



LUND UNIVERSITY

School of Economics and Management

Master of Science in International Marketing and Brand Management

Master Degree Project

BUSM08

May 2011

Exploring the concept of track record

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ACKNOWLEDGEMENTS

This master thesis “Exploring the concept of track record” has been conducted at Lund University School of Economics and Management, spring 2011. Through the work process we have received new knowledge in the area of brand management.

We would like to thank our supervisor Docent Mats Urde, for guiding us through the process. We have appreciated his advice and feedback, and we want to thank him for valuable inputs.

We would like to express our gratitude to Lillemor Frenkel and Joar Orefjärd at Directa, Håkan Andersson and Lars Brunius at Schening and Anna Markelius at Accenture for being helpful with interviews and contributing with valuable information. Additionally, we want to thank participating clients.

We also want to thank our families and friends for their encouragement and support.

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ABSTRACT

Title:	Exploring the concept of track record
Seminar date:	2011-05-31
Course:	Degree project in International Marketing and Brand Management – Master Level, BUSM08, 15 University Credit Points (15 ECTS).
Authors:	Rebecca Lundgren and Elin Paulsson
Supervisor:	Mats Urde
Five key words:	Track record, corporate reputation, management consulting, brand, core values
Purpose:	Our purpose is to explore the concept of track record in relation to corporate reputation.
Methodology:	This study is a multiple-case study concerning three cases. It has a deductive approach and the strategy is qualitative and the data is primarily collected from semi-structured personal and telephone interviews.
Theoretical foundation:	The theoretical framework in this thesis concerns the two concepts of track record and corporate reputation.
Empirical foundation:	The empirical framework is based upon interviews with respondents in each case company. The case companies consist of three different sized management consultancies in Stockholm, Sweden.
Conclusion:	The conclusion of this thesis is that there is a relation between track record and corporate reputation. Corporate identity and corporate image are the main components of corporate reputation. When these two components coincide, which means that the internal and external perceptions are the same, the value foundation becomes a track record.

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Introduction

The introduction chapter presents the problem background that leads to a problem discussion around the choice of subject and clarifying the problem statement. This chapter also describes the purpose, knowledge gap, delimitations and disposition.

1.1 Problem Background

Recently a new concept in brand management has appeared, called track record. The concept has appeared in discussions concerning the origination of a brand's identity and core values. Track record can be described as the values a company delivers and what it is recognized and famous for and it is the internal and external perceptions of an organization (Urde, 2009). A more well-known concept in brand management is corporate reputation. Corporate reputation is a widely researched area and many researchers such as Fombrun (1996), Fombrun and van Riel (2004), Dowling (2001) and Bromley (2001) have done vivid and deep research in the subject. Reputation can be described as a statement that both can be true, false or unconfirmed and it can come into existence spontaneously or as a result of faulty information (Rykte, 2011).

An example of which effect a reputation can have is the Swedish train company SJ. The Swedish winter season 2010 was filled with snowstorms and blizzards, which affected the trains' availability on the tracks. It led to severe train delays and cancellations. This created huge customer dissatisfaction and media reported constantly about SJ's bad customer service and incompetence of handling the problem, which resulted in an injured and damaged brand reputation (Dunér, 2011). As a consequence, SJ's reputation is still seriously harmed and one of SJ's core values, "reliable", has lost its substance. This indicates that SJ's core value, "reliable", might be internally anchored, but not externally perceived. In the end, this creates a weak brand identity and a weak track record. This is a good example on how reputation and track record could be related. Thus, we are not going to focus on negative reputation or negative track record, as in the case of SJ.

Positive effects of a corporate reputation can also occur and positive reputations can create a buzz around a brand and its products or services. For an example, before Apple introduced Ipad they created a large hype around the product months before the launch. It contributed to a worldwide buzz around Ipad both in media and social media. The effect of the hype became an efficient word-of-mouth spread, which created a huge customer demand for the product. The positive reputation in combination with customer satisfaction contributed to a stronger brand (Anselmsson, 2010).

When evaluating the concepts of corporate reputation and track record, we believe that a possible connection between the two concepts exists. Hence, the correlation between the two concepts is

not something that is described or examined in the contemporary research. Instead, the research is focused on areas such as identity, image and reputation. Thus, we find that the possible connection can be linked to these research areas. Kapferer (2008, p. 178) argues that a company's brand identity is connected to who the company really is and Urde (2009) emphasizes that a brand's identity consists of core values and their attached track records. This can then be related to Chun (2005) and Bromley (2001) who argue that the brand's identity is linked to its reputation.

When evaluating the subject we find indications on that a positive reputation can result in a strong track record. To be able to examine this research field we want to further explore the concepts and try to investigate the possible relation between corporate reputation and track record. We believe that linking these two concepts together will contribute in the brand management research.

1.2 Problem Discussion

By evaluating previous research, we find studies on track record made by Mats Urde, PhD and associate professor in brand strategy at Lund University. Urde (2009) describes how rooted core values with track records are supporting a brand promise and represent the essence of a corporate brand. In his research he examines track record for several large companies in the retail- and production industry, such as Volvo, IKEA and IBM.

To develop and extend the research this thesis will focus on the service sector within business-to-business, thus we believe that reputation has a superior impact on a service company's success. We argue that the service quality is hard to measure in the same way as product quality. Instead, we believe it is relationships that is the most fundamental and valuable aspect of service quality. How quality is perceived and interpreted is therefore up to the individual to decide, and difficult for the company to have an impact on.

We have decided to focus on management consultancies within the service sector. The reason why this sector is particularly interesting to study is because the core business of management consultants is about knowledge and people, and we believe that a good reputation is essential for a management consultancy's success.

O' Mahoney (2010, pp. 110-111) argues that clients often use consultants they have heard about or that they recognize, to avoid purchasing services from consultants and consultancies with a bad reputation. Clients often chose consultants they have a personal interest in or have developed strong relationships with. The choice of consultants is also affected by the quality of proposal and presentation, capabilities of the consultancy and key of staff. According to O' Mahoney (2010, p. 7), consultants create value for their clients by improving business possibilities and performance, reduce

cost or improve the efficiency. Though, the actual return on investment can be difficult to measure, since it often comes in a softer form of improved strategy or leadership. To be able to keep market position and grow further the consultancies need to build a mature, solid and popular reputation for service quality.

How can parallels be drawn between the management consulting industry, corporate reputation and track record? First of all, people have a central role in management consultancies. People like to talk and communicate with each other and this means that a good reputation and a strong track record are crucial factors to be competitive on the market. It is also important to deliver high quality in projects and knowledge areas to create a positive word-of-mouth among clients, media and trade magazines. The examples of SJ and Apple show how essential a reputation can be for a company's failure and success. SJ is a good example of having a weak track record, where their offered values not are perceived at all by their customers. The example of Apple shows the opposite, which implies that having a positive reputation can lead to success. These situations indicate on the power of corporate reputation and its possible influence on a company's success. Based on the width of this subject, we argue that this research area is relevant and interesting both in a theoretical and practical point of view.

1.3 Purpose

Our purpose is to explore the concept of track record in relation to corporate reputation.

Based upon the purpose cases from the management consultancy industry will be used as examples to be able to explore the concepts. This leads us to the questions of:

1. What is the concept of track record?
2. Is there a relation between track record and reputation? If so, how can it be described?

1.4 Knowledge Gap

The concept track record has only existed for a few years and the only research done is concentrated on larger retail- or manufacturing companies. There is no research made on the service sector, which we argue could be a new and interesting angle in the subject. Corporate reputation is a more well-known concept, but there is a gap in the research concerning linking it to track record. Therefore, this potential relation is considered a knowledge gap and will be further investigated in this thesis.

1.5 Delimitations

We limit this study to only concern selected areas of brand management. We believe a study of the entire market does not generate the in-depth knowledge a specialized study could do. The study will be performed by evaluating three cases, which limits the research, thus we only get the perspective

of these three cases. Another limitation is that the study concerns the Swedish market and we have limited us to only study management consultancies and not all orientations within the consultancy industry. We limit ourselves by only include interviews with a few managers and consultants. This means that the study is only an implication on how to explore the concept. We do not perform an in-depth study on the concepts of corporate image or corporate identity. Instead, focus is on the concepts of track record and corporate reputation. This thesis does not consist of any larger surveys or quantitative material, instead smaller investigations has been made.

We believe it is better to break down the topic into minor parts and specify them in order to get a more focused result. This means that we will explore the concept track record and the possible relation to corporate reputation and not reputation in general.

1.6 Disposition

This thesis includes eight chapters. The first chapter presents the problem background and the problem discussion around the choice of subject that leads to the problem statement. The chapter also describes the purpose, knowledge gap and delimitations. The second chapter introduces the reader to the chosen theoretical framework that has been used to explore the purpose. In chapter three, the chosen methodology of how data has been assembled and collected through research strategy and case design is described. Chapter four is a presentation of the chosen industry and an introduction of the chosen companies, their history and current operations. Chapter five concerns the empirical findings, where the three cases are developed and analyzed through the McKinsey 7-S Framework. Chapter six discusses the concept track record, the three cases and the possible relation between track record and corporate reputation. In the conclusion, chapter seven the results from the study will be presented. The final chapter includes the contribution of the study and recommendations for further research.

Theoretical Framework

The purpose of this chapter is to explain and provide a theoretical background to the key concepts of this thesis. The main theories in this study are track record and corporate reputation. This chapter aims to provide the reader with a deeper understanding in the subject and the selected theories.

2.1 Track Record

The term track record is a new and unexplored concept in brand management. According to Urde (2009, p. 620):

A corporate brand track record consists of core values and promises rooted in the organisation, which are also perceived and appreciated by customers and non-customer stakeholders over time. It is an emerging pattern of proven values and promises forming a contract between the organisation and the outside world. A track record reflects continuity, influences the customers' expectations, and is part of a corporate brand's identity.

The core values and promises of a brand demonstrate and transmit what the brand stands for. They could be described as the essential part of a brand. There are three different standpoints showing how core values are related to a corporate brand's track record. Values can be related to how they are perceived by customers, how they are related to the organization and how they summarise the brand. This view indicates that core values and promises are both transmitted internally and externally. A track record is connected to emerging patterns, contract, performance and continuity. These four variables build the foundation of the track record and indicate if the overall concept of the track record coincides (Urde, 2009).

2.2 Brand Orientation Framework

When uncovering a brand's track record, one looks at the values that are connected to the organization's identity. Hence, an organization does not only have one identity, it has three different identities (Urde, 2009). Urde (1997, p. 289) clarifies this in his brand orientation framework and describes the connection between the identities and values the identities represent.



Figure 1: Brand Orientation Framework by Urde (2009, p. 622)

2.2.1 Perceived values

The identity of the customer is connected to the perceived values that project the core values of the organization externally and this could be described as a way for the organization to position itself and attract customers (Urde, 2009).

2.2.2 Corporate brand core values and promises

The core values are found in the corporate brand identity in the framework. Corporate brand identity is connected to the core values that endorse the brand promise and display the brand identity. Over time, the core values unite the organization and form the identity through its brand and customers. Therefore, the core values indicate and show what the brand really stands for and are the soul of the corporate brand. This process forms the reputation of the organization and stands for continuity. Every single core value has a track record and the track record shows the values that make the company successful (Urde, 2009).

2.2.3 Organisational values

The organisational identity is connected to the organisational values and how they are implemented internally. They could be described as the communicated values between the members and employees in the organization. The framework shows that when the organisational values, the perceived values, the core values and promises are synchronized they form a value foundation of the brand, which builds the track record. Therefore, it is important to have all value components on the same level (Urde, 2009). Further, Urde (2009) highlights and embraces the fact that it is significant to match customers' perceptions of different promises and delivered values with the internal

perspective. If the two perspectives are not synchronized the core values and track record will not exist.

2.2 Core values

According to Urde (2003) core values are dynamic, but needs to be long lasting to create value. If the organization changes, the core values needs to change as well so they become relevant both internally and externally. Internally rooted core values should be a link between a brand's vision, mission and the organizational values. Externally core values are interpreted as added values.

To be clear with the concept of core values, Urde (2009) emphasizes that they are directives that link both the brand and the customers' with the organisation. No one owns a core value, it is a shared phenomenon that needs to be believed, respected and stuck to. Urde (2003) highlights that core values interpreted as added values have an effect on a company's image. He also argues that having three core values is an appropriate amount and the three core values should cover the symbolic, emotional and functional dimensions of a corporate brand.

Urde (2009) argues that core values are built brick by brick, which means that the track record grows stronger when the customer expectations are achieved. Core values also support the promise and educe feelings which build a relationship between the customer and the brand. According to Urde (2009) core values are rooted, which means that the core values reflect and share the same spirit as the organization and the corporate culture. He also describes them as evolving and claims that they should be adapted to the ever changing organization. The last implication of core value is the one that it is challenged. A challenged core value is often confused with external values and wants. Therefore, it is important to protect core values in a corporation.

2.3 The Core Value Grid

All core values are not core and Urde (2009) has developed a matrix that divides values into four different sections. The thought behind the matrix is that when uncovering core values it is essential to analyze the past, present and the future, and see it as an ongoing process of time.

Values can both be externally perceived and appreciated, and internally rooted. This means that Urde (2009) makes a distinction on how the value is perceived in the organization and perceived by external parties, such as different stakeholders.

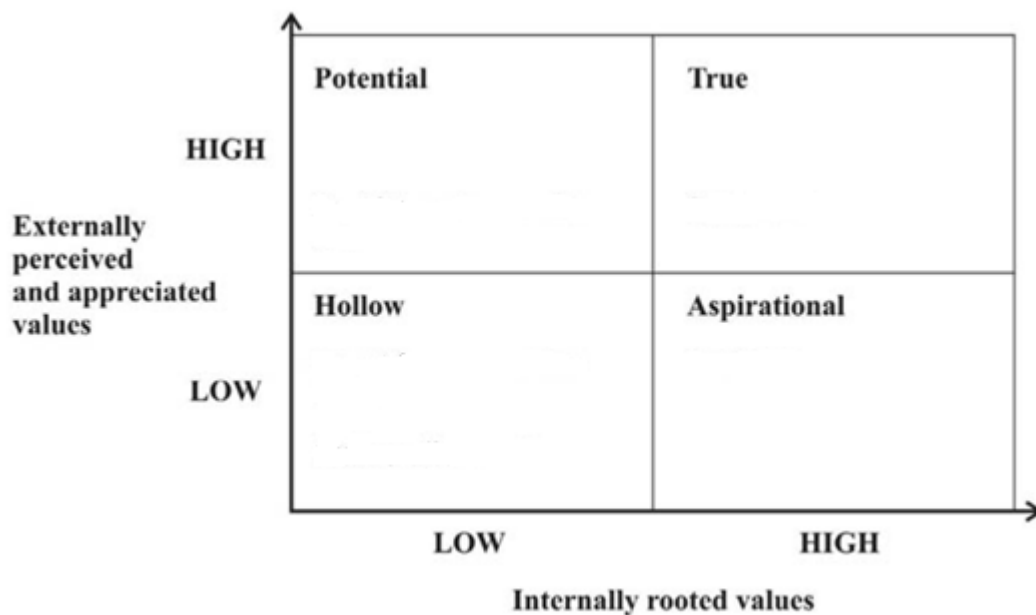


Figure 2: The Core Value Grid by Urde (2009, p. 632)

2.3.1 True core values

A true core value is the real value of the organization. It is the one that people associate the organization with, both internally and externally. There is a strong concurrence with the internal view of the core value and the perceived and appreciated external view of the core value. The importance of a true core value is vivid and it is one of the most important assets an organization has.

