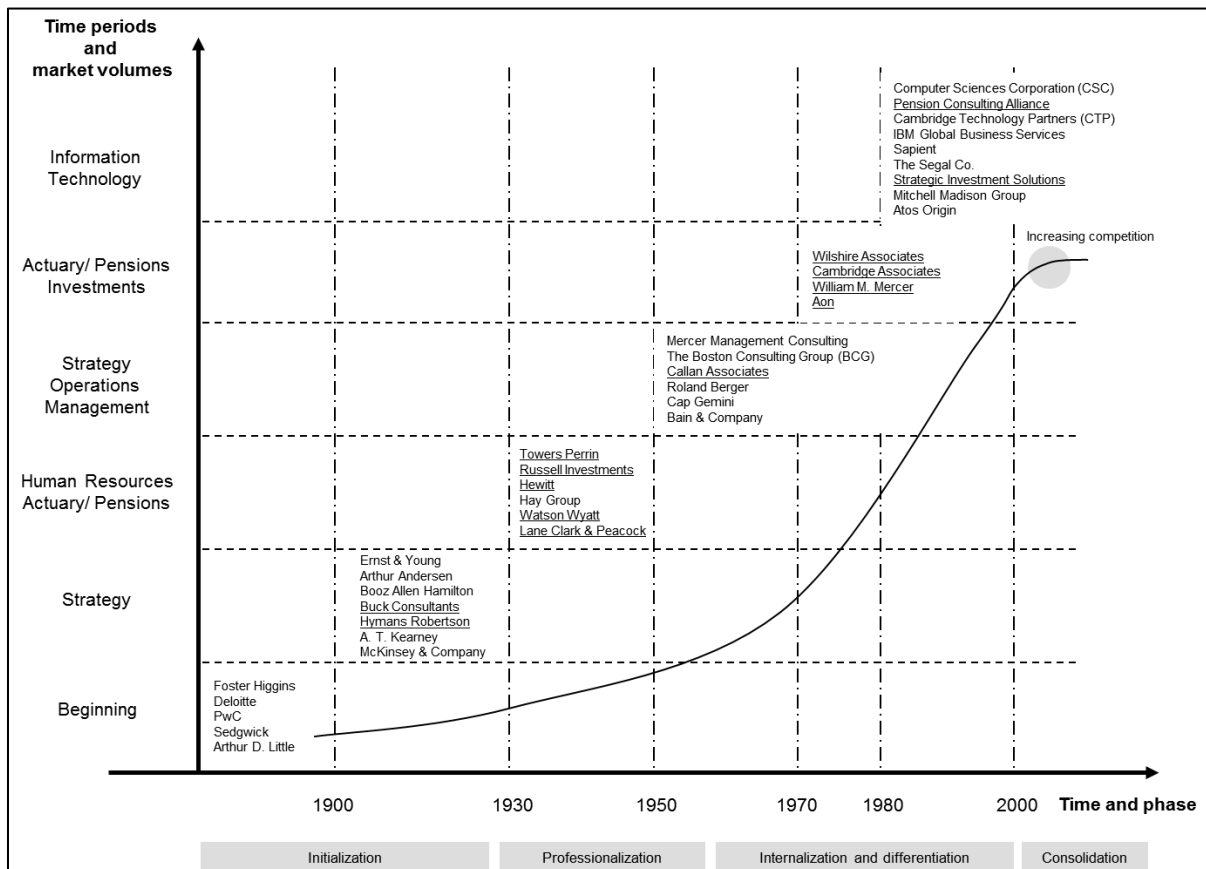


Fig. 4: Development periods and stages in the consulting market.³⁴

The time before 1930 can be described as initialization since it was only then that today's consultant profile evolved. The establishment of Buck Consultants (USA) and Hymans Robertson (UK), two investment consultants still active to this day, occurred already at that stage. The subsequent years into the 1960s are considered to be the professionalization stage since with increasing demand from industrial companies, methods and concepts kept developing. The term 'management consultant' took roots. The establishment of several investment consultants operating worldwide today falls in this stage: Russell Investments,

³⁴ Own figure based on Fink (2005): Machiavelli, McKinsey & Co., p. 190.

Watson Wyatt³⁵ as well as Hewitt³⁶. The 1970s were both the start of internationalization, which brought about the tapping of markets in Europe, Asia, and Latin America, and of differentiation, through which small consulting companies focusing on specific core areas evolved. In that phase from 1972 until 1982, a number of still operating US-American pension and investment consultants were founded: Callan Associates, Wilshire Associates, Cambridge Associates, William M. Mercer³⁷ as well as Aon³⁸. Therefore, this decade can be described as the ‘cradle of modern investment consulting.’ Because of the increasing importance of computers, consulting companies specialized in information technology eventually evolved in the 1990s.

