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# Management Analysts

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## Significant Points

- Despite much faster than average employment growth, keen competition is expected for jobs; opportunities should be best for those with a graduate degree, specialized expertise, and a talent for salesmanship and public relations.
- About 27 percent, over three times the average for all occupations, are self-employed.
- A bachelor's degree is sufficient for many entry-level government jobs; many positions in private industry require a master's degree, specialized expertise, or both.

## Nature of the Work

As business becomes more complex, firms are continually faced with new challenges. They increasingly rely on management analysts to help them remain competitive amidst these changes. Management analysts, often referred to as *management consultants* in private industry, analyze and propose ways to improve an organization's structure, efficiency, or profits.

For example, a small but rapidly growing company might employ a consultant who is an expert in just-in-time inventory management to help improve its inventory-control system. In another case, a large company that has recently acquired a new division may hire management analysts to help reorganize the corporate structure and eliminate duplicate or nonessential jobs. In recent years, information technology and electronic commerce have provided new opportunities for management analysts. Companies hire consultants to develop strategies for entering and remaining competitive in the new electronic marketplace. (For information on computer specialists working in consulting, see the following statements elsewhere in the *Handbook*: computer software engineers; systems analysts, computer scientists, and database administrators; and computer programmers.)

Management analysts might be single practitioners or part of large international organizations employing thousands of other consultants. Some analysts and consultants specialize in a specific industry, such as health care or telecommunications, while others specialize by type of business function, such as human resources, marketing, logistics, or information systems. In government, management analysts tend to specialize by type of agency. The work of management analysts and consultants varies with each client or employer, and from project to project. Some projects require a team of consultants, each specializing in one area. In other projects, consultants work independently with the organization's managers. In all cases, analysts and consultants collect, review, and analyze information in order to make recommendations to managers.

Both public and private organizations use consultants for a variety of reasons. Some lack the internal resources needed to handle a project, while others need a consultant's expertise to determine what resources will be required and what problems may be encountered if they pursue a particular opportunity. To retain a consultant, a company first solicits proposals from a number of consulting firms specializing in the area in which it

needs assistance. These proposals include the estimated cost and scope of the project, staffing requirements, references from a number of previous clients, and a completion deadline. The company then selects the proposal that best suits its needs. Some firms, however, employ internal management consulting groups rather than hiring outside consultants.

After obtaining an assignment or contract, management analysts first define the nature and extent of the problem that they have been asked to solve. During this phase, they analyze relevant data—which may include annual revenues, employment, or expenditures—and interview managers and employees while observing their operations. The analysts or consultants then develop solutions to the problem. While preparing their recommendations, they take into account the nature of the organization, the relationship it has with others in the industry, and its internal organization and culture. Insight into the problem often is gained by building and solving mathematical models, such as one that shows how inventory levels affect costs and product delivery times.

Once they have decided on a course of action, consultants report their findings and recommendations to the client. Their suggestions usually are submitted in writing, but oral presentations regarding findings also are common. For some projects, management analysts are retained to help implement the suggestions they have made.

Like their private-sector colleagues, management analysts in government agencies try to increase efficiency and worker productivity and to control costs. For example, if an agency is planning to purchase personal computers, it must first determine which type to buy, given its budget and data-processing needs. In this case, management analysts would assess the prices and characteristics of various machines and determine which ones best meet the agency's goals. Analysts may manage contracts for a wide range of goods and services to ensure quality performance and to prevent cost overruns.

**Work environment.** Management analysts usually divide their time between their offices and the client's site. In either situation, much of an analyst's time is spent indoors in clean, well-lit offices. Because they must spend a significant portion of their time with clients, analysts travel frequently.

Analysts and consultants generally work at least 40 hours a week. Uncompensated overtime is common, especially when project deadlines are approaching. Analysts may experience a great deal of stress when trying to meet a client's demands, often on a tight schedule.

Self-employed consultants can set their workload and hours and work at home. On the other hand, their livelihood depends



*Many management analysts are self-employed.*

on their ability to maintain and expand their client base. Salaried consultants also must impress potential clients to get and keep clients for their company.

### Training, Other Qualifications, and Advancement

Entry requirements for management analysts vary. For some entry-level positions, a bachelor's degree is sufficient. For others, a master's degree, specialized expertise, or both is required.