2.3.2 Aspirational core values

The aspirational core value is established within the organization, but not perceived and appreciated by customers. This is usual when an organization establishes a new core value and the employees adopt it, but it has not yet been transmitted outside the company.

2.3.3 Potential core values

The opposite of aspirational core values are potential core values. The potential core value is perceived and appreciated externally by customers and stakeholders, but not rooted in the organization. Therefore, it is important for a company to be responsive to externally perceptions to be able to discover and adopt core values that could be true.

2.3.4 Hollow core values

A hollow core value should not be defined as a core value. It is not rooted internally in the organization, or externally appreciated and perceived. To clarify, hollow core values lack real substance and are useless.

To conclude the theory of track record one needs to look at what the organization promises and which values it transmits and stands for. If the values and promises are synchronized, both internally and externally, the organization has a strong track record.

2.4 Corporate reputation

Corporate reputation is often mistaken for corporate image or corporate identity (Balmer and Greyser, 2003, p. 177). Dowling (2001, pp. 18-19) describes corporate identity as the way an organization identifies itself to external stakeholders by using different symbols, such as advertising slogans, logos or corporate names. It is the organization's view of itself. Chun (2005) describes identity as the internal view and argues that identity concerns employee's experience of the organization. Image is the external view and Chun (2005) describes image as tractable, since people can have images of an organizations even if they had little experience of the organization. Dowling (2001, pp. 18-19) argues that corporate image is how a person identifies the organization and emphasizes perceptions such as thoughts, feelings and beliefs. Identity and image are related to each other and if the two components interact, a changing image may require a change in identity.

According to Gotsi and Wilson (2001), a general definition of corporate reputation does not exist and researchers use various definitions. They point out two different schools of thought that define reputation in different ways. The first is called The Analogous School of Thought and it equals corporate reputation with corporate image. The second school is The Differentiated School of Thought and is divided into three sub categories. The first category points out that corporate reputation is not equal to corporate image, the second view note that corporate reputation leads to corporate image and the third view shows that corporate image leads to corporate reputation.

The research of Gotsi and Wilson (2001) present common factors that describe corporate reputation, such as it takes time to manage and build a reputation and that interdependency exists between

corporate reputation and corporate image, where corporate reputation is the dependent factor and image is the interdependent factor. They also argue that a bilateral relationship between corporate image and corporate reputation exists and that corporate reputation is a dynamic concept. Gotsi and Wilson (2001) conclude that corporate reputation affect and is affected by how the company communicates its image.

Dowling (2001, p.19) has a similar view on corporate reputation. He describes corporate reputation as the attributed values that derive from a person's perception of a company, the corporate image. The values are often related to factors such as, responsibility, honesty, integrity, authenticity and accomplishment. Fombrun and Van Riel (2004, p. 86), discuss other values that they believe are the roots of building a real corporate reputation such as being visible, transparent, consistent and distinctive. They also bring up authentic which collaborates with Dowling's (2001, p.19) view. All these factors are indications of that a strong corporate reputation appears when companies build emotional appeal by expressing themselves in what they do, how they are and what they stand for (Fombrun and Van Riel, 2004, p. 95). Marconi (2002, pp. 70-71) declares that it is what you do and how you look that creates an image, and the image creates a reputation over time. He describes corporate reputation as the cumulative effect of the long term communicated images and impressions.

Bromley (2001) is taking a similar stand point as both Gotsi and Wilson (2001) and Dowling (2001), but mentions identity instead of image. According to Bromley (2001), corporate reputation can be defined as both a process and a product. It means that a corporate reputation can change over time, even though the corporate identity remains the same. The reputation is not dependent on what it represents, which means that a company cannot have full control of its reputation.

Corporate reputation also refers to behaviours and activities of an organization and is formed over time (Balmer and Greyser, 2003, p. 177). Chun (2005) argues that corporate reputation has an impact on the way different stakeholders behave towards an organization and influencing customer satisfaction, customer loyalty and employees.

Chun (2005) describes corporate reputation as both internal and external stakeholder's total impression of an organization. Stakeholders are in this case customers, employees, suppliers and managers (Chun, 2005). Corporate reputation refers to the overall activities in an organization and should be seen as a summary of all the related stakeholder's perceptions. It refers to what the stakeholder's believe the organization stands for and is associated with. Image and identity can be seen as the main components of corporate reputation (Chun, 2005).

O' Mahoney (2010, p. 109) describes that recommendations and reputation have an impact in the management consultancy industry. He argues that there are several ways of finding the right consultant for a project. The three most common ways a consultancy is found by clients is from referral from a trusted associate, previous experience with the consultancy and the general word-of-mouth. O' Mahoney (2010, p. 109) emphasizes that word-of-mouth and recommendations from friends or similar companies are the most common source of referral. Recommendations are also the best way to measure quality and O' Mahoney (2010, p. 140) argues that recommendations can take place between two companies, but clients are also often positive to use the same consultancy again, if they got a positive experience from previous projects.

Since there are several definitions of what corporate reputation consists of, the definition used in this thesis is our interpretation of previous research. According to us:

The main components in corporate reputation are image and identity, where reputation is the overall activities in an organization. Reputation should be seen as stakeholders'¹ total perceptions, such as what they believe the organization stands for and is associated with. It is built of corporate identity and the cumulative communicated image. Reputation can change over time and is difficult to have control of.

2.4.1 The value of corporate reputation

Dowling (2001, pp. 12-13) emphasizes the value of having a good corporate reputation and both Greyser (1999) and Dowling (2001, pp. 12-13) describe three benefits of a positive external corporate reputation. First, a positive corporate reputation becomes preference when doing business with the company and especially when several companies are offering the same products or services (Greyser, 1999). This echoes Dowling (2001, pp. 12-13) who argues that it helps clients choosing between services and reduces the risk for the customers when buying the service or product. Second, it has an impact on a company's values in the financial market place (Greyser, 1999) and can be helpful when raising capital on the equity market (Dowling 2001, pp. 12-13). Third, a good reputation provides a second chance in crisis and a positive corporate reputation supports the company in times of trouble (Greyser 1999).

Greyser (1999) argues that there are other benefits connected to a positive corporate reputation, such as having the ability to charge premium prices and be able to attract more qualitative employees in recruiting processes. Fombrun and Van Riel (2004) compare the positive corporate reputation to a magnet that attracts stakeholders if they like what they hear and see.

¹ Employees, customers and managers

2.5 The McKinsey 7-S Framework

The McKinsey 7-S Framework was developed in the 1980s by Thomas J. Peters and Robert H. Waterman (O' Mahoney, 2010, p. 185). In their book "In search for excellence" they describe the framework that endorses power in companies and how the model can be used to define criteria for success (Peters and Waterman, 1982, p. 9). The framework is useful when companies go through organizational change and it can be used to make sure that all aspects are considered (O' Mahoney, 2010, p. 185). In their study, Peters and Waterman (1982, p. 9) found that there are at least seven variables that are affecting companies' strengths and skills. These seven values are structure, strategy, management style, systems and procedures, guiding concepts and shared values.

A lot has happened since Peters and Waterman developed the tool. Things that were essential 30 years ago are hygiene factors today. Even though the framework has been updated during the years, the functions remain. It can be used to diagnose how existing organizations are operating, what particular elements a company should change and how these changes should be aligned with each other. Today, the framework is further explored, but does still consist of the same elements that can be categorized in hard and soft elements. The hard elements are systems, structure and strategy. The soft elements refer to staff, style, skills and shared value. The framework mirror the company of what is working and what is not working in order to gain success. It can be a way to understand how the organizational elements are interrelated and to ensure that the wider impact of changes made in one area is taken into consideration (McKinsey Quarterly, 2011).

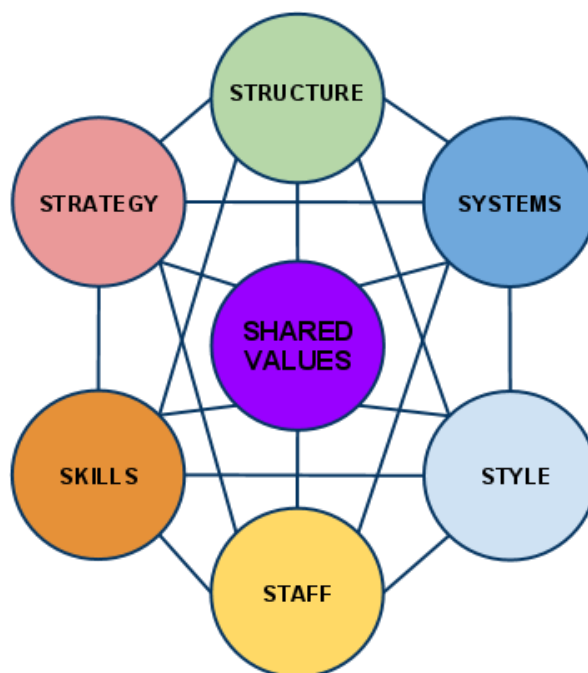


Figure 3: McKinsey 7-S Framework by Peters and Waterman (1982, p.10)

2.5.1 Shared values

Shared values refer to what the organization is trying to achieve. It describes what the organization stands for and believes in. However, social mission has been added to shared values because of the significance of a company's reputation, since reputation is valuable and has become an important corporate asset. The most essential for shared values is that they need to be relevant (McKinsey Quarterly, 2011).

2.5.2 Skills

Skills describe the institutional skills and the individual skills an organization have in the staff force. The element also describes how the skills work together. This element is important in order to find out whether the organization requires skills that the company does not have. It has become a more important variable for companies, since they need to keep up with the globalization and expansion of the economy to a higher extent (McKinsey Quarterly, 2011). Skills can also be described as the distinctive competencies of the organization, such as people, management practices, processes and customer relationships (Mind Tools, 2011).

2.5.3 Staff

The next S, staff, refers to the people and intrinsic talents in the company, including how they grow and develop. It can be everything from the numbers of employees to different pyramids of talents. Today, companies are aware of the need for different employees within the organization and managers are much more educated and aware about the importance of diversity, gender and what kind of staff they need to create economy of scope (McKinsey Quarterly, 2011). This element is also about how the organization recruits, selects and train their employees. (Mind Tools, 2011)

2.5.4 Style

This element describes the informal rules of conduct, but also the characteristics that contribute to the rejection of outsiders that lack the same style as the insiders. (McKinsey Quarterly, 2011) It is connected to the dominant values and fundamental beliefs within the organization. Style is connected to the leadership of managers, such as what they demand from employees and how they make their decisions. It is also a part of the organizational culture, such as dress code, job titles and informal meetings with employees (Mind Tools, 2011).

2.5.5 Strategy

Strategy refers to what the company is trying to do in order to increase competitive advantages towards competitors and it is a way to identify the strengths and weaknesses. Today, strategy is more about how companies evolve for the future instead of discovering what the future brings. This has made it more difficult to design the organization around the strategy, because the strategy itself

is evolving and has to be dynamic. Today, strategy and organization are more or less the same and adapt to each other (McKinsey Quarterly, 2011).

2.5.6 Structure

Initially, companies had structure to enable the staff to understand the authorities' role in the organization. Today, it is hard and complex to understand the authorities' relationships and it has become more important to clarify the sometimes complicated relationships (McKinsey Quarterly, 2011). Structure can also be described as the way in which people and task are specialized, divided and how authority is distributed. It is a mechanism by which activities in the organization are coordinated (Mind Tools, 2011).

2.5.7 Systems

Systems, refers to all processes made by the company and it has become a major focus in how work is done. It is not just processing systems or electronic systems, but can for example be HR-processes or risk management processes. This element is used to define and improve the organization (McKinsey Quarterly 2011).

Methodology

The purpose of this chapter is to clarify the used methods to conduct the study, such as research design, research strategy and case design. The chapter will also explain how the data has been collected and how the empirical material is analyzed.

3.1 Research design and strategy

The purpose of this thesis is to examine the possible relationship between track record and corporate reputation. To be able to investigate the purpose, a research strategy and design have been created to get a deeper understanding in the subject. Yin (2009, p. 26) argues that the research design is the logical plan of where the initial research question is connected to the empirical data and the conclusion. Yin (2009, p. 26) further explains this logical plan as a way to get from A to Z, where A is the initial questions and Z is the conclusion and answers to the questions. This thesis' research design is chosen, according to Yins theories, to suit the purpose the best possible way and to come up with a conclusion from the empirical findings. Therefore, a case study design has been chosen. According to Gummesson (2007, p. 229) case studies allows:

...the study of complexity, context, cambiguity and chaos. It allows a holistic, systemic approach with an unlimited number of variables and links. It allows an inductive approach without considering extant theory, but can also be deductive or a combination of the two. It offers freedom in the choice of data generation and analytical techniques with little regulation. It is innovative, entrepreneurial and non-bureaucratic.

This thesis will be based upon three cases to get a deeper understanding of companies in the same industry with different sizes. These cases are examined and analyzed by the usage of different theories and models. The McKinsey 7-S Framework by Peters and Waterman (1982, p. 10) will be used with aim to gain a deeper understanding in the chosen cases. The brand orientation framework by Urde (1997, 2009) and the core value grid by Urde (2009) in combination with corporate reputation research are being used to evaluate the cases. Henceforth, to get a deeper understanding and to obtain a reputation perspective the selected firms' clients were also used as a reference to get an extended and external picture.

The strategy of this thesis is qualitative. A qualitative strategy is when the researcher uses words to collect and analyze data. It is connected to how a person interprets the social world. If the research field is unexplored it is good to use the qualitative research design (Bryman and Bell, 2007, pp. 28, 33). In this case the research field of track record is relatively unexplored, which makes the qualitative strategy more suitable for the purpose of this thesis.

Bryman and Bell (2007, p. 14) argue that the qualitative design is mostly combined with an inductive approach. Induction is when the researcher starts with an observation and the outcome becomes theory. This thesis will do the opposite, it starts with theory which derives in observations. This is called a deductive approach. To further clarify the chosen deductive method, this thesis will begin with explaining the two theories of track record and corporate reputation. Then, an examination will be made regarding if a possible relation between the two theories exist, by conducting three case studies where the theory of track record will be used to evaluate the cases thoroughly. This leads to the discussion of whether there is a possible relation between the two concepts, or not. Bryman and Bell (2007, p. 11) argue that the deductive approach starts with theory, which leads to a hypothesis and continues with data collection which provides the empirical findings. Next step is to confirm or reject the hypothesis, which can end up in a possible revision of the theory. This thesis will follow these steps, except of the hypothesis step. A hypothesis will not be formulated.

