
ABC Consultants

By Børge Obel

ABC performs consulting tasks within the health sector. The company has specialized in giving advice in connection with clinical tests, and in carrying through the clinical tests necessary for the approval of new pharmaceutical products. In general the tasks consist of:

- Making investigations, giving advice and developing investigation methods; independently, but by order from pharmaceutical firms and hospitals.
- Assisting organizations like Sundhedsstyrelsen (The Danish National Health Administration) in the evaluation of test results.
- Giving consultative support to medical doctors by the carrying out of clinical experiments.
- Performing own investigations and test plans.
- Instructing and advising companies, institutions, and private persons working with clinical tests.

The tasks are performed for clients all over Europe.

Goals and strategies

ABC Consultants was started on the basis of the knowledge and competence that the owner had at the time of the foundation of the company. It has been the purpose to continue working in the same way and in the same spirit.

Differentiated goals are set up for each client/task, goals that are not only desirable but also realistic.

How clients and tasks are viewed

There are no standard clients or standard tasks, and consequently there are no standard treatments or standard investigations, either. Work takes its point of departure in the demands of the single task, and it is a condition for all performance that it must be the best possible for the client. As for the method a set of standard investigation routines, standard methods, has been developed. These are very refined and complex, but thoroughly tested. ABC is convinced that their methods can satisfy nearly any demand. In exceptional cases, special investigations are carried out.

Cooperation

ABC maintains a close cooperation with general practitioners, hospitals, public authorities, pharmaceutical companies, etc.

About ABC, in general

ABC Consultants has been in business for about 18 years. Its tasks and its geographic location have not changed in those years. ABC has experienced a steady growth.

The seniority of the staff of ABC is from 2½ to about 18 years. The manager has been employed for about 18 years. The manager founded the company 18 years ago as a private firm, but about 10 years ago it was turned into a joint-stock company. Most of the employees are also shareholders. The manager owns more than 50% of the shares. Last year ABC had a turnover of about 12 mill. DKR. The demand for the services of the company matches its present capacity. ABC is working at about 160 different projects at a time, mostly small but with a few big ones in between.

Organization

ABC consists of two departments:

Department 1: The hospital department

This department mainly deals with tasks performed in cooperation with hospitals. Most of the tasks can be performed from the company domicile. The majority of the employees belong to this section. The other section consists of employees who work at the hospitals, with the actual carrying out of the tests.

Prescribed number of employees:

- 1 department manager
- 3 statisticians
- 1 pharmacist
- 1 3/4 clerks
- 2 chemists
- 5 doctors (M.B's) (belonging to department 1 but working in both departments)
- 1 nurse
- 1 cleaner

Department 2. The pharmaceutical industry

Department 2 mainly deals with jobs for individual pharmaceutical companies. It may be specific tasks or the elaboration of a general plan for handling the approval procedure of individual countries for pharmaceutical products.

Prescribed number of employees:

- 1 department manager (pharmacist by education)
- 3 pharmacists
- 1 programmer
- 2 employees with an edp education
- 3 statisticians
- 1 clerk

The departments of ABC are located in the same geographical location.

Meetings

Managers' meetings

The general manager and the department managers hold a meeting once a week. The general manager maintains no formal contact to the environment - neither professional nor managerial. Most contacts pass through the individual employees.

Staff meetings

One weekly staff meeting of short duration is held in each department, with the general manager present. There are no meetings for the entire staff.

Operational meetings

One weekly meeting is held in each department about the tasks. The general manager participates when necessary. When the need arises, a general conference is held, with the attendance of all employees. The purpose of the conference is to make clear how to perform the individual tasks, including who will be assigned to which projects. An industrial council has been established in compliance with the general labor agreement.

About authority and decision making

There are no actual job specifications for the employees or for the managers. For one of the managers there is a short description of functions, made in connection with a job advertisement. The general manager carries the full responsibility for everything that goes on in ABC. The department managers have no well-defined field of responsibility.

The employees approach the department manager - and if the latter cannot decide in the matter, the employees go on to the general manager.

It sounds complicated, but really it is functioning well, because each employee knows his job - the manager says. And then you are not immobilized by rigid systems.

The decision-making process

Professional and procedural decisions

At the conference with everybody present it is decided jointly what goal and which method to apply to the individual task. The decisions are general in nature. The individual employee then

carries out the tasks on the basis of the ABC standard procedures. It is up to the individual employee to cooperate with the clients/customers.

Decisions in connection with the everyday operation of the firm, including staff.

Operational decisions (time limit less than a week) and specific decisions concerning the staff are made by the relevant department manager in cooperation with their employees

The decisions are made jointly, and usually much time is spent to reach an agreement.

Overall, general decisions concerning all ABC, irrespective of their nature.

This type of decision is usually made during the managers' meetings, that is, by the general manager and the department managers. The general manager is very democratic, and the two department managers have great influence. In fact the general manager is mostly interested in questions of method and not so much in the daily operations of the company.

About culture

ABC has only few written directions concerning what you may do, must do, and must not do as an employee. However, the unwritten rules, or norms, are plenty, and it takes you quite some time to get to know them all. Concerning method, however, ABC has developed a thorough documentation for the standard procedures and standard methods.

During the interviews with applicants some effort is made to present the ABC philosophy and to judge whether the conception of human nature of the applicant is in accordance with this philosophy.

Both employees and managers are visibly individualistic. Everybody has his own field of competence. This is acknowledged, and everybody tries to cooperate so that they jointly make the most of ABC's resources.

About the future

The individual European countries have each had their own rules for the approval of pharmaceutical products, and the approval in one country did not necessarily mean the approval in other countries. This meant that ABC might be working with the same product in several countries. In connection with the establishment of the European Single Market it is intended that pharmaceutical products approved by one EU country will be approved for the whole EU area. However, it is under consideration that such EU approvals will only be given if a specified procedure of approval is followed. This means that the number of tasks for ABC will fall, but that the individual tasks will be greater. It is difficult, still, to estimate the significance of the new rules.

ABC has secured a few jobs in Poland, and possibilities are contemplated to expand further in Eastern Europe. In the European market it is feared that the changed conditions will make it more attractive to some of the big American consulting firms to enter the market.

The methods of analysis, including the statistical methods, used by ABC, might be employed with some adaptation in other areas, among others the environment sector. ABC has started a development project to estimate the potential of this sector.

Questions for Consideration

1. What are the major strategic misfits?
2. Which organizational structure should ABC choose?