



# Reconfiguring Value Propositions and Business Models in Management Consulting under Digital Transformation: A Systemic and Practice-Oriented Perspective

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## ABSTRACT

Management consulting has historically evolved in close connection with changes in economic structures, managerial ideologies, and technological paradigms. In recent decades, digital transformation, enterprise mobility, the Internet of Things (IoT), and new business model logics have profoundly reshaped how consulting services are designed, delivered, priced, and evaluated. This research article develops an integrated theoretical and methodological analysis of contemporary management consulting by synthesizing insights from business model innovation, value proposition design, consulting theory, and digital infrastructure studies. Drawing strictly on the provided literature, the article examines how consulting firms construct and communicate value propositions, how pricing operates as a strategic positioning mechanism, and how trust, outsourcing, and networked reputation shape consulting relationships. Particular emphasis is placed on small and medium-sized enterprises (SMEs), whose consulting needs are increasingly complex yet resource-constrained. The study adopts a qualitative, interpretive research methodology grounded in systematic literature analysis and conceptual modelling. Findings indicate that effective consulting in digitally intensive contexts depends less on standardized solutions and more on co-created value, contextualized business models, and adaptive consulting roles. The discussion highlights theoretical implications for strategy-as-practice, consulting professionalism, and value co-creation, while also identifying limitations related to contextual specificity and methodological scope. The article concludes by proposing future research directions focused on longitudinal studies of consulting engagements and deeper integration of digital capability frameworks into consulting methodologies.

**Keywords:** Management consulting, value proposition, business models, digital transformation, enterprise mobility, SMEs

## INTRODUCTION

Management consulting has long occupied a paradoxical position within modern capitalism. On one hand, it presents itself as a rational, expert-driven

profession capable of diagnosing organizational problems and prescribing optimal solutions. On the other hand, it operates within markets characterized

by ambiguity, asymmetrical information, and socially constructed notions of value and expertise. This paradox becomes even more pronounced in the contemporary business environment, where digital technologies, shifting competitive dynamics, and changing client expectations have redefined what organizations seek from consultants and how consulting value is created, delivered, and perceived.

The rise of enterprise mobility management, the widespread adoption of Internet of Things technologies, and the increasing reliance on digital platforms have fundamentally altered organizational structures and decision-making processes (MarketsAndMarkets, 2021; Oracle, 2021). These technological developments have expanded the scope of consulting beyond traditional strategy formulation into areas such as digital transformation, technology integration, data governance, and organizational change management. Consequently, consulting firms must continuously adapt their business models and value propositions to remain relevant and credible in a rapidly evolving market.

The concept of the business model, popularized through frameworks such as the Business Model Canvas, has provided consultants and organizations with a shared language for describing how value is created, delivered, and captured (Osterwalder and Pigneur, 2010). Closely related is the notion of value proposition design, which emphasizes a deep understanding of customer needs, pains, and gains as the foundation of successful offerings (Osterwalder et al., 2014). In consulting contexts, however, value propositions are inherently complex, as the “product” is often intangible, co-produced with the client, and evaluated retrospectively through subjective assessments of impact and learning.

Existing literature on management consulting highlights several persistent challenges. Trust and reputation play a central role in client-consultant relationships, particularly under conditions of uncertainty (Armbruster and Glucker, 2003). Outsourcing has become both an opportunity and a competitive instrument within the consulting industry, reshaping organizational boundaries and professional identities (António and Lopes da Costa, 2011a; 2011b). Historical analyses further demonstrate that consulting markets are deeply embedded in national, cultural, and institutional contexts, which shape how consulting services are sold and legitimized (Amorim and Kipping, 1999; António and Lopes da Costa, 2014).

Despite this rich body of work, there remains a gap in integrative analyses that connect consulting theory with contemporary business model innovation and digital transformation frameworks. Much of the existing research either focuses on consulting as a profession or on business models as abstract constructs, without sufficiently examining how consultants operationalize value propositions in digitally intensive environments, particularly when working with SMEs. SMEs face unique challenges, including limited resources, high vulnerability to technological disruption, and a need for customized, practical solutions rather than generic strategic advice (Kovalchuk, 2025).