3.2 Case study

In this thesis there will be three separate case studies for each of the three companies, thus it is an appropriate method to address the question formulation. A case study is used to contribute to the knowledge of social, individual and organizational phenomena. The distinctive need for case studies comes from the aspiration to further understand a complex social phenomenon (Yin, 2009, p. 4).

According to Yin (2009, p. 53) a study does not have to be based on only one case. Researchers can use a multiple-case design, also known as comparative design. The research design aims to compare and contrast the findings of different cases included in the research. It enables researchers to consider what is unique and common across cases and make theoretical reflections on the findings (Yin, 2009, p. 53). This thesis consists of three cases and therefore a multiple-case design has been chosen. According to Yin (2009, p. 54) researchers using multiple cases should classify the different cases as multiple experiments. Though, it is important to carefully select the cases so they either forecast the same result or contrasting results (Yin, 2009, p. 54). The three cases in this thesis are based on three firms in the same industry, where the result is forecasted to be somewhat the same. Since this multiple-case study is based on three cases it will not go in-depth in every case, but the cases will be based on defining and analyzing values in order to chart the track record.

According to Gummesson (2007) case studies are about the communicated and verbal language. Therefore, case studies can be connected to the theory of ontology and the approach of social constructionism. According to Easterby-Smith *et al* (2008, pp. 58-59) social constructionism describes how the researcher interprets reality. In this case we interpret reality according to social constructionism, which can be explained as that data is interpreted from the respondent's feelings,

thoughts and communication. Most of the data in this thesis consists of personal interviews, which Yin (2009, p. 106) argues is one of the most important sources of information in case studies. Therefore, the empirical findings, the discussion and the conclusion will be based upon how we interpret the respondents' answers.

3.3 Case design and implementation

The case study design consists of four steps. The first step is to explain the internal view, which can be described as how the firms perceive themselves. This will be done by using the McKinsey 7-S Framework by Peters and Waterman (1982, p. 10). The McKinsey 7-S Framework has been chosen, because it is a recognized way to describe and capture important aspects of the companies chosen. The framework shows and considers several different dimensions and aspects. It is used as a tool to structure the empirical findings. It needs to be clarified that it not is a scientific model, but in this case it suits the purpose well and therefore it will be used.

The second step in the case study is an analysis and interpretation of the companies' core values and potential values. It is a way to interpret what the firms are communicating and saying about themselves. The third step will include the opinions from the different firms' clients. It will be an explanation on how clients view the companies and which values they feel the companies provide and deliver. The findings will be presented in the last part of the case, the summary, which includes both the internal and the external views. The summary will consist of the core value grid model by Urde (2009) which aims to discuss the differences and discrepancies found between what the company says and what the clients say.

The clients and consultants have been asked to rank the same values that have been chosen in the value analysis. They were asked to rank the values between one and seven. When plotting the results in the core value grid the results will not be plotted after mathematical relevance. This is done because Urde (2009) claims that true core value are the real value of an organization and they need to be both internally and externally rooted. That is why a five cannot be perceived as strong as a seven and therefore not be ranked as true. Not doing plotting according to scale, is not a statistically way of interpreting data, but this is a qualitative thesis where answers and results are interpreted by the researchers and our approach of social constructionism. When plotting the results thorough reasoning will be done, so the reader understands how the different answers are interpreted in the core value grid.

After the extensive case presentations the cases will be discussed in aim to answer the research questions. The discussion will both consider the concept of track record and the possible relationship between track record and corporate reputation.

3.4 Choice of companies

The choice of the management consultancy industry is based upon an interpretation that reputation could be an essential part in this type of industry and that the main part of marketing activities might consist of reputation building. Three different-sized management consultancies firms in Sweden have been chosen. The classification of the different sizes has been done to get a diversified picture of the industry and to get all the angles and perspectives to be able to do a valid and reliable study.

The small firm is not one consultant, but two. The choice of two solo consultants instead of one is to get a broader picture of solo consultancies. The two consultants are part of an “umbrella organization” called Directa and the firms are Frenkel Konsult and Joar Orefjärd Förändringsassistans. The reason to use Directa as the small firm is that it is interesting to both get the perspective of two solo consultants and at the same time connect it to the overall brand of Directa. The mid-size firm is Schening. The reason to use Schening as a mid-size company is because their company name is not that well-known. Schening is a newly established management consulting firm, with only six years in business and seven employees in Sweden. The large firm is Accenture. The reason to use Accenture as a large company depends mainly on their leading market position and that the company is one of Sweden’s largest management consultancies.

3.5 Data collection

The data needed in this study will mainly be primary data collected from interviews, but some data will derive from other secondary sources. Both personal interviews and telephone interviews have been made. The data collection started with personal interviews with respondents from each case company and ended with telephone interviews with the chosen respondents and their clients. The instructions for authors in Journal of Brand Management (2011) have been followed in aim to get a scientific and correct way of referring and writing this thesis.

3.5.1 Personal interviews

Interviews are one of the most important information sources (Yin, 2009, p. 106). There are two types of qualitative interview approaches; unstructured and semi-structured interviews (Bryman and Bell, 2007, p. 474). Bryman and Bell (2007, p. 473) argue that the emphasis in the qualitative approach lies in the formulation of insights and ideas from the interviewer’s own perspective.

When conducting a semi-structured interview the researcher uses an interview guide with questions that are related to the research question and the main topic. During the interview the interviewer can add additional questions to the interview guide (Bryman and Bell, 2007, p. 474). Since this thesis has a qualitative approach the semi-structured interviews is used. Personal and individual interviews have been pursued with the respondents, with the goal of receiving additional knowledge in the field.

The interview process started with giving the respondents an interview guide. Bryman and Bell (2007, p. 482) argue that sending out an interview guide before the actual interview is a good way of strengthen the dependability of the study. The guide consists of one section regarding information about the respondent, one section of the external view of the company, one section of the internal view of the company, one section regarding track record and one section regarding reputation. The questions are designed based on the McKinsey 7-S Framework, but was not something that was communicated to the respondents.

The interviews with the consultants on Directa were held at their office in Stockholm. One of the interviews with Schening was conducted on a borrowed office in Malmö. The other interview was held at a hotel lobby in Stockholm, due to time constraints from the respondent. The last interview with Accenture was held in their Stockholm office with one representative from Accenture. Even if it could be a risk of having one interview with Accenture due to get valid material, it is not seen as a risk in this case. There is much more written material on Accenture, which provides good empirical material nevertheless.

3.5.2 Telephone interviews

Telephone interviews can sometimes give a more significant and non-biased answer, due to that personal factor does not affect the interview. Though, this could lead to a weaker research but it will not affect this thesis, because a relation to the respondents has already been developed (Bryman and Bell, 2007, pp. 215-216). Telephone interviews have been conducted with the respondents from the three case companies and their clients.

After evaluating the empirical findings from the personal interviews a set of values were picked out that was interpreted as being important for each company. Then a telephone interview was made with the respondents to once again clarify what was being said and with aim to evaluate the material and also give the respondent an opportunity to rank these values between 1-7, where one being “not agree at all” and seven being “totally agree, we bread and sleep this value”. To be able to get extra value, telephone interviews with their clients were held. They explained why they chose the companies, what they valued and then ranked the same values as the case companies did.

3.5.3 Choice of respondents

For this study it has been necessary to get access to significant respondents on the case companies. Two respondents from Directa, two respondents from Schening and one from Accenture have been chosen.

At Directa, Lillemor Frenkel and Joar Orefjård are chosen respondents. Lillemor Frenkel has her own management consultancy firm called Frenkel Konsult and she is one of the partners at Directa. Joar Orefjård also has his own management consultancy firm, Joar Orefjård Förändringsassistans, and he is also a partner at Directa. We believe interviewing these two consultants is enough to get a diversified picture of how solo consultants work and to get a good view on how Directa works. At Schening, Lars Brunius and Håkan Andersson are chosen respondents. Brunius and Andersson together with Magnus Schening are founders and associates. Andersson is the CEO. They possess great knowledge about Schening and give a diversified picture of Schening. At Accenture Anna Markelius is chosen as respondent. She is the Country Marketing Manager in Sweden and is chosen because she possesses the knowledge of Accenture's standpoint in branding issues, and therefore any further respondents at Accenture are not necessary.

The telephone interviews have been made with significant clients to each company. Between one and two clients of each firm has been interviewed. This material will be enough to suit the purpose of getting a picture of the external view. Due to let the respondents answer more truthfully it has been decided to let them be anonymous.

These interviews will give enough material to build a valid thesis. The respondents chosen are the ones that possess the broadest knowledge in the subject. More interviews and more respondents would not contribute with more information or a different material.

3.5.4 Secondary material

According to Yin (2009, p. 103), documentation can be many different things such as letters, agendas, administrative documents, news clipping and other articles. This type of sources can often be found through Internet search and even though they are not always accurate and lacking in bias they are useful. In case studies they can be used to corroborate details and information that comes from other sources (Yin, 2009, p. 103). The documents used in this thesis consist of literature, journal articles and web-pages, such as the management consultancies own web-pages and online magazines.

3.6 Credibility for the study

The quality and credibility of a case study and its empirical material is evaluated by four factors; construct validity, internal validity, external validity and reliability (Yin, 2009, p. 41).

3.6.1 Three levels of Validity

Construct validity covers the data collection. The data collected needs to meet three criteria's to be valid. The criteria concern the usage of multiple sources of evidence, establishing a chain of evidence and have the key informants to review the draft of the empirical material (Yin, 2009, p. 41). Yin (2009, p. 114) argues that using several different data collection methods is important in case studies. We have used two out of the six sources stated by Yin, which could indicate that the study is not enough anchored empirically. But, the cases are not full in-depth cases, therefore we argue that the two sources, interviews and documents, are enough to construct validity. The second criterion treats the need for establishing a chain of evidence, which means that the reader can follow the evidence in the thesis from the introduction chapter to the conclusions (Yin, 2009, p. 122). This we argue is done, and we believe that evidence and reasoning in the thesis is traceable and easy to find. The last criterion concerns the empirical material and the respondents (Yin, 2009, p. 41). The empirical material has been reviewed by the respondents in order to be sure that the material mirror reality and is correct.

Internal validity treats how to construct the data analysis in the best way. It covers if the thesis addresses rival explanations, do explanation building, use logic models and do pattern matching (Yin, 2009, p. 41). We argue that this thesis covers all these aspects. The last validity part is external validity and it refers to the problem of knowing if a study is generalizable beyond the case study. For example if the study focuses on one high school, is it then applicable on other high schools? External validity has been a major problem in case studies, since it is not enough to only use single cases to base generalizing (Yin, 2009, p. 43). We argue that this thesis is a way of explaining and finding possible connections between theories and cases. Therefore, it can be used as a method or a way of confronting this type of question and it should not be rejected scientifically because it is "only" built upon three cases.

3.6.2 Reliability

Reliability concerns data collection and it emphasizes the need of having a case study protocol and developing a case study database (Yin, 2009, p. 41). Yin (2009, p. 45) also argues that researchers should conduct the research so that others could make the same procedures and come up with the same conclusion. This is quite hard to do when using a qualitative approach, since every situation is unique due to the social setting and circumstances. One way of making sure that the research can be

done again is by documenting the procedures and steps done in the case study. The interviews was made on the respondents' mother tongue, recorded and transcribed to achieve a higher reliability level. We have tried to follow the criteria of reliability by describing how we have done throughout the whole working process in this chapter. It should be easy for the reader to follow and understand how we have done and reasons for doing it.

3.6.3 Criticism of sources

Gummesson (2007) argues that using case studies is a way of understanding a case in-depth. Thus, he highlights that few cases cannot give the whole answer to the question of how, but conducting cases is a way to highlight the specific phenomenon and knowing that it occurs. We are well aware of the criticism of using case methods, but Gummesson (2007) claims that case studies is an innovative way of conducting research. During the study, it has been important to be critical of the sources used. The material has been reviewed and we have tried to be objective in our interpretations. In interviews and visits, we have been aware that managers and employees may have influenced us to give a positive image of the company. Due to the fact that our thesis is a public document, the respondents might have been influenced by the knowledge that managers and other superiors may be confiding the interviews and materials. The reader should also note that the data collection obtained through interviews can be the respondent's own interpretations and opinions. The theoretical literature and articles used, we believe to be credible information and for the most part objective.

Industry and company introduction

This chapter is a presentation of the management consultancy industry and an introduction of the three chosen case companies, company history and their current operations.

4.1 Management consulting firms

A management consultancy is a company that independently offers advice or help on management issues. It is an efficient and profitable way to “lease” people with experience and expertise in a certain area. The term management refers to people that have managerial responsibility or is a holder of a position in which he or she has the authority to have an impact on the organization (Jensen, 2011). The management consulting industry is a client-led business. Compared to other service industries, management consulting services can be used to help companies with issues regarding customer demand and implementation of new ideas (O’ Mahoney, 2010, p.94).

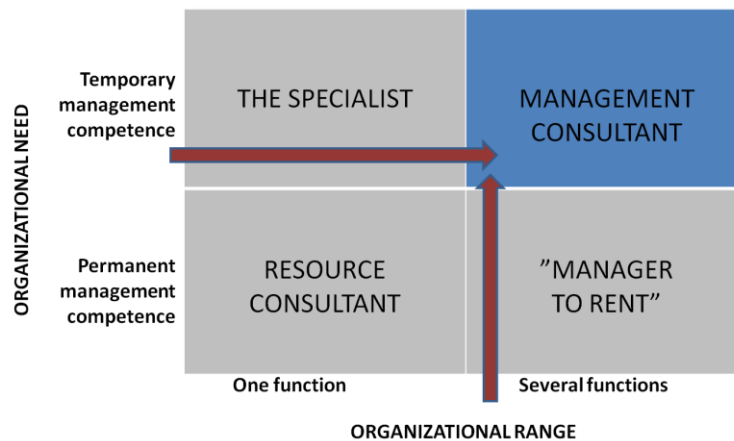


Figure 4: The Consultancy Industry according to SMK (Jensen, 2011)

Sveriges Management Konsulter, SMK, divide the consultancy industry into four different areas; the specialist, “manager to rent”, resource consultants and management consultants. The specialist has substantial knowledge in a specific area or business, but does not give advice or help in issues regarding the whole organization. “Manager to rent” is a consultant in a management position, but lacks the authority to make decisions regarding change. Resource consultants are used to substitute a need or complement a group and the client has the main responsibility, not the consultant. An example of this type of consultancy is staffing consultants. The main difference between management consultants and other consultants are that they do projects on their own and take full responsibility of what is being delivered (Kammarkollegiet, 2009).

Management consultants first appeared in the USA in the 1950’s and got its breakthrough in Sweden in the 1970’s. The Swedish management consultancy industry exists of approximately ten large firms, several small actors with up to 25 employees and a large number of solo consultants (Wihlborg,

2011). In 2007, 25,000 people were registered as management consultants in Sweden and at the same time there were 20,000 registered consultancies. This means that the majority of all management consultants in Sweden is self-employed and run their own businesses.