This grouping into periods, i.e., chronological clustering, can be fully converted into segments of homogenous types of consulting services, i.e., clustering according to content:

Strategy	Operations Management	Information Technology	Human Resources	Actuary/ Pensions	Investments
Accenture ¹ (US) (1913)	Accenture ¹ (US) (1913)	Accenture ¹ (US) (1913)	Accenture ¹ (US) (1913)	Aon Hewitt ³ (US) (1982/1940)	Aon Hewitt ³ (US) (1982/1940)
Arthur D. Little (US) (1886)	AT Kearney (US) (1926)	American Management System (US) (1970)	Aon Hewitt ³ (US) (1982/1940)	Buck Consultants (US) (1916)	Callan Associates (US) (1966)
AT Kearney (US) (1926)	Booz & Company ² (US) (1914)	Atos Origin (F) (1997)	AT Kearney (US) (1926)	Callan Associates (US) (1966)	Cambridge Associates (US) (1973)
Bain & Company (US) (1973)	Cap Gemini Ernst & Young (UK) (1988/1906)	Cambridge Technology Partners (CH) (1991)	Buck Consultants (US) (1916)	Cambridge Associates (US) (1973)	Hymans Robertson (UK) (1921)
Booz & Company ² (US) (1914)	Computer Science Cooperation (US) (1988)	Cap Gemini Ernst & Young (UK) (1988/1906)	Deloitte Consulting (UK) (1849)	Hymans Robertson (UK) (1921)	Lane Clark & Peacock (UK) (1947)
Boston Consulting Group (US) (1963)	Deloitte Consulting (UK) (1849)	Computer Science Cooperation (US) (1988)	Hay Group (US) (1948)	Lane Clark & Peacock (UK) (1947)	Mercer Investment Consulting (US) (1975)
McKinsey & Company (US) (1926)	KPMG Consulting (CH) (1870)	Deloitte Consulting (UK) (1849)	Mercer Consulting (US) (1959)	KPMG Consulting (CH) (1870)	Pension Consulting Alliance (US) (1988)
Mercer Management Consulting (US) (1959)	McKinsey & Company (US) (1926)	IBM Global Business Services (US) (1991)	PwC (US) (1849)	Mercer Investment Consulting (US) (1975)	Russell Investments (US) (1936)
Mitchell Madison Group (US) (1995)	Mitchell Madison Group (US) (1995)	KPMG Consulting (CH) (1870)	Towers Watson ⁴ (US) (1934/1946)	Towers Watson ⁴ (US) (1934/1946)	Strategic Investment Solutions (US) (1994)
Roland Berger (US) (1967)	PwC Consulting (US) (1849)	PwC Consulting (US) (1849)	The Segal Co. (US) (1939)	Wilshire Associates (US) (1972)	Towers Watson ⁴ (US) (1934/1946)

Consulting companies in the dotted areas have their origin in auditing.

Year of founding in brackets.

¹ Emerged from Arthur Andersen.

² Emerged from Booz Allen Hamilton.

³ Emerged from the merger between Aon and Hewitt as well as the acquisition of Ennis Knupp Associates through Aon.

⁴ Emerged from the merger between Towers Perrin and Watson Wyatt.

³⁵ Through the merger of Watson Wyatt and Towers Perrin in 2010, now part of Towers Watson.

³⁶ In the meantime, part of HewittEnnisKnupp, an Aon Company.

³⁷ In the meantime, renamed as Mercer Investment Consulting.

³⁸ In the meantime, part of HewittEnnisKnupp, an Aon Company

Fig. 5: The 'Top 10' consultants worldwide according to segments.³⁹

The origins of the consulting profession are not just in management consulting in general, but, more specifically, also in strategic consulting (strategy). Later on, the consulting fields 'operations management' and 'information technology' developed.

From the above figure it becomes evident that most of the large traditional management consulting firms focus only on three activities. Thus, a 'break' can be discerned, which divides the segments into two halves⁴⁰. The providers in the segments human resources, actuary/pensions as well as investments in the second half are to a large extent different firms from those in the first half.

