

PORTRAITS OF COMPANIES

“... IF SOMEBODY CANNOT FIND HIS/HER OWN AREA, ANOTHER VERY GOOD STRATEGY IS TO BE A GENERALIST ...” - INTERVIEW WITH TAMÁS KRÄMER, MANAGING DIRECTOR OF CONSACT CONSULTING COMPANY LTD.

Q: Good morning, my name is Zoltán Veres, I am editor of the Pannon Management Review. This journal is a scientific journal published by the University of Pannonia in Veszprém. And the basic goal with this journal is to present the management practice at different firms, different industries in Hungary. Last year we published four different interviews, which four special topic, and one of them was from the consulting industry. Now we return back to the consulting industry, which is a very - I think - interesting and exciting practice in the business field.

The goal for this interview today, is to present yourself afterthat to present the practice of your firm and the challenges in front of the consulting firms in the Hungarian market. First of all, may I ask you to introduce yourself, your carrier path and chances, please?



A: Yes, okay good morning, my name is Tamás Krämer, and please pass my greetings to the readers of your journal. I am managing director of the CONSACT Consulting Company Ltd. We established this company 25 years ago. It means it was in 1992. But we had prepared for the establishment of the this company six years earlier. I think that was a new generation of the consultants in 1992, and that is why we had the slogan that time: „We are the new generation of the consultants”.

I think that was a big change in that era, because before the 1990's there were some consultants, you know, but they were engineers and the regime was the old regime and Hungary needed a new type of consultancy in 1992. We were faced with a lot of challenges that time.

So the Hungarian company needed new type of consultants and we had a small group. It meant five young people. We were all engineers all, as for me for example chemical engineer and after that I graduated as an economist. And we established this Consact consulting company, and our main field was system-building. Building systems means there were a lot of standards and requirements from the western part of Europe and Hungarian companies thought that it was very important to meet these requirements. And the main requirement was - maybe you remember - the ISO 9000 requirements and this company was established with the goal to help companies to meet the requirements of ISO 9000.

Q: How was the competition that time? I think there were plenty of famous western consulting firms in the Hungarian market. Or you were alone in the market that time in this field?

A: At that time there were not so many western consulting companies here in Hungary. We were not alone, because there were some other Hungarian consulting companies, and the average size were from five to twenty people. And we could become a quite big company by the end of the 1990's. We had more than twenty employees at the end of 1990's. The main field was ISO 9000, because that was a new industry. A new industry to build these systems, because almost all of the Hungarian companies needed this kind of system, and they could not meet the requirements alone, so they needed a consulting company. That market was a huge market. I do not know the exact number but we had more than 400–500 contracts a year in this field. So this was a quite big market. And finally, I guess, more than 16 000 Hungarian companies got the certification on ISO 9000.

Q: What was your position among competitors?

A: We were the market leader, I am absolutely sure.

Q: In sales you mean, or profitability or ...?

A: Maybe both. Maybe not profitability. I do not know the figures of other the companies, but the number of contracts, number of the employees and the turnover our company were the biggest, or one of the biggest companies in this field. We had an idea involving in and establishing companies abroad. Abroad meant countries where we could find people who could speak Hungarian, so we have subsidiaries in Romania first of all, in Slovakia and in Serbia, because we could export our knowledge and our know-how to these countries, and we could find people, who could speak Hungarian in these countries.

Q: A little bit back to the beginnings. Who was the idea generator? Who found out to enter this market in your team?

A: All of us were young people, you know, but originally we all dealt with a very similar area, for example, myself, I worked for a company which dealt with qualification of products. It was a very famous company here in Hungary, it was called 'Kiváló Áruk Fóruma' (Forum of Excellent Goods), which was a well known company here in Hungary. And I dealt with qualification of the products. And after that, it was a Japanese professor, professor Shiba in cooperation with Mr. Kapolyi, who was the industrial minister that time, exported a very famous methodology here to Hungary. This methodology was - in its English name - TQM (total quality management), but this was a special total quality management. The main master or the main professor Mr Shiba was, who developed a methodology for that, and this methodology was a state supported methodology here in Hungary. And I was very lucky, because that was a small core team, and I was a member of this core team, that consisted of 20 or 30 consultants. We got lots of materials from professor Shiba, and we could learn a lot about TQM and about the system development from him. And after that when Hungarian companies entered the western market, they needed to get a certification on ISO 9000. So this area reformed other areas, this area was ISO 9000 area. This was not an idea, this was a requirement of the market itself. And if you were present in this field, you could feel that there was a huge demand at Hungarian companies.