The business is divided into knowledge areas such as strategy development, organizational change management assistance, IT-implementations, development of coaching skills, environment strategies or operational improvement services (Kammarkollegiet, 2009).

4.2 Directa

Directa Svenska AB is a management consultancy founded in Stockholm in 1999. The firm consists of twelve self-employed management consultants and can be described as an “umbrella organization” where the consultants are connected to one brand, Directa. This means that they are not employed by the company, but run their own management consultancy and pay a fee to be a part of the network (Frenkel, 2011, personal communication). Six of the consultants are partners in Directa, which means that they have the legal responsibility and is in charge of bringing new consultants to the network. Directa’s main business areas are business development, communication and leadership (Directa, 2011a).

By being a part of the network the consultants have access to an office where they can meet clients, work in projects together and have meetings with other consultants in the network to exchange experience. The consultants work both in projects with consultants from Directa, but can also work with external consultants or on their own (Frenkel, 2011, personal communication).

Directa is comprised of approximately ten consultants who have long experience as CEO, manager, leader, etc in various industries. We are certified for, and use, when necessary, a variety of tools for behavior and leadership analyses. We have extensive experience of developing on an organizational, group and individual level in both the public and private sectors.

(Directa, 2011a)

Two of the partners at Directa are Lillemor Frenkel, who runs Frenkel Konsult, and Joar Orefjärd who runs Joar Orefjärd Förändringsassistans.

4.2.1 Frenkel Konsult

Lillemor Frenkel founded her management consultancy, Frenkel Konsult, in 1999 after two decades of working as an Information- and Communication Manager in different companies. A few years later she received a consultant diploma in organizational management and joined Directa in 2005. Today, Frenkel is a consultant in communication and change management and runs both her own business Frenkel Konsult and is a partner at Directa (Frenkel Konsult, 2011).

Frenkel Konsult works with communication in change, based on a figure-proprietary approach. By building on the entirety, both in what needs to be communicated and how it can be processed in the organization to create understanding and participation, increase the impact of the change. Specifically, it can be about writing and communicating in combination with process work at individual, group and organizational level.

(Frenkel Konsult, 2011)

4.2.2 Joar Orefjärd Förändringsassistent

Joar Orefjärd started his management consultancy, Joar Orefjärd Förändringsassistent, in the 1990's. His focus is on organization development and issues regarding relations and cooperation. Orefjärd (2011) argues that he has a broad knowledgebase and explains that he has a different way of seeing things, which he calls the "Non-Stockholm perspective". By this he means that he has experience from organizations that are not based in Stockholm and therefore has a different way of looking at organization issues. Orefjärd (2011) also works with leadership development and operational planning. He joined Directa in 2005 and is a partner since a few years back.

I have worked in various industries since the early 80's to support the development of management teams, managers, and employees. By that I have lived and worked in Lund, Sundsvall and Härnösand and have an Outside Stockholm's Perspective - which often is good!

(Directa, 2011b)

4.3 Schening

Schening AB is a management consultancy specializing in operations management. The firm was founded in Sweden in 2008 by three senior consultants with experience from leading positions in the development of successful international management consultancies. The company consists of seven consultants in Sweden and twenty other consultants in different globally subsidiaries (Andersson, 2011, personal communication). Schening's main knowledge areas are service operations, supply chain operations and business analysis. They also deliver solutions for small and mid-sized companies. Today, Schening operates in Stockholm, Copenhagen, New York and Shanghai (Schening, 2009a).

Our belief is that a good advisory firm should base their advice on the combination of in-depth analysis of the facts and the experience of what is a practical achievement. In a time of almost infinite technical opportunities in the form of systems support and tools for management, we find it as important that the adviser is independent from relationships with suppliers in these areas in order to provide credible recommendations. We don't sell anything other than consulting services.

(Schening, 2009b)

4.4 Accenture

Initially named Andersen Consulting, Accenture, was established in 1989 when partners from various Arthur Andersen firms around the world formed a new organization. Their focus was on consulting and technology services that were related to managing large-scale systems integration and enhancing business processes. In the first ten years the firm evolved from being a systems integrator to a worldwide management consulting and technology service company. The company had in the year 2000 more than 70,000 employees in 46 countries. In 2001, the company changed name from Andersen Consulting to Accenture (Accenture, 2011k).

Today, Accenture has 215,000 employees in 120 countries and is one of the leading global consultancies in the world. The company is today the largest management consultancy in Sweden (Wihlborg, 2011). Through the tagline “High Performance. Delivered” they combine experience and wide-range capabilities across business functions and industries. They also convey extensive research on some of the most successful companies in the world (Markelius, 2011, personal communication). In their three areas of expertise; consulting, technology and outsourcing they help their clients perform better and create sustainable value for both customers and shareholders (Accenture, 2011a).

What distinguish Accenture in the marketplace are their broad and evolving service offering, extensive industry expertise and expertise in business transformation outsourcing. They also have a history in innovation and implementation of technology. Accenture achieves success through long-term loyalty and development of their employees, but also by experienced management teams (Accenture, 2011d).

Accenture is ranked in the top three best management consultancies in the world and the company has clients from a wide range of industries. The company has today 94 of the 100 largest companies in the world as their clients (Accenture, 2011f).

Helping our clients achieve high performance while fostering an innovative and diverse culture is our goal at Accenture. The awards and recognition we receive are a testament to our success.

(Accenture, 2011b)

Empirical findings and analysis

The purpose of this chapter is to describe the cases and analyze the findings from the interviews by using the McKinsey 7-S Framework and the core value grid model.

5.1 Directa

5.1.1 The internal view of Directa

To be able to evaluate and describe the case, there will first be a description of how the consultants at Directa describe Directa, its values and promises. This is the internal view of the company. As an analytical model the McKinsey 7-S Framework will be used.

5.1.1.1 Shared Values

The consultants at Directa create results for their customers together with each other and spend time creating practical tools and methods from their own experiences as CEO's and Business Area Managers in different industries (Frenkel, 2011, personal communication). Frenkel (2011) describes Directa's shared values as something that everyone in the network agree upon and that it is "their words" of what the strengths are and how the people in the network perceive themselves. The core values that describe Directa are "focus on customer needs", "result" and "ardor".

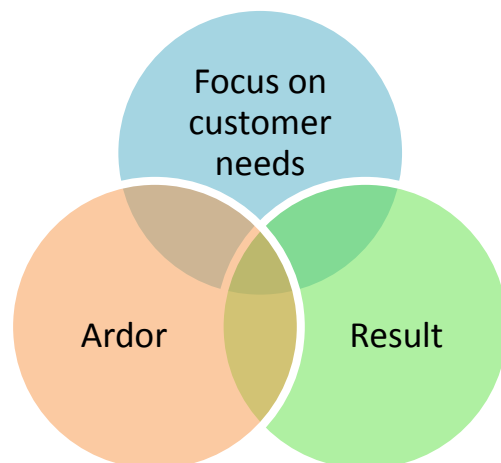


Figure 5: Directa's core values

Orefjård (2011) explains how the consultants focus on customer needs by listening and trying to understand the client's problem and then tailor a solution with workshops, education and seminars. In every project they strive to be result oriented, this means that the consultants aim to always create a sustainable result and it is important that the customer also perceive the result. Frenkel

(2011) explains “ardor” as something that everyone in the network is connected to and believes in. Every consultant is dedicated and focuses on doing in-depth investigations of their clients.

5.1.1.2 Skills

The consultants at Directa have three main knowledge areas; business development, leadership and organization and communication. In the business development area they work with processes that provide clarity in organizations and they also create clear and common goals to achieve efficiency. Within this area the consultants also have experience in creating distinct brands and give employees more knowledge about the business to act more professional. The second area, leadership and organization, is about how companies achieve results through others by forming groups where all employees take responsibility for their work. The third knowledge area, communication, is described as something that takes place on the receiver's conditions. What Directa can help their clients with is a greater awareness of their own communication style. They also help clients to understand how consumers perceive their messages and how to become better at communicating and making contact in meetings with each other (Directa, 2011c).

5.1.1.3 Staff

Frenkel's (2011) intrinsic talents are communication and change management and Orefjård's (2011) main competence is creating sustainable organization and personal development. Since they are a part of Directa they also have access to other experienced consultants and have the possibility to create larger teams. Frenkel (2011) argues that Directa might need new talents within the network and she often considers the option of recruiting new talents when she meets interesting management consultants. This is how new talent becomes part of the network.

5.1.1.4 Style

To describe Directa's culture, Orefjård (2011) and Frenkel (2011) describe three important internal values; generosity, freedom and respect. “Generosity” is about sharing experience, knowledge and valuable insights with each other and being open within the network. “Generosity” can also be connected to Directa's shared values. For example, the core value “focus on customer needs” means finding the best solution for the customer. “Generosity” is in this case linked to that the consultants recommend and forward their own clients to a colleague if they lack the right expertise for helping the client. Since every consultant has their own business and Directa is more like a network, they get rewarded a percentage of the profit since they brought in the project. This is also a part of the generosity mentality within Directa. The second element that can describe the style in Directa is “freedom”. This means that the consultants can work with both colleagues within Directa, but also

with external consultants they find appropriate for a certain project. “Respect” is connected to respect for each other and for the customers.

Another important value that Orefjärd (2011) emphasizes is “curiosity”. He claims that everyone at Directa has a curious way of looking at things and curiosity is something that is a crucial success factor that helps to create better and smarter solutions for Directa’s clients.

5.1.1.5 Strategy

Orefjärd (2011) argues that Directa’s competitive advantages are that everyone focuses on customer value and that no one has clear concepts or models when creating solutions for their clients. Instead, they tailor and find individual customer solutions to achieve the best results. Their strengths are in the different competences within the network and their flexibility to work with both external and internal consultants.

5.1.1.6 Structure

Directa’s structure is quite unique, since it is both a company and a network. Every member pays a fee each month to be connected to the network and to use the Directa brand and its facilities. Every consultant has his own business and is self-employed. Six of the consultants that have been in the network for a few years are partners. Except for the partners’ legal responsibilities, Directa has no management department or CEO (Frenkel, 2011, personal communication).

5.1.1.7 Systems

Directa’s consultants use tools and methodology that they have gained from long term experience from different management positions. They constantly try to update each other to inform the other consultants how they can help one another with different clients and projects (Frenkel, 2011, personal communication).

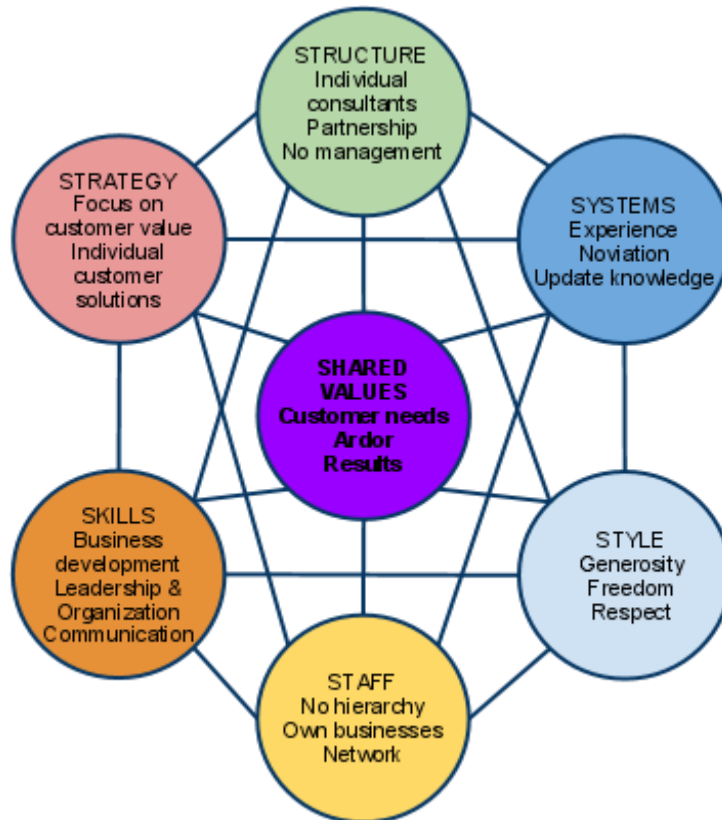


Figure 6: Directa's 7-S Framework, modified by authors

5.1.2 Analyzing Directa's values

By analyzing the empirical material on Directa some potential values and promises have been found that could be connected to Directa's track record. The values that both Frenkel (2011) and Orefjård (2011) emphasize are the three core values; "focus on customer needs", "result" and "ardor". However, several other values can be found, which possibly can contribute to the firm's identity and be a part of the firm's real track record. These potential values are not generic or stated, but when analyzing the material these values are frequently mentioned. Therefore, it will be an interpretation of which values that are established and rooted in the network. The interpretation is built on how the respondents express and describe their network, but also by studying web-pages and other external material.

Frenkel (2011) mentions values such as "generosity", "respect", "freedom" and "experience". She also mentions the importance of relationships, trust and tailored solutions. Orefjård (2011) also brings up the values of "generosity", "respect" and "freedom". Thus, these are more of internal values and they are not communicated externally. According to Urde (2009) a track record needs to be both internally rooted and externally perceived and appreciated, therefore these values will be disregarded. Further, Orefjård (2011) brings up the importance of "curiosity", "inspiration", "flexibility", "long-sightedness", "broad experience" and "trustworthy relationships". All of these

values are connected to Directa's core values in one way or another. However, most of them are not communicated externally. The empirical material indicates that some of the values are not sufficiently anchored in the network to draw any parallels or conclusions to if they contribute to Directa's track record. They are values that are mentioned, but not as much as the other values found. Based on this reasoning "flexibility", "long-sightedness", "trust" and "inspiration" will not be further analyzed, because these values are not rooted as strong as the other values.

"Relationships", "curiosity", "experience" and "tailored solutions" are values that both Frenkel (2011) and Orefjård (2011) discuss. This indicates that these values have a stronger foundation in the network, which could contribute to a stronger identity and later a stronger track record. The values can even be possibly stronger than the core values within the network. However, this is not something that is certain or established in Directa.

Neither Frenkel (2011) nor Orefjård (2011) emphasize "experience" as the most important value, but it is a value that influences everything that the consultants both discuss and value. On the other hand, both Frenkel and Orefjård express the value of having long-lasting and good relationships. It seems that "relationships" could be more deeply rooted in the network than they express. The both interviews show that they emphasize the importance of "tailored solutions" and they always start from scratch and work with their client to get the best solutions. The fourth value chosen is "curiosity" and it is something that Orefjård (2011) highlights. Even though it is not something Frenkel (2011) emphasizes, there is still a possible connection between "curiosity" and how she describes her way of communicating with clients and to build networks. "Curiosity" is also connected to the high level of social competences which Frankel (2011) states is a common character feature for everyone in the network.