Furthermore, it becomes apparent that several firms in the second half are among the 'Top 10' in several segments. Nevertheless, globally active firms originating mostly from the USA dominate both the first and second half. Myners states that investment consultants in the UK have gained market strength to a large extent based on their actuarial background.⁴¹

Moreover, it is notable that consulting units that are (PwC and KPMG) or were (Accenture⁴²) part of an auditing company are active in the segments of both halves, but not in the fringe segments.⁴³ Nevertheless, the U.S. Securities and Exchange Commission (SEC) increased its pressure on auditing companies to part with their consulting units.⁴⁴ To bypass this requirement, all large firms preventively gave the business field 'consulting' a new designation, 'advisory'. Also, there are no longer any 'consultants', instead there are 'advisors'.⁴⁵

To achieve the typologization and segmentation of an individual investment consultant, it again makes sense to point out the possibility of a schematical classification. After all, the scope of individual characteristics is – like in asset management companies – extremely varied. Individual characterization is possible based on the morphological box below:

³⁹ Own figure based on and according to the criteria resp. methodology of Biswas/ Twitchell (2002): Management Consulting: A Complete Guide to the Industry, p. 15; Pensions & Investments (2010): Research Center, website; Thomson Nelson (2010): Database, website. For a comprehensive list of the 'Top 50' management consultants comp. <http://www.stormscape.com/inspiration/website-lists/consulting-firms/> [accessed November 12, 2010].

⁴⁰ Left half marked in dark grey and right half in light grey.

⁴¹ See Myners (2001): Institutional Investment in the United Kingdom: A Review, p. 67.

⁴² Originates from Arthur Andersen; in 2002, Arthur Andersen ceased to exist as a result of the Enron scandal.

⁴³ The dotted fields show consulting companies with an auditing background.

⁴⁴ See Poulfelt/ Greiner/ Bhambri (2010): The Changing Global Consulting Industry, p. 7; McKenna (2006): The World's Newest Profession, pp. 17 and 235 ff.

⁴⁵ See Niedereichholz/ Niedereichholz (2006): Consulting Insight, p. 187.

Parameter	Characteristic							
Structure of ownership	Private				Publicly listed			
Structure of management	Single founder ownership	Multiple founder ownership	Employee ownership	Family ownership	Management holds majority	No employee participation	Part of an auditing entity	Part of a financial institution
Independence	High			Medium		Low		
Clients	Public sector	Insurance / pension oriented entities		Credit institutes / asset management companies		Corporations	Foundations / Endowments	Non-profit organizations
Degree of internationality	National		Regional		International		Global	
Consulting focus	Actuary		Pensions			Investments		
Type of business model	Niche provider		Consulting boutique			Full service provider		
Primary services	Educational Services	Investment Policy	Asset Liability Analyses	ALM	SAA	Manager Selection	Risk Management	Controlling/ Reporting
Secondary services	Custody Selection	Implementation	Transition Services	Overlay Management	Dynamic Asset Allocation	Manager Monitoring	Portfolio Monitoring	Administration Services
Further services	Implemented Consulting							
Organization form	Centralized			Decentralized			Multi-research-boutique	
Due diligence process	Purely quantitative	Predominantly quantitative		Quantitative and qualitative		Predominantly qualitative		Purely qualitative
Assets under Advisement	Low		Medium		High		Very high	
Assets under Management	Low		Medium		High		Very high	
Number of employees	Low		Medium		High		Very high	
Asset classes in a wider sense	Traditional				Alternative			
Asset classes in a narrower sense	Equities	Real estate	Private Equity	Infrastructure	Commodities	Currencies	Absolute Return	Hedge funds
Compensation	All inclusive	Volume based	Project based		Time based		Success based	'Soft dollars'

 Fig. 6: Typologization criteria of investment consultants.⁴⁶

References

- Binnewies, S. (2002) (Strategisches Management professioneller Dienstleistungen am Beispiel der Unternehmensberatung): Strategisches Management professioneller Dienstleistungen am Beispiel der Unternehmensberatung, Göttingen, Duhrkohp & Radicke.
- Biswas, S./ Twitchell, D. (2002) (Management Consulting: A Complete Guide to the Industry): Management Consulting: A Complete Guide to the Industry, 2nd Edition, New York, New York, John Wiley & Sons.
- Bloomfield, B. P./ Danieli, A. (1995) (The Role of Management Consultants): The Role of Management Consultants in the Development of Information Tech-nology, Journal of Management Studies, Vol. 32, Hoboken, New Jersey, Wiley-Blackwell, S. 23-46.

⁴⁶ Own figure.