This article addresses this gap by developing a comprehensive, theory-driven analysis of management consulting in the context of digital transformation. It seeks to answer the following overarching question: How can management consulting firms design and deliver compelling value propositions and business models in digitally transformed environments while addressing the specific needs of SMEs? By synthesizing insights from the provided literature, the study aims to contribute to both academic understanding and professional practice in management consulting.

## METHODOLOGY

The methodological approach adopted in this study is qualitative, interpretive, and conceptual in nature. Rather than relying on primary empirical data, the research draws on an extensive and systematic analysis of the provided academic and professional literature. This approach is particularly appropriate given the study’s objective of theoretical integration and model development, as well as the complex, socially constructed nature of consulting value.

The research design follows principles outlined in qualitative research methodology, emphasizing reflexivity, contextual interpretation, and theoretical sensitivity (Arthur et al., 2017). The first phase involved a comprehensive reading and thematic coding of the selected references. Key concepts such as value proposition, business model, pricing, trust, outsourcing, digital infrastructure, and SME consulting were identified and analyzed across sources. Rather than treating each reference in isolation, the analysis focused on identifying patterns, complementarities, and tensions within and between different theoretical perspectives.

In the second phase, the study employed a comparative analytical strategy to examine how different strands of literature conceptualize value creation and delivery in consulting contexts. For example, historical and institutional analyses of consulting markets (Amorim and Kipping, 1999) were juxtaposed with contemporary frameworks of business model innovation (Baden-Fuller and Mangematin, 2015) and value proposition design (Osterwalder et al., 2014). This comparison enabled a deeper understanding of how traditional consulting logics are being challenged and reconfigured by digital transformation.

The third phase involved the development of an integrative conceptual narrative that links consulting practices with business model components and digital capabilities. Drawing on the systemic approach advocated by Ojasalo et al. (2015), the study treats consulting as a development-oriented activity embedded in broader organizational and technological systems. This perspective allows for a nuanced analysis of consulting engagements as iterative, co-creative processes rather than linear problem-solving exercises.

Throughout the methodological process, attention was paid to rigor and transparency. All major claims are explicitly grounded in the provided literature, and alternative interpretations are discussed where relevant. While the absence of primary empirical data limits the ability to generalize findings statistically, the chosen methodology enables rich theoretical elaboration and provides a robust foundation for future empirical research.

## RESULTS

The results of the analysis are presented as a set of interrelated findings that collectively illuminate how management consulting value is constructed and transformed in digital contexts. These findings are descriptive and analytical rather than statistical, reflecting the qualitative nature of the study.

One central finding is that value propositions in management consulting are increasingly shaped by clients' digital maturity and technological environments. As organizations adopt enterprise mobility management systems and IoT solutions, they seek consultants who can integrate strategic insight with technical understanding (MarketsAndMarkets, 2021; Oracle, 2021). This shifts the consulting value proposition from abstract

strategic advice toward actionable, implementation-oriented guidance. Consultants are expected not only to recommend what should be done but also to support how it can be done within specific technological constraints.

Another significant finding concerns the role of business models in structuring consulting offerings. The Business Model Canvas framework emphasizes the alignment of value propositions, customer segments, channels, and revenue streams (Osterwalder and Pigneur, 2010). In consulting, this alignment is particularly delicate because revenue models must balance transparency, flexibility, and perceived fairness. The analysis reveals that pricing functions as a powerful positioning tool, signaling expertise, quality, and strategic intent (Nashville Business Radio, 2021). Consultants who underprice their services risk undermining their perceived value, while those who overprice without clearly articulated value propositions may face resistance, especially from SMEs.

The findings also highlight the enduring importance of trust and reputation in consulting relationships. Digital transformation projects often involve high levels of uncertainty, long time horizons, and significant organizational change. Under such conditions, clients rely heavily on reputational cues and network-based trust mechanisms when selecting consultants (Armbruster and Glucker, 2003). This dynamic reinforces the relational nature of consulting markets and challenges purely transactional business model approaches.