**Education and training.** Educational requirements for entry-level jobs in this field vary between private industry and government. Many employers in private industry generally seek individuals with a master's degree in business administration or a related discipline. Some employers also require additional years of experience in the field or industry in which the worker plans to consult. Other firms hire workers with a bachelor's degree as research analysts or associates and promote them to consultants after several years. Some government agencies require experience, graduate education, or both, but many also hire people with a bachelor's degree and little work experience for entry-level management analyst positions.

Few universities or colleges offer formal programs in management consulting; however, many fields of study provide a suitable educational background for this occupation because of the wide range of areas addressed by management analysts. Common fields of study include business, management, accounting, marketing, economics, statistics, computer and information science, or engineering. Most analysts also have years of experience in management, human resources, information technology, or other specialties. Analysts also routinely attend conferences to keep abreast of current developments in their field.

**Other qualifications.** Management analysts often work with minimal supervision, so they need to be self-motivated and disciplined. Analytical skills, the ability to get along with a wide range of people, strong oral and written communication skills, good judgment, time-management skills, and creativity are other desirable qualities. The ability to work in teams also is an important attribute as consulting teams become more common.

**Certification and advancement.** As consultants gain experience, they often become solely responsible for specific projects, taking on more responsibility and managing their own hours. At the senior level, consultants may supervise teams working on more complex projects and become more involved in seeking out new business. Those with exceptional skills may eventually become partners in the firm, focusing on attracting new clients and bringing in revenue. Senior consultants who leave their consulting firms often move to senior management positions at non-consulting firms. Others with entrepreneurial ambition may open their own firms.

A high percentage of management consultants are self-employed, partly because business startup and overhead costs are low. Since many small consulting firms fail each year because of lack

of managerial expertise and clients, persons interested in opening their own firm must have good organizational and marketing skills. Several years of consulting experience are also helpful.

The Institute of Management Consultants USA, Inc. offers the Certified Management Consultant (CMC) designation to those who meet minimum levels of education and experience, submit client reviews, and pass an interview and exam covering the IMC USA's Code of Ethics. Management consultants with a CMC designation must be recertified every 3 years. Certification is not mandatory for management consultants, but it may give a jobseeker a competitive advantage.

### Employment

Management analysts held about 678,000 jobs in 2006. About 27 percent of these workers, over three times the average for all occupations, were self-employed. Management analysts are found throughout the country, but employment is concentrated in large metropolitan areas. Management analysts work in a range of industries, including management, scientific, and technical consulting firms; computer systems design and related services firms; and Federal, State, and local governments.

### Job Outlook

Employment of management analysts is expected to grow much faster than average. Despite projected rapid employment growth, keen competition is expected for jobs as management analysts because of the independent and challenging nature of the work and the high earnings potential that make this occupation attractive to many.

**Employment change.** Employment of management analysts is expected to grow 22 percent over the 2006-16 decade, much faster than the average for all occupations, as industry and government increasingly rely on outside expertise to improve the performance of their organizations. Job growth is projected in very large consulting firms with international expertise and in smaller consulting firms that specialize in specific areas, such as biotechnology, health care, information technology, human resources, engineering, and marketing. Growth in the number of individual practitioners may be hindered by increasing use of consulting teams that are often more versatile.

Job growth for management analysts has been driven by a number of changes in the business environment that have forced firms to take a closer look at their operations. These changes include regulatory changes, developments in information technology, and the growth of electronic commerce. Firms hire consultants to help them adapt to new business regulations, such as the Sarbanes-Oxley Act, which tightened financial reporting rules. Traditional companies hire analysts to help design intranets or company Web sites or to establish online businesses. New Internet startup companies hire analysts not only to design Web sites but also to advise them in traditional business practices, such as pricing strategies, marketing, and inventory and human resource management.

### Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Management analysts.....	13-1111	678,000	827,000	149,000	22

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

To offer clients better quality and a wider variety of services, consulting firms are partnering with traditional computer software and technology firms. Also, many computer firms are developing consulting practices of their own to take advantage of this expanding market. Although information technology consulting should remain one of the fastest growing consulting areas, employment in the computer services industry can be volatile so the most successful management analysts may also consult in other business areas.