- Bower, M. (1982) (The Forces That Launched Management Consulting Are Still at Work): The Forces That Launched Management Consulting Are Still at Work, Journal of Management Consulting, Vol. 1, No.1, S. 4-6.
- Canbäck, S. (1998) (The Logic of Management Consulting – Part 1): The Logic of Management Consulting – Part 1, Journal of Management Consulting, Vol. 10, No. 2, Institute of Management Consultants, New York, New York, S. 3-11.
- Caroli, T. S. (2007) (Unternehmensberatung als Sicherstellung von Führungsrationalität?): Unternehmensberatung als Sicherstellung von Führungsrationalität? In: Nissen, V. (Hrsg.): Consulting Research – Unternehmensberatung aus wissenschaftlicher Perspektive, Wiesbaden, Deutscher Universitäts-Verlag, S. 109-126.
- Ernst, B./ Kieser, A. (2002) (In Search of Explanations for the Consulting Explosion): In Search of Explanations for the Consulting Explosion. In: Sahlin-Andersson, K./ Engwall, L. (Eds.): The Expansion of Management Knowledge, Stanford, Stanford Business Book, S. 47-73.
- Faust, M. (1998) (Die Selbstverständlichkeit der Unternehmensberatung): Die Selbstverständlichkeit der Unternehmensberatung. In: Howald, J./ Kopp, R. (Hrsg.): Sozialwissenschaftliche Organisationsberatung: Auf der Suche nach einem spezifischen Beratungsverständnis, Berlin, Ed. Sigma, S. 147-181.
- Fink, D. (2003) (Managementansätze im Überblick): Managementansätze im Überblick. In: Fink, D. (Hrsg.): Management Consulting Fieldbook: Die Ansätze der großen Unternehmensberater, 2., überarbeitete und erweiterte Auflage, München, Vahlen, S. 13-24.
- Fink, D. (2005) (Machiavelli, McKinsey & Co.): Machiavelli, McKinsey & Co. – eine kleine Geschichte der Managementberatung. In: Petmecky, A./ Deelmann, T. (Hrsg.): Arbeiten mit Managementberatern – Bausteine für eine erfolgreiche Zusammenarbeit, Berlin – Heidelberg – New York, Springer, S. 189-203.
- Franck, E./ Pudack, T./ Benz, M.-A. (2003) (Unternehmensberatung als Legitimation): Unternehmensberatung als Legitimation, Working Paper No. 21, Working Paper Series ISSN 1660-1157, Zürich, Universität Zürich.
- Gattiker, U. E./ Larwood, L. (1985) (Why Do Clients Employ Management Consultants?): Why Do Clients Employ Management Consultants?, Human Science Press, S. 120-129.
- Gummesson, E. (2000) (Qualitative Methods in Management Research): Qualitative Methods in Management Research, 2nd Edition, Thousand Oaks, California, Sage Publications.
- Heuermann, R./ Herrmann, F. (2003) (Hrsg.) (Unternehmensberatung): Unternehmensberatung – Anatomie und Perspektiven einer Dienstleistungselite, München, Vahlen.

- Kennedy Consulting Research & Advisory (2010) (Consulting Capability Assessments): Consulting Capability Assessments, <http://www.kennedyinfo.com/consulting/analystservices/assessments?C=vcRUNKJ5kxwYW0bk&G=qzITtFX263wsHqwC>, Peterborough, New Hampshire.
- Kieser, A. (1998) (Unternehmensberater): Unternehmensberater – Händler in Problemen, Praktiken und Sinn. In: Glaser, H./ Schröder, E./ v. Werder, A. (Hrsg.): Organisation im Wandel der Märkte, Wiesbaden, Gabler, S. 192-225.
- Kleeberg, J. M./ Schlenger, C. (2000) (Die Rolle von Consultants im Rahmen der Spezialfondsanlage): Die Rolle von Consultants im Rahmen der Spezialfondsanlage. In: Kleeberg, J. M./ Schlenger, C. (Hrsg.): Handbuch Spezialfonds: Ein praktischer Leitfaden für institutionelle Anleger und Asset Management Gesellschaften, Bad Soden/Ts., Uhlenbruch, S. 871-897.
- Kraus, S./ Mohe, M. (2007) (Zur Divergenz ideal- und realtypischer Beratungsprozesse): Zur Divergenz ideal- und realtypischer Beratungsprozesse. In: Nissen, V. (Hrsg.): Consulting Research – Unternehmensberatung aus wissenschaftlicher Perspektive, Wiesbaden, Deutscher Universitäts-Verlag, S. 263-279.
- Kromrey, H. (2009) (Empirische Sozialforschung): Empirische Sozialforschung, 12., neu bearb.Auflage, Stuttgart, UTB.
- Kubr, M. (Ed.) (2002) (Management Consulting: A Guide to the Profession): Management Consulting: A Guide to the Profession, 4th Edition, Geneva, International Labour Office.
- Maister, D. (2010) (Professionalism in Consulting): Professionalism in Consulting. In: Greiner, L./ Poulfelt, F. (Eds.): Management Consulting Today and Tomorrow: Perspectives and Advice from 27 Leading World Experts, New York – London, Routledge.
- McKenna, C. D. (1995) (The Origins of Modern Management Consulting): The Origins of Modern Management Consulting, Business and Economic History, Vol. 24, No. 1, S. 51-58.
- McKenna, C. D. (2006) (The World's Newest Profession): The World's Newest Profession: Management Consulting in the Twentieth Century (Cambridge Studies in the Emergence of Global Enterprise), Cambridge, Cambridge University Press.
- Mohe, M./ Heinecke, H. J./ Pfriem, R. (2002) (Beratung als Geschäft): Beratung als Geschäft. In: Mohe, M./ Heinecke, H. J./ Pfriem, R. (Hrsg.): Consulting – Problemlösung als Geschäftsmodell – Theorie, Praxis, Markt, Stuttgart, Klett Cotta, S. 221-224.
- Myners, P. (2001) (Institutional Investment in the United Kingdom: A Review): Institutional Investment in the United Kingdom: A Review, London, HM Treasury.
- Nees, D. B./ Greiner, L. E. (1985) (Seeing Behind the Look-Alike Management Consultants): Seeing Behind the Look-Alike Management Consultants, Organisational Dynamics, Vol. 13, Elsevier, S. 68-79.