Seven values have been chosen to explore how well the values and core values are anchored in their network and in the minds of their clients. The values are; "focus on customer needs", "ardor", "result", "tailored solutions", "experience", "curiosity" and "relationships". Directa's core values have been chosen as a part of the potential track record because Frenkel (2011) and Orefjård (2011) claim that these are well rooted in the network. However, they will also be analyzed on how well they are interpreted by their clients. The other values chosen are "tailored solutions", "experience", "curiosity" and "relationships". These values could potentially be part of the track record, since they are well rooted in the network and connected to the individual consultants.

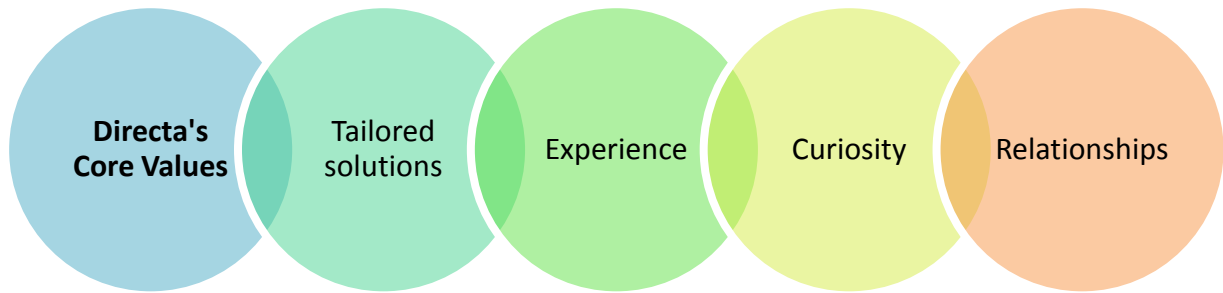


Figure 7: Directa's value foundation, constructed by the authors

5.1.3 The external view of Directa

The external view of Directa will be based on clients' perceptions and thoughts regarding Directa's offered values. Directa's clients describe the consultants as professional and that they have a high level of adaptability. They also find them curious and open minded. Though, when analyzing the results from the client's interviews a fundamental value was discovered that was frequently mentioned, but not explored in the empirical material or described by the consultant's. In Directa's case their clients' bring up competence and knowledge as crucial reasons for choosing Directa. Competence and knowledge were not something that the clients were asked to rank. However, they brought up competence and knowledge as the most essential reasons to choosing Directa, Frenkel and Orefjärd.

Client 1 said: "We have worked with Lillemor and Directa on regular basis because of her competence and knowledge, but also because she is easy to socialize and work with." Clients' were also asked about Directa's reputation and client 2 said: "Reputation is not so important in our choice of consultancy. Instead, it is the person behind the service that it is the most important." Client 1 said: "Reputation is just a small part, the most important is quality."

5.1.4 Summary of Directa

To be able to analyze the internal and external view of Directa the consultants' and clients' have been asked to rank the same values. The aim of doing this is to analyze to what extent the external perception of the values corresponds with how they are internally rooted.

When plotting the values, the results show that the clients' external view corresponds with Directa's offered values. What can be seen from the core value grid is that "tailored solutions", "experience" and "relationship" are well anchored in the network. However, "curiosity" is something that is not

that anchored. “Experience” is the only value where consultants and clients have the same opinion. “Ardor”, “curiosity” and building “relationships” are values that got the highest rank among clients. The empirical material shows that “curiosity” and “relationships” are fundamental values and very rooted in Directa’s network. However, regarding “curiosity” the result is slightly lower. Customers rank “curiosity” as a perceived value, but the consultants highlight that it is not very rooted in the network. In the client interviews two additional values were mentioned, “competence” and “knowledge”. These are seen as potential values, due to that they were not mentioned by Frenkel (2011) or Orefjärd (2011).

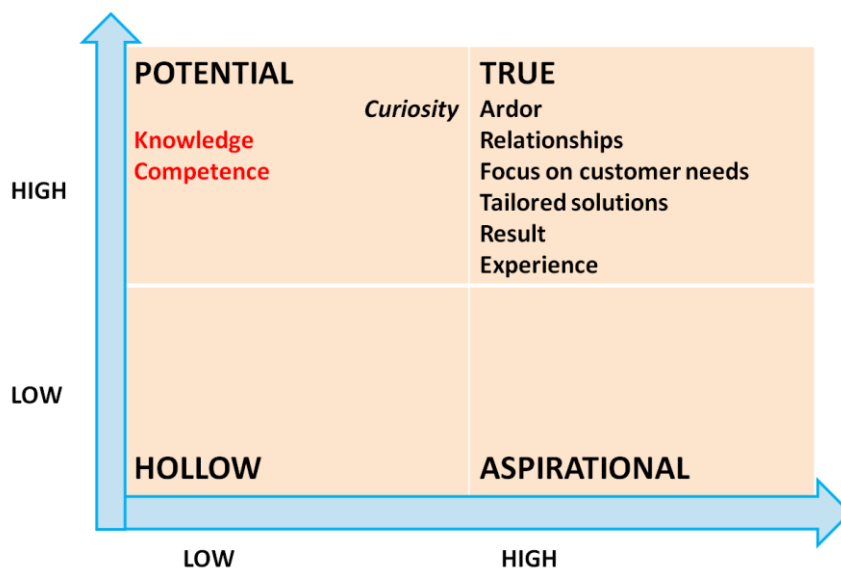


Figure 8: Directa's Core Value Grid, constructed by the authors

A summary of the results from the core value grid shows that most values are both perceived and communicated. There are three potential values; “knowledge”, “competence” and “curiosity” that are not internally rooted in the organization, but are externally perceived.

5.2 Schening

5.2.1 The internal view of Schening

In the internal view Schening is presented through the McKinsey 7-S Framework based on how the founders of Schening describe the company and its values.

5.2.1.1 Shared values

Andersson (2011) claims that Schening is a value driven company and that the overall value in Schening is to be a “fair” company. With a “fair” company Andersson (2011) means making business that feels good for both the client and the consultant. The concept of a “fair company” has become the most important description of Schening and is the value that permeates throughout the whole organization (Andersson, 2011, personal communication).

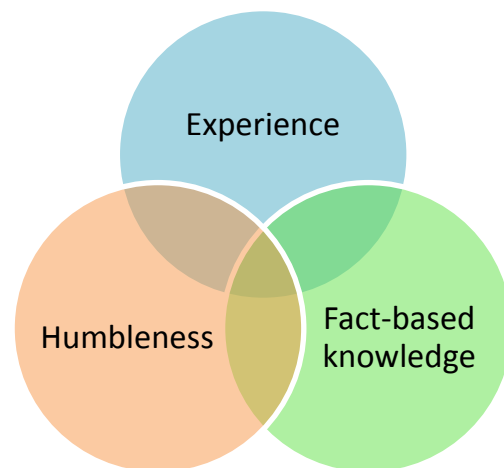


Figure 9: Schening's core values

The three core values of Schening are “experience”, “fact-based knowledge” and “humbleness”. These are the values that both Andersson (2011) and Brunius (2011) claim they work after and want to be identified with.

With “experience” they mean that they have been in the management consultancy industry for over 20 years. Andersson (2011), Brunius (2011) and their associate Magnus Schening have started several successful companies and according to them, people in the industry know who they are. The core value “fact-based knowledge” derives from Schening’s deep mathematical analysis orientation methods. They have developed systems and models for analyses and all their assignments are based upon facts. The last core value “humbleness” originates what Schening wants to be perceived as

(Andersson, 2011, personal communication). Brunius (2011) describes Schening as a humble consultancy firm with a straight forward and simple way of communicating with clients. The consultants at Schening work closely with their clients and they share their expertise and learn from their client's experiences.

Andersson (2011) mentions the value of Schening's networks as an important part of Schening's success. They build relationships with their customers that are more like friend relationships, than business relationships. Their philosophy is treating their customers as friends, which makes the relationships more genuine and real. Both Brunius (2011) and Andersson (2011) describe Schening as a modern, low key and flexible firm. Schening also strives to be an innovative company both in the development of projects and in their compilation of new efficient solutions.

5.2.1.2 Skills

The skills represented in Schening can be divided into two groups. One part is the experience the senior consultants have gained through long term consulting experiences in different businesses and industries. The other part is the mathematical analysis. Schening only employs graduates with specialization in math and analysis in order to deliver advanced data. The knowledge areas represented in Schening are operations management such as; supply-chain operations, service operations and business analysis (Andersson, personal interview 2011). According to Andersson (2011), when it comes to instinct talents there can be drawbacks by being a small organization and sometime they have to turn down a project because they lack consultants with the requested knowledge.

5.2.1.3 Staff

Schening consists of seven consultants. Regarding both recruitment and employees Schening thrives to be coequal and not being associated with being a masculine company. Schening emphasizes the importance of mixing gender and age to be as diversified as possible. This is also a way to include different experiences and knowledge's, which will contribute to sustaining a fair and competent organization (Andersson, 2011, personal communication).

5.2.1.4 Style

Andersson (2011) believes that everyone in the organization is genuine. He means that they all care about each other and respect each other. Schening has high demands on their employees, but at the same time they leave very much up to every individual in the firm. The organization is centralized and everyone freely express their ideas. No one use titles internally. Instead, everyone takes an individual leadership role. According to Andersson (2011) that is why Schening have a low staff turnover and he

believes that Schening is a nice company to work in. This is all connected to their shared values of being a “fair” company.

5.2.1.5 Strategy

When the founders, Schening, Brunius and Andersson, started Schening they had clear guidelines for how the company should look like. They wanted Schening to be a flexible and slim organization. This is done by having short leasing contracts on their offices, outsourcing IT and other functions and building a large part of their business on sub-consultants in order to be fast-moving and adaptable (Brunius, 2011, personal communication). Andersson (2011) argues that this is a modern way of making business. The consultants become flexible in their networks and clients become their stability, instead of the location or departments. He also believes that the market will demand more flexibility in the future and this way of working will be more attractive. Schening has the stability and the structure and by working extremely flexible they can build their projects from their customers’ demands.

5.2.1.6 Structure

Andersson (2011) argues that Schening lacks hierarchy. Instead they adapt the leadership to every situation and decide who is most appropriate for a certain client or project. According to Brunius (2011) it is not the hierarchy that is the important factor, but the consultants’ qualifications and what they do. Andersson (2011) says that every situation is unique and that they often mix their teams with extensive experienced consultants, analysts and sub-consultants. That is why it is important that everyone can work together.

5.2.1.7 Systems

Schening uses several systems to produce results in their projects. Partly they use their expertise, but they also use models and methods in order to produce facts. Brunius (2011) argues that Schening uses fewer models than larger companies. However, he claims that this way of working is more adaptable to the client and the situation. He argues that Schening can solve the problems in a more simple and flexible way compared to larger firms. They can make a better reality check and have a better understanding of what is implementable.

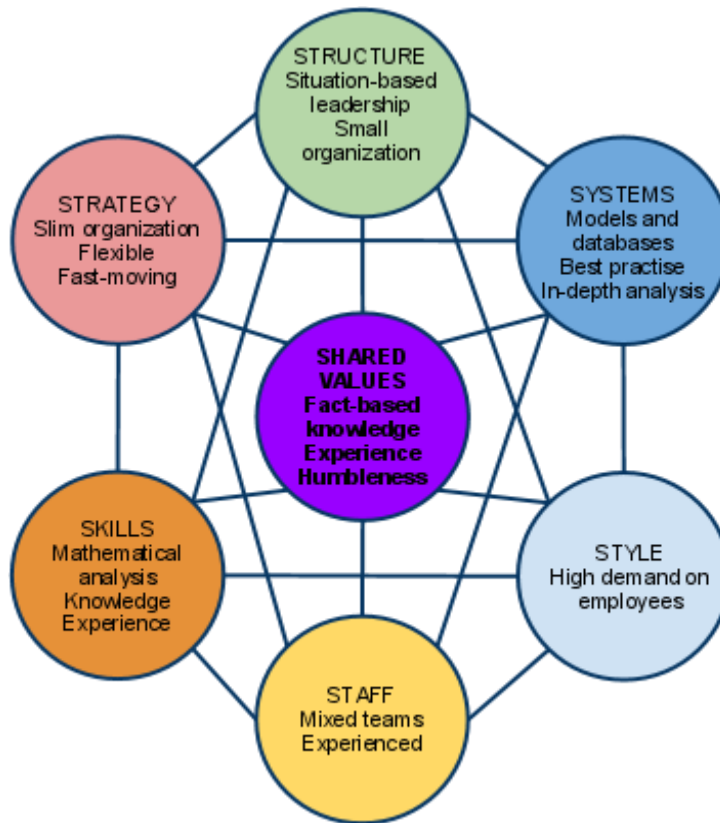


Figure 10: Schening's 7-S Framework, modified by authors

5.2.2 Analyzing Schening's values

According to Andersson (2011) Schening has a strong value-driven foundation and the empirical material show and indicate that Schening is built upon more values than their three core values. The values both Andersson (2011) and Brunius (2011) describe as Schening's core values are; "experience", "humbleness" and "fact-based knowledge". They claim that these values are deeply rooted in the organization. However, there are several additional values that can be interpreted as a part of Schening's value foundation. Though, it is important to point out that it is only an interpretation of the truth and the elucidation is built upon the tone and answers the respondents have given in interviews.

Brunius (2011) emphasizes that Schening is built upon "trust" and "responsibility". These are values that he believes is part of Schening competitive advantages. He also emphasizes the importance of being "honest" and keeping a "low key" approach. The values influence everything Schening does and participates in. Andersson (2011) highlights that Schening is a "flexible" company which he argues is an important success factor. Thinking forward and always trying to be a step ahead of competitors is also something that can be interpreted to what Brunius (2011) values. He mentions the importance of being "innovative". At the moment Schening's consultants' are developing different analysis models that will make them more competitive on the market. This is something

that Andersson (2011) mentions as well when he describes Schening as an innovative and modern firm.

Another important value mentioned is their “network”. They have a broad network and they value keeping contact and sustaining their network as well as possible. Andersson (2011) says that relationships are what Schening is built upon. They nourish and take care of their relationships, and he emphasizes that the relationships look more like relationships you have with a friend rather than business relationships. This has also to do with “loyalty”. “Loyalty” is not something Andersson (2011) or Brunius (2011) emphasize, but analyzing the material, “loyalty” can be found as a potential success factor for Schening. Their business is about loyal customers that re-hire Schening repeatedly and in its turn recommend Schening to others. The last value to be accentuated is being a “fair” company. Being a “fair” company is something Andersson (2011) highlights and he means that being fair is something that influences everything Schening does, both internally and externally.

To summarize the findings the values found on Schening are; “fair”, “network”, “loyalty”, “friendly relationships”, “modern”, “low key”, “flexible”, “innovation”, “honest”, “trustworthy” and “responsible”. By analyzing the material it can be found that “innovation”, “loyalty”, “friendly relationships”, “fair”, “flexible”, “low key” and “modern” are the most outstanding values. The values that not have been selected are not sufficiently anchored enough in the organization for being analyzed and examined in aim to find a possible connection to the track record. Instead, we believe they are more internally rooted, than externally perceived and appreciated.