The growth of international business also has contributed to an increase in demand for management analysts. As U.S. firms expand their business abroad, many will hire management analysts to help them form the right strategy for entering the market; to advise them on legal matters pertaining to specific countries; or to help them with organizational, administrative, and other issues, especially if the U.S. company is involved in a partnership or merger with a local firm. These trends provide management analysts with more opportunities to travel or work abroad but also require them to have a more comprehensive knowledge of international business and foreign cultures and languages. Just as globalization creates new opportunities for management analysts, it also allows U.S. firms to hire management analysts in other countries; however, because international work is expected to increase the total amount of work, this development is not expected to adversely affect employment in this occupation.

Furthermore, as international and domestic markets have become more competitive, firms have needed to use resources more efficiently. Management analysts increasingly are sought to help reduce costs, streamline operations, and develop marketing strategies. As this process continues and businesses downsize, even more opportunities will be created for analysts to perform duties that previously were handled internally. Finally, more management analysts also will be needed in the public sector, as Federal, State, and local government agencies seek ways to become more efficient.

**Job prospects.** Despite rapid employment growth, keen competition is expected. The pool of applicants from which employers can draw is quite large since analysts can have very diverse educational backgrounds and work experience. Furthermore, the independent and challenging nature of the work, combined with high earnings potential, makes this occupation attractive to many. Job opportunities are expected to be best for those with a graduate degree, specialized expertise, and a talent for salesmanship and public relations.

Economic downturns also can have adverse effects on employment for some management consultants. In these times, businesses look to cut costs, and consultants may be considered an excess expense. On the other hand, some consultants might experience an increase in work during recessions because they advise businesses on how to cut costs and remain profitable.

## Earnings

Salaries for management analysts vary widely by years of experience and education, geographic location, specific expertise, and size of employer. Generally, management analysts employed in large firms or in metropolitan areas have the highest salaries. Median annual earnings of wage and salary management analysts in May 2006 were \$68,050. The middle 50 percent earned between \$50,860 and \$92,390. The lowest 10 percent earned less than \$39,840, and the highest 10 per-

cent earned more than \$128,330. Median annual earnings in the industries employing the largest numbers of management analysts were:

Management, scientific, and technical consulting services.....	\$76,600
Computer systems design and related services.....	76,130
Federal executive branch.....	73,800
Management of companies and enterprises .....	68,660
State government.....	50,270

Salaried management analysts usually receive common benefits, such as health and life insurance, a retirement plan, vacation, and sick leave, as well as less common benefits, such as profit sharing and bonuses for outstanding work. In addition, all travel expenses usually are reimbursed by the employer. Self-employed consultants have to maintain their own office and provide their own benefits.

## Related Occupations

Management analysts collect, review, and analyze data; make recommendations; and implement their ideas. Occupations with similar duties include accountants and auditors; budget analysts; cost estimators; financial analysts and personal financial advisors; operations research analysts; economists; and market and survey researchers. Some management analysts specialize in information technology and work with computers, as do computer systems analysts and computer scientists and database administrators. Most management analysts also have managerial experience similar to that of administrative services managers; advertising, marketing, promotions, public relations, and sales managers; financial managers; human resources, training, and labor relations managers and specialists; industrial production managers; or top executives.

## Sources of Additional Information

Information about career opportunities in management consulting is available from:

➤ Association of Management Consulting Firms, 380 Lexington Ave., Suite 1700, New York, NY 10168.

Internet: <http://www.amcf.org>

Information about the Certified Management Consultant designation can be obtained from:

➤ Institute of Management Consultants USA, Inc., 2025 M St.NW., Suite 800, Washington, DC 20036.

Internet: <http://www.imcusa.org>

Information on obtaining a management analyst position with the Federal Government is available from the Office of Personnel Management (OPM) through USAJOBS, the Federal Government's official employment information system. This resource for locating and applying for job opportunities can be accessed through the Internet at <http://www.usajobs.opm.gov> or through an interactive voice response telephone system at (703) 724-1850 or TDD (978) 461-8404. These numbers are not toll free, and charges may result. For advice on how to find and apply for Federal jobs, see the *Occupational Outlook Quarterly* article "How to get a job in the Federal Government," online at:

<http://www.bls.gov/opub/ooq/2004/summer/art01.pdf>