- Niedereichholz, C./ Niedereichholz, J. (2006) (Consulting Insight): Consulting Insight, München – Wien, Oldenbourg.
- Niewiem, S./ Richter, A. (2007) (Make-or-buy Entscheidungen für Beratungsdienstleistungen): Make-or-buy Entscheidungen für Beratungsdienstleistungen – Eine empirische Untersuchung. In: Nissen, V. (Hrsg.): Consulting Research – Unternehmensberatung aus wissenschaftlicher Perspektive, Wiesbaden, Deutscher Universitäts-Verlag, S. 57-72.
- Pensions & Investments (2010) (Research Center): Research Center, [http:// www.pionline.com](http://www.pionline.com), Crain Communications Inc., Detroit, Michigan, [accessed on November 12, 2010].
- Poulfelt, F./ Greiner, L./ Bhambri, A. (2010) (The Changing Global Consulting Industry): The Changing Global Consulting Industry. In: Greiner, L./ Poulfelt, F. (Eds.): Management Consulting Today and Tomorrow: Perspectives and Advice from 27 Leading World Experts, New York – London, Routledge, S. 5-32.
- Schein, E. H. (1988) (Process Consultation Vol. 1): Process Consultation Vol. 1: Its Role in Organisation Development, 2. Auflage, Reading, MA, Addison-Wesley.
- Steele, F. (1981) (Consulting for Organizational Change): Consulting for Organizational Change, Amherst, Massachusetts, University of Massachusetts Press.
- Sturdy, A. (1997) (The Dialectics of Consultancy): The Dialectics of Consultancy, Critical Perspectives on Accounting, Vol. 8, S. 511-535.
- Thomson Nelson (2010) (Database): Database, <http://www.nelsoninformation.com>, Thomson Reuters, New York, New York.
- Trone, D./ Allbright, W./ Taylor, S. (1996) (The Management of Investment Decisions): The Management of Investment Decisions, New York, New York, McGraw-Hill.
- Turner, A. N. (1982) (Consulting Is More Than Giving Advice): Consulting Is More Than Giving Advice, Harvard Business Review, Vol. 60, September-October, Boston, Massachusetts, Harvard Business Publishing, S. 120-129.
- U.S. Securities and Exchange Commission (SEC) (2004) (Investment Advisers Act of 1940): Investment Advisers Act of 1940, Revised through September 2004, Washington, D.C.
- Wilkinson, J. W. (1995) (What is Management Consulting?): What is Management Consulting? In: Barcus, S. W./ Wilkinson, J. W. (Eds.): Handbook of Management Consulting Services, New York, New York, McGraw-Hill, S. 1-3 bis 1-16.
- Ziegler, A. (1995) (Beratung beim Wort genommen): Beratung beim Wort genommen. In: Wohlgemuth, A. C./ Treichler, C. (Hrsg.): Unternehmensberatung und Management: Die Partnerschaft zum Erfolg, Zürich, Versus, S. 55-65.