The values chosen can be perceived as having a stronger foundation in the organization than the excluded values. The possible strong value rootedness could in its turn contribute to a stronger identity and as a result, contribute to a stronger track record. Hence, this is not something that is significant, but interesting to further investigate. The main focus will be on exploring how strongly the values are internally rooted and externally perceived. This will be done by a comparison between Schening’s core values and the values that have been emphasized and interpreted as important.

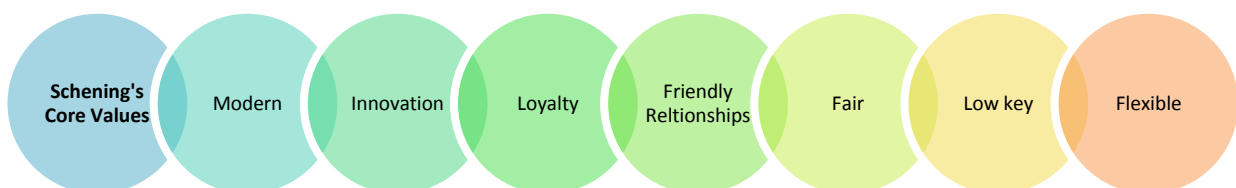


Figure 11: Schening’s value foundation, constructed by the authors

5.2.3 The external view of Schening

Schening's external view is a result of how their clients perceive them and their offered values. When asking which values Schening offers Client 1 directly said that: "If I would describe Schening with one word, I would say dedication." Client 2 explains the reason why they decided to work with Schening as: "They are competent in their knowledge area and have the right competence for our kind of business. They also work close in the organization with both employees and managers." The same client describes them as adaptable and easy to work with in all kinds of projects.

Client 2 also clarifies the main advantages of working with Schening as: "Compared to larger management consultant firms, where the problem solving method often is based on standardized solutions, Schening is more open-minded for the whole process and not only focusing on the final result." When asking the client 1 why they chose to work with Schening the respond was: "At Schening you are not only working with the junior consultants in the projects, compared to global management consultancies. Instead, you work directly with Schening's senior consultants that have the knowledge and competence."

The clients were also asked about the importance of reputation in their choice of management consulting firm. Client 1 argues that reputation is very important, especially as a reference indicator. According to client 2, it does not matter if you know that the consultants are competent and experienced if they have a bad reputation. However, the client 1 claims that reputation is not at all important in their choice of management consultancy firm because they already know who they want to work with. Though, the client emphasizes that they always talk to previous references before they decide to use a consultancy firm.

5.2.4 Summary of Schening

This part is based on Schening's consultant's thoughts and perceptions regarding how well the ten presented values are anchored in the organization. Schening's clients have also been asked to rank the same values in relation to how they think the values are applicable and connected to Schening. From this information the external view will be analyzed by defining how well the external perception of the values correspond in the grid, and thereby how well they are internally rooted and contributing to a potential track record.

When analyzing the material, clients' external view somewhat correspond with Schening's offered values. Figure 12 shows that the values are both well anchored in the organization and correspond with the clients' perceptions. The most significant values are; "loyalty", "experience", "flexibility" and being a "fair" company. "Fact-based knowledge" is also included in the most valuable variables and all values are represented as true values in the grid. Conversely, "innovation" is not well anchored.

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Neither in the organization nor in the minds of clients and the result is that “innovation” becomes hollow, according to the grid.

The value “modern” is something that Andersson (2011) discusses during the interviews. However, the ranking was fairly low both among Schening’s clients and consultants. This indicates that this value is not contributing to Schening’s track record. “Low key” and “friendly relationships” can also be discussed whether these are potential core values or not. The added value “dedication” that one of the clients mentioned is plotted as a potential value. This is done because of that the client argued how important “dedication” was for choosing Schening.

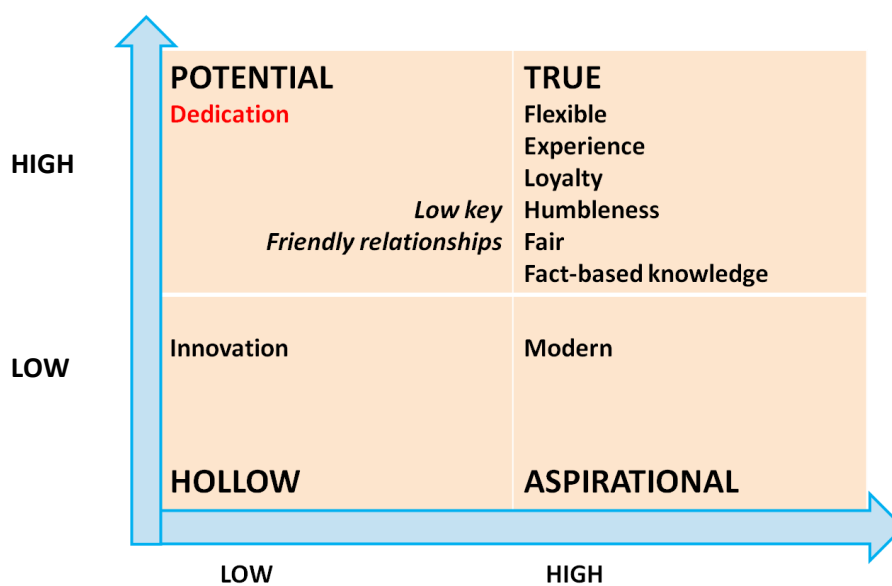


Figure 12: Schening's Core Value Grid, constructed by the authors

A summary of the results from the core value grid shows that most values are both perceived and communicated. There are three potential values; “dedication”, “low key” and “friendly relationships” that are not internally rooted in the organization, but are externally perceived. The grid also shows that “innovation” is a hollow value and that “modern” is a aspirational value. Thus, Schenings’s three core values are perceived as true, which indicates that they communicate these values.

5.3 Accenture

5.3.1 The internal view of Accenture

To evaluate and describe the Accenture case, the internal view of the company will be executed by using the McKinsey 7-S Framework based on documents and how the Country Marketing Director describes Accenture, its values and promises.

5.3.1.1 Shared values

Accenture's core values are built on six values that are used to define and shape the culture as well as guiding employees in how to behave and make decisions (Accenture, 2011d). Markelius (2011) explains that the core values are implemented in the way Accenture treats their employees and that they are influenced through every day actions, such as in the way people work and how the employees are role models for each other (Accenture, 2011d).

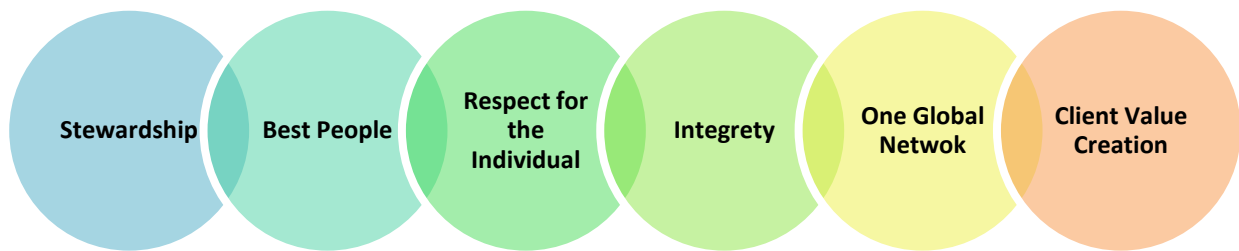


Figure 13: Accenture's core values

“Stewardship” is about building a stronger, durable and better company for the future generations. It is also about protecting the brand and live up to commitments from stakeholders (Accenture, 2011e). Markelius (2011) also mentions corporate social responsibility as a part of “stewardship” and that it has become more valuable in Sweden the last years (Accenture, 2011i).

“Best people” is about always attracting, retaining and developing the best talents (Accenture, 2011i). Markelius (2011) says that everyone has a “can-do” attitude, which contributes to things being accomplished and constantly delivered in the best way. The attitude also refers to the development of a collaborative and supportive environment (Accenture, 2011i).

“Client Value Creation” is connected to Accenture’s “high performance” business concept. The concept refers to different research projects that Accenture has in different industries, for example in

technology, finance and accounting. The research programs include analyzes and research of companies' strengths and competitive advantages (Accenture, 2011i). "Client Value Creation" is also about enabling clients to be better and helping them to become high-performance businesses (Markelius, 2011, personal communication). Accenture also strives to create long-term relationships by being relevant, responsive and always deliver value to their clients (Accenture, 2011i). Markelius (2011) argues that respect for the individual is very important to Accenture:

We are a company that is offering the best people to our clients. Therefore, it is very important to attract the best people, develop them and make sure they stay.

Accenture is working with fostering an open and trusting environment where they value diversity and unique contributions (Accenture, 2011i). Markelius (2011) explains that everyone treat each other with respect and behave in a way that reflects Accenture's core values.

"One global network" is one of Accenture's most important strengths. In every country employees work in the same way and apply the same methods. That is why Accenture can use competences that are represented all over the world. This also means that they can offer their services all the time no matter what day or time it is. Through this network you can pick people from all over the world to create the best teams with the best competences and thereby deliver high performance services to their clients (Markelius, 2011, personal communication).

The last core value "integrity" refers to being ethical and honest (Accenture, 2011i). According to Markelius (2011) "integrity" is about saying what you mean, taking responsibility for your actions and matching behaviours to words.

5.3.1.2 Skills

Accenture wants to develop their employee's skills and talents (Accenture, 2010). According to Markelius (2011) Accenture does not lack skills in any knowledge area. Within management consulting, Accenture represents knowledge in 21 categories such as; business process management, change management, customer relations management, merger, acquisitions and finance management (Accenture, 2011h).

5.3.1.3 Staff

Markelius (2011) argues that Accenture has the right people and always tries to attract the best people.

At Accenture, we take the widest possible view of inclusion and diversity, going beyond gender, race, religion, ethnicity and sexuality to create a work environment that welcomes all forms of differences. Each employee is a respected member of our team; we recognize and value individual similarities and differences. Our workforce is a reflection of the clients we serve, the suppliers we do business with and the communities in which we operate.

(Accenture, 2011g)

According to Markelius (2011) Accenture is all about the individual and offering the best people. She explains that everyone at Accenture has a “can-do” attitude and people want to help, have quality in the delivery and achieve a high level of ambition and Markelius (2011) means that this is what differentiates Accenture from competitors.

5.3.1.4 Style

Accenture’s working environment is characterized by innovation and collaboration (Accenture, 2011g). According to Markelius (2011) Accenture has a very strong culture and she draws parallels to the tagline “High Performance. Delivered”. She argues that the consultants have a very high performance ratio and that they always deliver. One thing she claims is that there is no other option or standard in what they deliver but the best quality. To summarize, Markelius (2011) says that Accenture has high demands on both employees and the employees have high demand on themselves.

Accenture’s culture can be described in four functions. First, they focus on teamwork and the ability to work with a wide range of different people from all over the world. Sharing information and knowledge with each other and at the same time have the same ambitions is also a part of the teamwork (Accenture, 2011c). Markelius (2011) also refers to the shared level of ambitions among the employees. Second, Accenture strives to hire the best people and by investing in training and development they help employees to improve their capabilities and skills. Third, providing a supportive work environment is a function that has become essential to be able to truly bring out the right working conditions for their employees (Accenture, 2011c). This refers to everything from the counselor every employee has for mentorship and guidance in the career, to that everyone have the opportunity to be flexible and having good working arrangements (Accenture, 2011j). The last function is about sharing skills in the community through corporate citizenship (Accenture, 2011c).

5.3.1.5 Strategy

According to Markelius (2011) Accenture operates in everything from advanced operational consulting to IT implementation and outsourcing. This means that Accenture can offer analyzing, business solutions and implementation. She clarifies that this is what differs Accenture from other management consultancies, where they only do the consulting and not the operational part. She argues that Accenture helps the client all the way through the process.

5.3.1.6 Structure

Markelius (2011) describes Accenture's way of working by explaining that every consultant is a part of an organization or department, for example the department of technology, and then the consultants become a part of a project where they are reporting to the team and not to the division.

5.3.1.7 Systems

Every consultant has access to a large database called "Knowledge Exchange". Here they can find previous research, models, cases and information about companies and industries. When someone comes up with a new idea, model or a project it will be added in the database for others to use and develop. The consultants rarely start with a project completely from scratch. Instead they use standardized models and previous projects, which they develop and adapt (Markelius, 2011, personal communication).

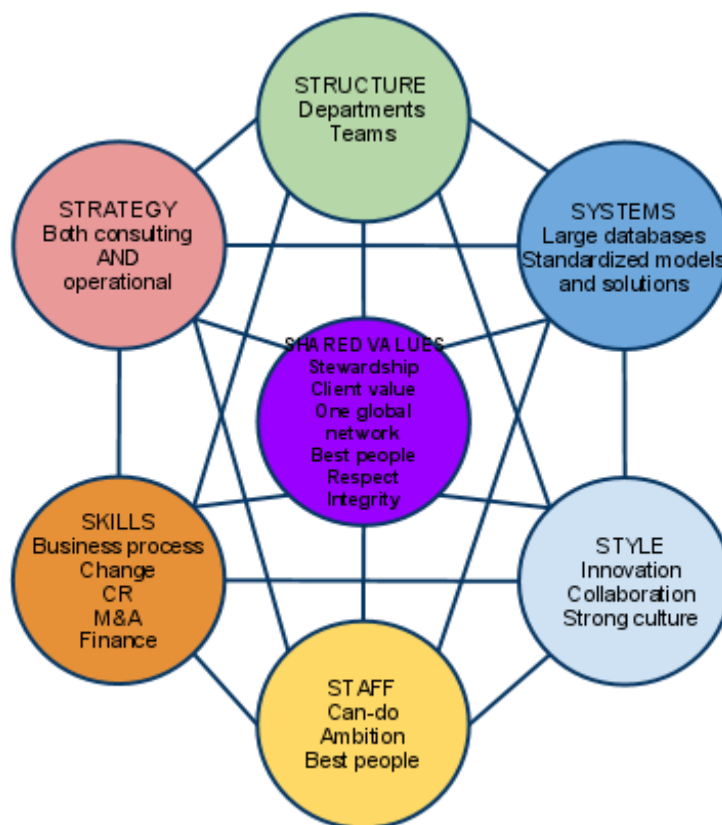


Figure 14: Accenture's 7-S Framework, modified by authors

5.3.2 Analyzing Accenture's values

When analyzing Accenture's potential values and promises clear parallels can be drawn to Accenture's six core values; "stewardship", "best people", "client value creation", "respect for the individual", "one global network" and "integrity". The empirical material indicates that the core values are well anchored in the organization and are used as guidelines for how Accenture's employees should behave, act and make decisions.