Q: Did you work in the chemical industry at that time?

A: Yes of course, chemical industry and lot of other industries, small companies. First of all our clients were bigger companies and this was the first step in our company life.

Q: Would you summarize the history of the Consact company from the beginnings up today?

A: Yes, I can try it. So this was the first step, and after that there were lots of other types of contracts in our practice. For example there were a lot of other standard requirements, for example the HACCP in the food industry. Maybe you know, that this is a safety and risk management system of the food industry. I can mention environmental systems as well. This was one part of our life and there were a lot of other companies, and they needed to improve their processes. This was a little different type of activities. A different activity, because in this field there were not any kind of standard requirements. The main demand was the demand of the clients, and they wanted to improve the performance of the company. They wanted to reduce the number of the employees, they wanted to increase their profits so this was the main goal, and we had to and have to find the right methodology The way how to reach these goals.

Q: How has your business portfolio changed during this period from the beginning up today?

A: First of all, in the first five years or five-ten years ISO 9000 system was 90 or 80% of our turnover. And after that HACCP in the food industry was a very important part of our life. Later we had a lot of clients from the public industry, government, local government, and from other institutions.

Q: And nowadays?

A: Nowadays the situation is similar, because, we have lots of works for meeting any kind of requirements. We help companies to meet requirements in the legal part and in the customer part. For example we have to create systems for protection of the data. Maybe you have heard about big scandals where some data went out. So this is one main area, and sometimes we study the environmental responsibility of the company. Beyond this I have to mention health and safety responsibility in a company, or sometimes they need a special food industry system for quality insurance. So this is one type of our work. Sometimes companies come and want to improve their processes. The process can be very complicated, human processes or

technical processes, manufacturing, and we can find the right methodology for improving these processes. After that we have to introduce/apply these methodology and these improvement technics.

Q: Can you make a forecast in this market in the future? What are your expectations considering the future?

A: I think, this is a very sensitive area. If the economy goes well, our area also goes well, because companies have enough money to place order to consulting companies.

Q: So your activity depends on the state of the economy?

A: Yes of course, this is absolutely sure. For example five years ago we had some very bad years, it was 3 or 4 years. It was bad for us because of the general crisis. But if the economy goes well, the company can pay for consulting companies to make a lot of activities. For example they do not want to employ a person or they do not want to give a task to their colleagues being very busy. Or they do not want to deal with systems or standards, because they do not have enough time to deal with these questions. And they can say, okay, it is not a problem, we have money, we can place an order to the consulting company, please, maintain our system. Please, write new documents, and write new processes. So I am sure that could be one direction and the other direction improving processes. A lot of companies and lot of managing directors need some help for the managing processes. And they need some advice, they need some personal advicer, and we can help them to manage their processes.

Q: Last question: what is the message for the higher education, what could be done in a different way from the viewpoint of business practice? Or you think, everything is okay in the higher education, I mean in the business education. What is your experience with the people with a fresh diploma?

A: I think we need two different types of colleagues. Sometime we need very specialized persons.

Q: Specialized for example? In which area?

A: For example data protection or data base, or specialized in computer technologies. In my opinion, if anybody knows his/her professional area and goal very clearly, he/she needs to get knowledge very deeply. This is a very good strategy for students, if they know that area. For example the data protection is a very good area. I am sure after the university nobody can be a very good expert with very deep knowledge, but somebody could start it after the third year or after the second year. In the last 2–3 years anybody can get a quite deep experience in the concerned area and after 3 or five years he/she can become a very well paid expert. This is one type, but sometime we need another type employee. This person can solve the problems and can communicate with other people and can find the common language with these people. They do not need so deep experience, and so deep knowledge in one area but he/she has to be a very sensitive and a very good problem solving person. So if somebody cannot find his/her area, I think, another very good strategy is to be a generalist.