Outsourcing emerges as another critical theme. Consulting firms increasingly outsource specialized tasks or collaborate with external partners to deliver complex, digitally enabled solutions (António and Lopes da Costa, 2011a). While outsourcing can enhance flexibility and competitiveness, it also raises questions about accountability, knowledge integration, and professional identity. The results suggest that successful consulting firms adopt systemic outsourcing models that preserve core competencies while leveraging external expertise strategically (António and Lopes da Costa, 2011b).

Finally, the analysis underscores the distinct challenges and opportunities associated with SME consulting. SMEs often lack the internal capabilities required to manage digital transformation independently, making them reliant on external consultants (Kovalchuk, 2025). However, their

limited resources and risk tolerance necessitate highly customized, value-driven consulting approaches. Generic frameworks and standardized solutions are less effective in this context, highlighting the need for adaptive consulting methodologies grounded in close client collaboration.

## DISCUSSION

The findings of this study have several important implications for theory and practice in management consulting. From a theoretical perspective, the analysis reinforces the view that consulting should be understood as a practice-based, relational activity rather than a purely technical or transactional service. This aligns with strategy-as-practice perspectives, which emphasize the micro-level activities, interactions, and interpretations through which strategy and value are enacted (António and Lopes da Costa, 2014).

The integration of business model theory into consulting analysis offers a valuable lens for understanding how consulting firms' structure and communicate their offerings. Business models are not static representations but dynamic, evolving constructs that must adapt to changes in technology, client expectations, and competitive landscapes (Baden-Fuller and Mangematin, 2015). For consultants, this implies a continuous process of reflection and experimentation in how value propositions are designed and delivered.

At the same time, the discussion reveals potential tensions and counterarguments. One might argue that an excessive focus on business model frameworks risks oversimplifying the nuanced, context-dependent nature of consulting work. Consulting engagements often involve political dynamics, emotional labor, and tacit knowledge that cannot be easily captured within formal models. However, rather than replacing professional judgment, business model tools can serve as boundary objects that facilitate dialogue and shared understanding between consultants and clients (Osterwalder et al., 2014).

The role of pricing as positioning deserves particular attention. While the literature emphasizes pricing as a strategic signal, there is a risk that consultants may prioritize image over substance, leading to misaligned expectations and dissatisfaction. Transparent communication of value, grounded in a deep understanding of client needs, is therefore

essential to avoid such pitfalls (Nashville Business Radio, 2021).

The limitations of this study must also be acknowledged. The reliance on secondary sources and conceptual analysis limits the ability to capture the lived experiences of consultants and clients in real-time projects. Furthermore, the provided literature reflects primarily Western perspectives, which may not fully capture consulting dynamics in emerging or non-Western markets. Future research could address these limitations through empirical case studies, interviews, and cross-cultural comparisons.

Looking ahead, there is significant scope for further research on the intersection of digital technologies and consulting practices. Longitudinal studies could examine how consulting relationships evolve over the lifecycle of digital transformation initiatives. Additionally, integrating insights from IoT and enterprise mobility research with consulting methodologies could yield more holistic frameworks for supporting organizational change.

## CONCLUSION

This article has developed a comprehensive, theory-driven analysis of management consulting in the context of digital transformation, business model innovation, and value proposition design. By synthesizing insights from the provided literature, it has shown that contemporary consulting value is co-created through relational processes, contextualized business models, and adaptive methodologies. Digital technologies such as enterprise mobility management and IoT have expanded both the scope and complexity of consulting engagements, particularly for SMEs.

The study contributes to academic discourse by bridging consulting theory with business model and value proposition frameworks, highlighting the importance of trust, pricing, outsourcing, and systemic thinking. For practitioners, the findings underscore the need for continuous learning, reflexivity, and client-centric design in consulting practice. Ultimately, the future of management consulting depends not on standardized solutions but on the ability to navigate uncertainty, co-create value, and align professional expertise with evolving organizational needs.

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