Though, by analyzing the potential values other values have been found that possibly can be associated and connected with being potential core values. Within the core value, "best people", the "can-do" attitude could be a separated value that is contributing to the edification of the core values on its own. The attitude can be connected to collaboration, which often is mentioned when Markelius (2011) describes Accenture's style and culture. The "wide range of skills" and "innovation", are also potential core values. It is assumed that Accenture's "Knowledge Exchange Base" in correlation with 215,000 employees all over the world is contributing to the high-performance promise and thereby directly connected to the core values. "Implementation of projects" is a part of Accenture's structure and strategy and has become part of their promise. That is why this could be a separate value that is contributing to building Accenture's identity. Though, since it is a part of Accenture's strategy it can be assumed that this is essential and should be linked to the strongest values within the organization. Accenture's "standardized methods" of working are also a potential core value. The consultant's rarely start a new project from scratch, but use standardized models and previous cases to come up with solutions and recommendations. This way of working can be the contributing factor to Accenture's success and their ability to deliver high performance solutions to their clients.

Ten values have been chosen to further analyze how they are anchored in the organization. Markelius (2011) argues that the six core values are particularly rooted in the organization and therefore will be included in the ten chosen values. The four additional values chosen can as well possibly contribute to the company's value foundation. Therefore, the examination will be done by focusing on how the potential values are internally rooted and externally perceived.

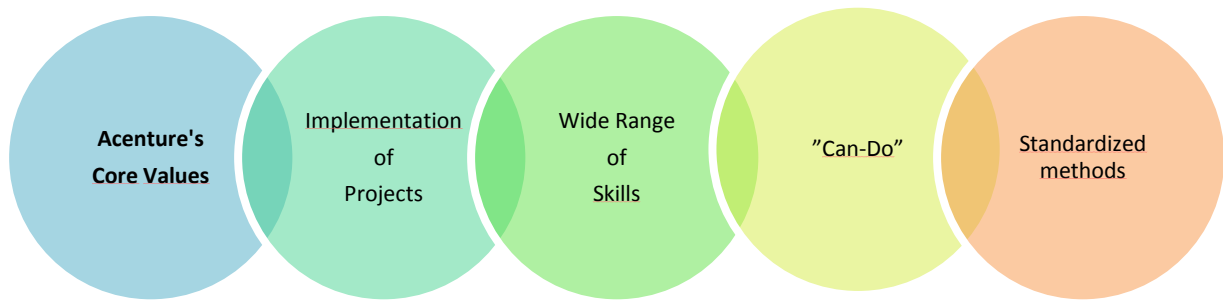


Figure 15: Accenture's value foundation, constructed by the authors

5.3.3 The external view of Accenture

Accenture's external view is described through the minds of their clients and how they perceive Accenture's offered values. Client 1 describes Accenture by referring to the relationship: "Our relationship with Accenture is based on being open and honest. We also get a lot of attention from Accenture." The same client also describes the reason why they decided to work with Accenture: "We chose them because they have experience and we wanted to work with a firm that had the capability to provide all types of services. They had a proven method and it worked." The client explains how the company suits them because they wanted to have an end-to-end solution. Client 2 argues: "Accenture understands what our objectives are, and they do a very good job of aligning their objectives with us." The discussion also focuses on how Accenture faces problems by always discussing and resolving problems. Client 1 argues: "If we have a problem Accenture always tries to solve it right at once." When being asked about Accenture's reputation, client 1 responded: "They are expensive to use, which is an indication of a strong brand and a good reputation."

5.3.4 Summary of Accenture

The internal view of Accenture is based on the internal perceptions and thoughts of Accenture's values and how well they are rooted in the organization. This part is also based on the external view of Accenture, where clients have been asked to rank Accenture's values on how well they think they correspond with Accenture. The findings will be analyzed and presented in a core value grid, where the connection between the external and internal perception of the values are evaluated. From this information it is then possible to find out whether the values are contributing to a potential track record, or not.

Exploring the concept of track record

When analyzing the material, the external view is corresponding well with Accenture's offered values. The result shows that the values "one global network", "integrity", "the wide range of skills" and the "Can-Do" attitude are ranked high, both by clients and Accenture. This means that they are both internally anchored and externally perceived by clients, at the same level. "One global network" has the best ranking and could in this case be defined as Accenture's most important potential track record. "Best people", "implementation" and "standardized methods" are more rooted internally than externally perceived; therefore they are plotted as aspirational values. The value that got the lowest rank is "client value creation" and it is presented as neutral in the grid. It is not hollow, potential, true or aspirational. Though, it is one of Accenture's stated core values and should be more rooted in the organization. "Stewardship" and "respect for the individual" can also be interpreted as rather neutral. However, they are more highly perceived by clients than they are internally rooted. This means that they are potential values.

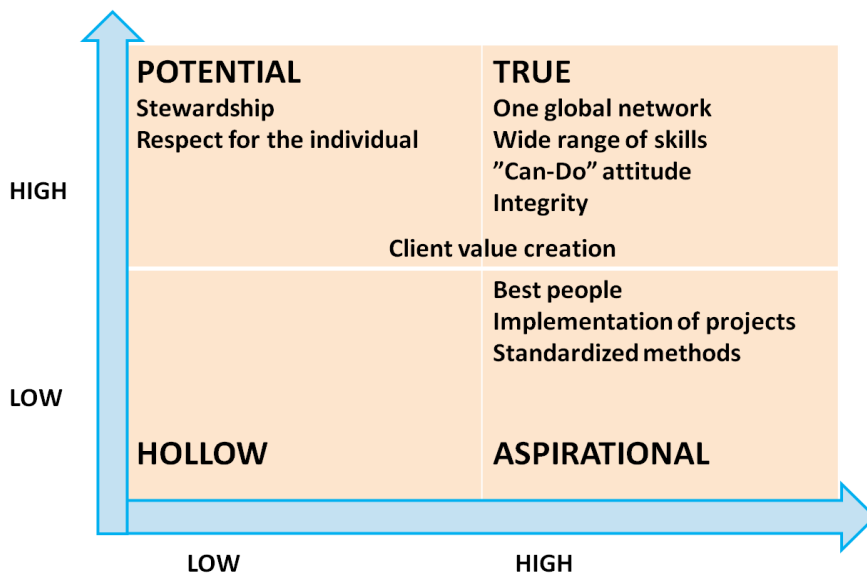


Figure 16: Accenture's Core Value Grid, constructed by the authors

A summary of the results from the core value grid shows that few stated core values are both perceived and communicated. The true values are "one global network", "wide range of skills", "can-do" attitude and "integrity". There are two potential values; "stewardship" and "respect for the individual" that are not internally rooted in the organization, but are externally perceived. The three values "best people", "implementation of projects" and "standardizes methods" are aspirational values. "Client value creation" is perceived as neutral.

Discussion

The purpose of this chapter is to outline track record and corporate reputation in the three cases. The concept track record will be further analyzed and the potential relation between corporate reputation and track record will be discussed.

6.1 The concept of track record

Urde (2009) argues that every core value has a track record. However, not all core values are core and Urde (2009) highlights that having three core values are an appropriate amount. But can there be other values, rather than the core values, that are contributing in building a strong track record? And are there core values that lack a track record? In that case, should companies evaluate all values, including core values, to make them rooted in the organization and perceived by external stakeholders? After finding true, potential, aspirational and hollow values in the three cases we analyze them even further. Is it good for a company to have more than three core values? Or do our findings imply something else? The empirical findings indicate that a track record do not have to be directly correlated to a company's core values. For example, the Accenture case shows that only two out of six core values were interpreted as true in the core value grid by Urde (2009). Therefore, we argue that track record is more related to an overall value foundation. We find that creating a value foundation in a management consultancy is connected to building a unique puzzle of values that contribute in building a long-term and successful brand, which is an important factor (Urde, 2009).

This indicates that the brand orientation framework by Urde (1997, 2009) is an important tool to gain depth and understand which values that are contributing to the track record in management consultancies. We suggest that more focus needs to be on the organizational identity and customer identity in aim to evaluate and find supporting values to the core values and promises. Therefore, the brand orientation framework needs to contain and embrace both core values, promises and the additional values that support the core values. This can be correlated to the management consultancy industry, which consists of soft values (O' Mahoney, 2010, p. 7). Consultants do not have any physical products that show quality or indicate achievement. Instead, they need to offer values that clients enjoy and appreciate. This need to be done in aim to be differentiated from competitors.

Based upon the discussion we find that having three overall core values in management consultancies are not enough. The empirical material shows that the small- and medium sized consultancies have three core values and the large-sized consultancy has six core values. We find that it is common for consultancies to have few core values, but an extended value foundation.

Therefore, we argue that Directa, Schening and Accenture have core values plus an extended value foundation that supports the core values.

We believe that the wider range of supporting values is needed for competition. In this industry it is hard to be unique and differentiated from competitors, everyone offers the same types of service, and it is only the people behind the service that is different (O' Mahoney, 2010, pp. 110-111).



Figure 17: Brand Orientation Framework by Urde (2009, p. 622)

This discussion leads to the question of how the concept of track record will be understood. In our definition, a track record consists of the whole value foundation. We believe that the extended value foundation that we have accumulated for each case company contributes in the creation of competitiveness and uniqueness. In accordance with Urde (2009) we argue that a track record is the sum and product of the whole value foundation. Contradictory to Urde (2009) we argue that added values also can have a track record and that they are equally important as core values in a management consultancy's track record. Urde (2009) discusses that every core value has a track record, but we will focus the further discussion on the overall track record.

6.2 Track record in management consultancies

Since we interpret that track record is the sum of the total value foundation, the core value grid by Urde (2009) is used to examine the total value foundation, not only core values. Therefore, we argue that the model is suitable for examining more values than core values. When evaluating the case companies' track records we have only plotted values as true if the respondents and the consultancies ranked the values as a six or seven. We mean that a value that does not rank high cannot be interpreted as true, even though it is ranked as a number five. This has been done because Urde (2009) argues that true values need to be absolutely anchored to be perceived as true. For example, in the case of Schening the value "fair" is not defined as a core value, but both the clients and consultants perceive the value as true in the core value grid and should therefore be seen as a part of Schening's track record. The value "modern" is another example that is internally rooted, but not perceived by their clients. In this case the value "modern" becomes an aspirational value and thereby not a part of the track record. The contradictory happens with Directa's value "curiosity", which is not enough rooted internally, even though clients perceive the value as true. Hence, it is not true and therefore it is not a part of the track record. In our study we have also found values that we define as neutral. These values are neither completely perceived by clients nor consultants. The neutral values are the ones that are ranked as a four or a five in the core value grid. Therefore, they cannot be defined as true, hollow, potential or aspirational. This discussion leads us into that the core value grid by Urde (2009) will be modified to suit our purpose. We do not only examine core values, we examine the value foundation and therefore change "true core values" to "true values". Our interpretations could possibly be criticized, but we argue that this is a method for showing an indication of the truth. Therefore, we need to highlight that this way of exploring the concept of track record not is a statistically significant method, since the purpose of this thesis is to explore the concept.

Exploring the concept of track record

In the case of Directa we identified a wider value foundation than the consultants mentioned. We found that Directa's value foundation consists of six true values and three potential values. Directa's track record consists of the true values "ardor", "relationships", "focus on customer needs", "tailored solutions", "result" and "experience". These values are both internally rooted and externally perceived. The evaluation shows that Directa needs to try to anchor the potential values "knowledge", "competence" and "curiosity" in the organization in aim to get an even stronger track record that will differentiate Directa and make them more unique and successful. All Directa's stated core values are perceived as true, which is an indicator on that Directa is good at communicating their core values.



Figure 18: Directa's track record, constructed by the authors

In the case of Schening we found a wider spread in the potential value foundation. Six values were proven to be true values, three values were potential, one was hollow and one was aspirational. Therefore, the six values “flexible”, “experience”, “loyalty”, “humbleness”, “fair” and “fact-based knowledge” constitute Schening’s track record. According to us, this evaluation shows that Schening needs to work with their value foundation, since there are several values that are potential, aspirational and hollow. The respondents argue that they do not communicate their values and this could be a potential reason why some values are not perceived by their clients. Their clients mention “dedication” as an important value, which becomes a potential value in the core value grid. On the other hand Schening believes that they are modern, which is not something that the clients agree upon. Therefore, we argue that Schening needs to both evaluate which values they interpret important, listen to people in their network and then try to communicate a more solid value foundation in aim to get a stronger track record. But, it still needs to be highlighted that all stated core values are considered true, which is a signal of that Schening is communicating their considered important values.



Figure 19: Schening's track record, constructed by the authors

Exploring the concept of track record

In the case of Accenture we have detected that their track record consist of four true values. The four values are “one global network”, “wide range of skills”, “can-do attitude” and “integrity”. These values are both internally rooted and externally perceived. Thus, it is only “one global network” and “integrity” that are part of Accenture’s stated core values, which indicates that Accenture needs to evaluate their set of communicated values. The three values “best people”, “implementation of projects” and “standardized methods” are aspirational values and are internally rooted, but not externally perceived. This indicates that Accenture are not communicating these values enough. Another aspect of the aspirational values is that two out of three were found in the analysis, which means that they are not part of Accenture’s stated core values. Two values were found to be potential values, and once again both these values are stated core values, but they are only perceived by their clients and not strongly internally rooted. The last value, “client value creation” was perceived as neutral and it also needs to be reevaluated in order to be a part of Accenture’s track record. It seems that a large management consultancy like Accenture tries to have a solid set of core values, but we find that they do not work enough with the core values and therefore only two out of six stated core values are interpreted as true. The values that we found when analyzing Accenture seems to be more part of Accenture’s value foundation, than their stated core values. This could mean that Accenture needs to specify who they are and who they want to be perceived as in aim to get a strong track record and to have a synchronized and united value foundation.



Figure 20: Accenture's track record, constructed by the authors

6.3 The relation between corporate reputation and track record

Urde (2009) argues that a track record needs to be perceived over time, but according to us it is only possible to measure the current perception, since perceptions constantly change. Therefore, we can only define the current track records. This discussion leads us to the concept of corporate reputation and what impact corporate reputation could have on the perceptions and indirect on the track record.

According to the findings, we find that the case companies do not have full control of their track records. The small- and medium-sized consultancies' stated core values were interpreted as true values, which is an indicator on that they are communicating these values well. But the analysis shows that they miss potentially important values that could contribute to a stronger track record, such as the aspirational and potential values. Not all of the stated core values in the large company, Accenture, correlate with their track record. But their clients argue that they have a good reputation since they are expensive. This is correlated with Greyser (1999) who states that a positive corporate reputation enables a company to charge premium prices. This shows that charging a premium price might be a part of Accenture's success, because it signals that they are competent and that clients are willing to pay a higher price for hiring them. In the case of Directa, their clients argue that reputation is not important when choosing a consultancy and instead they argue that competence and quality is essential in their choice. However, we argue that these values are directly correlated to Directa's reputation, which indicate that these factors unintentionally are a part of the reputation. This statement agrees with O'Mahoney (2010, p. 109) who argues that quality is the outcome of recommendations and that reputation is an important factor when choosing a management consultancy. In Schening's case their clients mentioned that reputation is important, but the most important factor is that the consultants are competent. We argue that the connection between the three cases is competence. Competence could therefore be interpreted as an indicator of a good reputation. Therefore, we argue that competence is something that all management consultancies need to consider in order to have a strong track record and being successful. We believe that competence is what the management consultancy industry is built upon, and therefore we will not emphasize this as a potential track record and discuss this further.

There are three ways of how values in a track record can be associated. First, by how they are related to the organization. Second, how they are perceived by clients and third, how they summarize the brand (Urde, 2009). By exploring these three associations we find that they can be linked to Chun (2005) who defines the internal view as identity, the external view as image and the summary of all related stakeholders perceptions as the corporate reputation. By drawing parallels between the

research of Chun (2005) and Urde (2009) we argue that the internal and external perceptions can be interpreted as corporate identity and corporate image.

Marconi (2002, p.70) describes corporate reputation by linking it to corporate image. He argues that image is what you do, how you look and that image creates a reputation over time. Dowling (2001, p.19) shares Marconi's (2002) view on how corporate reputation is connected to image and describes corporate reputation as the attributed values that derive from a person's perception of a company. This perception is what he refers to as the corporate image. Though, we believe the corporate reputation also is affected by internal factors, such as corporate identity and Balmer and Greyser (2003, p. 177) describe corporate reputation as behaviours and activities of an organization that are formed over time. Dowling (2001, pp. 18-19) on the other hand argues that corporate identity is the way an organization identifies itself to external stakeholders. Chun (2005) echoes Dowling (2001) and describes identity as the internal view of an organization and claims that identity concerns employee's experience of the organization. Chun (2005) clarifies by describing corporate reputation as both internal and external stakeholder's total impression of an organization. These parallels together with our empirical findings make it possible for us to argue that there could be a potential connection between track record and corporate reputation.

But how are track record and corporate reputation related? Are they the same thing, or are they only related, but not the same? Or are they two completely different things? If they had nothing to do with each other, it would mean that a reputation does not have any effect on a company's track record. Thus, in the client interviews we find that some kind of reputation is important when choosing a management consultancy. This indicates that the clients listen to others opinions before choosing a consultancy. This agrees with O'Mahoney (2010, p. 109) who emphasizes that both reputation and recommendations impacts the choice of a consultancy. Recommendations from trusted associates, word-of-mouth and previous experience with the consultancy are the three ways that help clients chose a management consultancy. The disqualification of this alternative is linked to that Urde (2009) argues that track record is core values that are rooted in the organization and perceived by stakeholders and that Chun (2005) describes identity as the internal view of an organization and image as the external view. Therefore, this alternative of the concepts cannot be proven by the theoretical framework or empirical findings.

The second alternative highlights that the concepts are the same, which means that track record equals corporate reputation. This would imply that all reputations about a company would affect the company's track record. But, if the reputation, for example is about a company not delivering the right quality, it in practice would mean that it is a part of the track record, if the external view

coincides with the internal view. Here we find the discrepancy. According to Marconi (2002, pp. 70-71) it takes time for a reputation to root itself in an organization. The empirical findings show that the case companies do not embrace reputations and adapt to them. The analysis in the core value grid by Urde (2009) shows that there are potential values that clients perceive that are not rooted in the organization. If reputation and track record is the same thing this situation cannot occur. This statement also corresponds with Bromley (2001) who argues that corporate reputation can change over time and that it is impossible for the company to have full control of its reputation. This means that the image can change easily, but the identity remains the same.

This leads us into the discussion if the concepts are at some level correlated, but not are the exact same thing. The empirical findings and theoretical framework indicate on this possible relation between the concepts. Research shows that a corporate reputation consists of identity and image, where identity is who the company thinks it is and image is who the stakeholders think the company is (Chun, 2005). Therefore, the only possible way of connecting the two concepts are to discuss their relation and how they influence each other. According to Chun (2005) the two factors corporate identity and corporate image is included in the total corporate reputation. Though, it is only when the corporate identity and corporate image of a value equals that the value is seen as a track record. If they do not coincide the value is not a track record. This means that a value can be a part of the corporate image or part of the corporate identity, but it is only when the value are a part of the both concepts it becomes a track record. To clarify the results of the empirical findings and discussion regarding track record and how it is related to reputation in the management consultancy industry, we have made an illustration on how we interpret that the concepts are related.

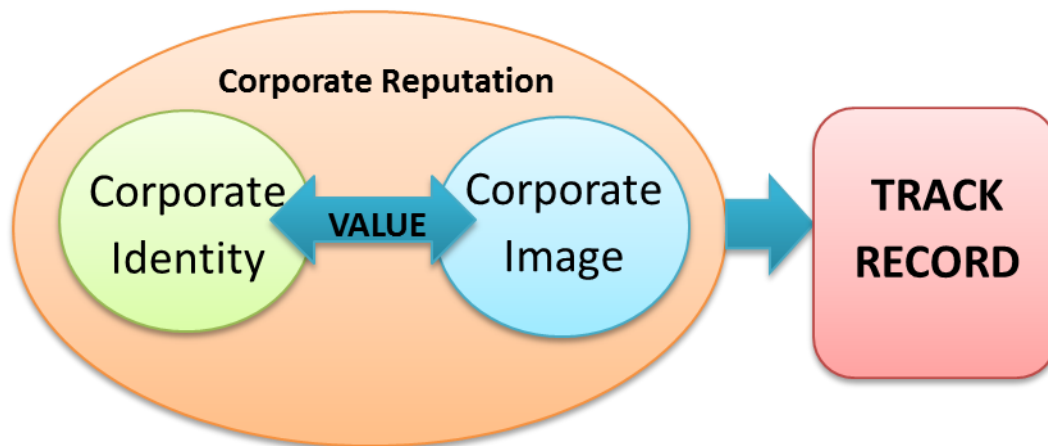


Figure 21: The Track Record and Corporate Reputation Framework, by the authors

We mean that corporate reputation consists of corporate identity and corporate image. These concepts are not linked, but are part of the whole corporate reputation concept, as demonstrated in the Track Record and Corporate Reputation Framework in figure 21. When a value is perceived both internally and externally means that it is a part of the corporate identity and corporate image. When the value becomes a part of the two concepts this value becomes a part of the company's track record. This framework shows that the concepts corporate identity and corporate image needs to coincide in order for the reputation to have an impact on the creation of a track record. Therefore, corporate reputation is related to track record. To clarify this framework with an example, we will use Accenture's value "one global network". This value is a part of the company's stated core values and it is perceived as extremely anchored in the organization. When plotting the results in the core value grid by Urde (2009) this value was ranked as a seven in the organization. This means that it is a part of the corporate identity. At the same time when asking Accenture's clients about "one global network" and how they connect this value with their thoughts, opinions and perceptions of Accenture it was also ranked as a seven. This means that "one global network" is a part of the corporate image as well. Therefore, the value becomes a part of the corporate reputation and thereby the track record. A value could also be a part of only one of the components, corporate image and corporate identity. Then it still is a part of the overall corporate reputation, but it is not creating a track record. It is only when a value is part of both corporate identity and corporate image in the corporate reputation that it becomes a part of the track record.

Conclusion

This chapter summarizes the main points of our discussion and abridges the result of the findings from the research.

Based upon this study we find that a track record is who you are. When the corporate identity and corporate image coincide it is possible to discover a track record. To clarify, a track record covers the internal and external perceptions of the truth, which should not be mistaken for the real truth. This indicates that track record is about perceptions and not about facts. However, every person have their own perception of the truth and is to some extent influenced by others perceptions of the truth. We argue, if a sufficient amount of stakeholders share the same perception of the truth it eventually becomes the truth. Hence, a true track record occurs when a company's internal perceptions of their success factors are correlated with their customer's perceptions of the company, its promises and value foundation.

Based upon the empirical finding we find that track records in management consultancies do not only originate from core values, as previous research shows. Instead, the total track record originates from the total value foundation which includes core values and additional values that are contributing in creating the corporate identity and corporate image. Every value that is both internally and externally anchored and perceived has a track record. Together these values create one total track record. It is the overall track record that makes a management consultancy unique and different. Therefore, we argue that it is the mix of values that makes a management consultancy successful. Thereby, it is the total track record that is the outcome of a company's identity and image. Based upon this study we define the concept of track record:

Track record in management consultancies is the total mix of perceived and rooted core values and additional values, defined as the value foundation. A track record is built upon perceptions of the management consultancy that are affecting the corporate image and corporate identity. Thereby, a track record becomes the outcome of the total shared perceptions. Track record is how you think you are and what others think you are. It is who you are.

Knowing what a track record is, we ask ourselves if it can be related to corporate reputation. We believe it can, because the empirical findings detect a relation between the two concepts. To clarify the findings corporate reputation in management consultancies can, according to us, be defined as:

In management consultancies the main components in corporate reputation are image and identity. Reputation is the overall activities in an organization. Reputation should be seen as stakeholders² total perceptions, such as what they believe the organization stands for and is associated with. It is built of corporate identity and the cumulative communicated image. Reputation can change over time and is difficult to have control of.

Therefore, corporate reputation is the internal and external perceptions of a company and when these two perceptions coincide a track record is created. However, just because corporate reputation is built upon image and identity it does not always have to contribute to a track record. If the image and identity do not coincide the value is still a part of the corporate reputation, but is not contributing to a track record.

A reputation can contribute to a changed image and eventually this can result in a changed identity. This means that a positive reputation could contribute to strengthen a management consultancy's track record and the empirical findings indicate that a positive or a neutral reputation is essential in this industry to be able to survive as an actor. On the other hand, a bad reputation can contribute to a changed image and eventually this can lead to a changed identity. If this is the case, a new negative image and negative identity occurs. Theoretically this means that the image and identity coincides, which according to our conclusion means that they become a track record. However, a track record is built upon values and these values need to be internally rooted in the organization and we do not believe a negative value could be a sustainable value in a management consultancy. Therefore, we argue that management consultancies need to be more aware of their environment and what happens in their network and how they really are perceived. If they ignore the power of external perceptions they might lose their track record.

The conclusion of this thesis is that there is a relation between track record and corporate reputation. Corporate identity and corporate image are the main components of corporate reputation. When these two components coincide, which means that the internally and externally perceptions are the same, the value foundation becomes the track record of a management consultancy.

² Employees, customers and managers

Contribution and Recommendations

This chapter presents the contribution and recommendations of the study. It will also include implications for future research in this area.

8.1 Contribution

In this thesis we have focused on exploring the concept of track record and examining the relation between track record and corporate reputation. The contribution of this study is that we have stated and detected that there is a relation between track record and corporate reputation.

From a theoretical point of view, this thesis provides a new and undiscovered part of track record in the management consultancy industry, and its relation to corporate reputation. What has been found is that a relation between track record and corporate reputation exist when the external and internal perception of a value foundation coincides. Previous research on the concept of track record concerns larger companies in the retail- and production industry. This study concerns the service sector, since no research in this field or in the management consultancy industry has been made. Our findings contribute and support the existing research of track record, corporate identity, corporate image and corporate reputation, thus in a modified way. Our contribution to research is the development of a new model that explains the relation between corporate reputation and track record, the Track Record and Corporate Reputation Framework.

From a managerial point of view, this thesis helps managers understand an organization's most important values and that it is not only the core values that are contributing to a company's long term success. That is why it is important for the management to establish values and try to be in control of how these values are both internally and externally communicated and perceived by both clients and employees. It is also important to be aware of the impact of reputation and how easily perceptions can change corporate image and corporate identity that needs to coincide to provide a track record. Therefore, it is important for managers to analyze if the organizational values are internally anchored to be able to control the communication of the values in order to build a strong and sustainable track record.

8.2 Implications for future research

The research area of track record related to corporate reputation is unexplored and we have several implications for future research. Due to the purpose of this thesis we have not conducted a quantitative and statistical analysis. Therefore, the research design and data collection can be changed and improved in future research. Future exploration could include more cases or a research design that is focusing on one case or comparing several management consultancies in the same division. Because of our financial restraints and time limit we found three cases enough for creating validity. Concerning data collection in future studies, interviews could be conducted with more managers and consultants in the cases, and use a larger sample of interviewed clients. We would recommend conducting a large quantitative survey concerning the client view and the external perceptions of management consultancies to justify validity and since this study only is an indication of the result, would an extended quantitative study provide a more specific and valid result. Besides this, the ranking and number of core values could be increased and further developed to provide a more certain result.

Supplementary research could include a different presentation of the cases. The McKinsey 7-S Framework was used as a tool to describe the consultancy and its success factors. Even though the framework is useable and proven, cases could be presented and analyzed through other tools. The width of track record could also be further explored in order to find other similar definitions for the reasoning and a future study could include how the two components corporate image and corporate identity separately is affecting track record. Another idea could be to do a similar study in a different research area, with dissimilar companies in the service sector, to explore the concept further. Future research could also include analyzing different industries with each other and how track record and corporate reputation differs in different industries. Hence, this study was conducted on Swedish management consultancies and another research angle could be used to explore the concept internationally.

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Appendix 1

Interview guide

About the company

- Tell us about yourself, your position in the company, your specialties, how long you have worked within the organization and a bit about your experience in the consultancy business.
- What is the company's history? When was the company founded? Which values was the company built upon? (Why did you start the company?)
- How is the company structured?

External perspective

- How would you explain the company strategy?
- How does the company create the range of clients?
- In what way do you follow up your projects? What is the most common response from clients?
- How do you work with creating ambassadors in the current range of clients?
- How do you work with changing customers' need?
- How do you manage an increase in competition?
- Which are the most common ways clients find out about the company?

Internal perspective

- How would you describe your corporate culture?
- How would you describe your organizational structure? Hierarchy or decentralized?
- How can leadership in the organization be described?
- How are your teams divided?
- What positions and special competence is represented in your team? Which are the most important competences in the company?
- Are there more positions that need to be filled? This means, are there any gaps between demand in competence and the competence represented in the company? In that case, do you think it could lead to clients choosing a competitor instead?

Exploring the concept of track record

- What systems do you work in? Case banks or Research and Development departments?
- Do you have control over these systems and how are they evaluated?

Core Values

- What are the core values?
- How do you work with implementing these values in the organization?
- How do you communicate these values to the clients?
- What do you think is the company's main success factor?
- What is it that your company does particularly well?

Reputation

- How do you build a positive reputation about your company?
- How important is reputation for your company?
- How do you communicate that you are best? (Web-page, conferences, blogs, lectures)

Appendix 2
Telephone interviews

Second interview with the consultancy

How well is VALUE anchored in the organization?

Rank them from 1-7 where 1 is "Not at all" and 7 is "It is the DNA of the organization"

Interview with clients

Part 1

Why did you want to work with X?

What would you say that X is known for?

Have you used X several of times? In that case, why?

Why do you continue to be clients at X?

What is X particularly good at? Why are they good at that?

What are their weaknesses?

Part 2 a

If I say VALUE on a range from 1-7 where 1 is "not at all good at" and 7 "very good at". How good is X on VALUE? (Bring up all values in the potential track record)

Part 2 b

You said 3 on this value. (Take low numbers)How do you motivate it?

X themselves think that they are a 5 at the same value you said 3. What are your comments to that? Do you agree? What are their shortcomings?

Part 3

How would you describe X reputation?

How important is this reputation in your choice of consultancy?

How important is the general reputation?

Appendix 3

Result from the exploration of Core values

