THE MCKINSEY WAY
USING THE TECHNIQUES OF THE WORLD'S TOP STRATEGIC CONSULTANTS TO HELP YOU AND YOUR BUSINESS
By Ethan M. Rasiel

Part I: The McKinsey Way of Thinking About Business Problems

- Problem solving is what you do at McKinsey.
- Always look at how things can be better. What is the best way it can be done? You have to be fundamentally skeptical about everything.
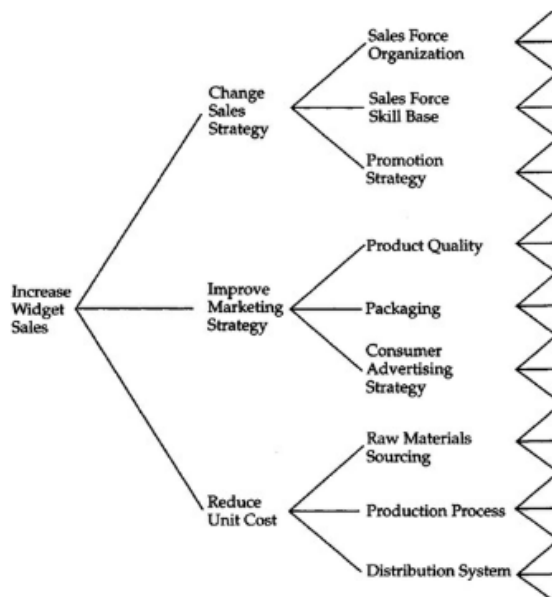
1: Building the Solution

- When team members meet to discuss their client's problem, they know their solution will be:
    - #1: Fact based.
    - #2: Rigidly structured.
    - #3: Hypothesis driven.
- Facts are friendly.
    - Gather facts.
    - Yes...gut instinct is valuable, but so are facts.
    - Facts also bridge the credibility gap.
- Feel free to be MECE (me-see):
    - Mutually Exclusive, Collectively Exhaustive.
    - Gets pounded into the head of every new McKinsey teammate. Every presentation, every memo, everything produced by McKinsey should be MECE.
    - List all the issues:
        - Is each one a separate and distinct issue?
            - If so, your issue list is mutually exclusive.
            - If they are not, then create separate and distinct issues. It forces clearer thinking.
        - Is your list complete?
            - Then your issues are collectively exhaustive.
        - A good McKinsey issue list contains no fewer than two and no more than five top line issues.
        - The category "other issues" can be used as a catch all, but try to avoid this.
- Solve the problem at the first meeting--the initial hypothesis.
    - Solving a problem is like embarking on a long journey. The initial hypothesis ("IH") is your problem-solving map.

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- ○ Defining the initial hypothesis:
  - ■ The essence of the initial hypothesis is "figure out the solution to the problem before you start."
  - ■ Remember, it is just a theory that needs to be proved or disproved.
- ○ Generating the initial hypothesis:
  - ■ It emerges from a combination of facts and structure.
  - ■ You must start with the facts.
    - ● Find the quickest way to get up to speed.
    - ● You don't need all the facts, just enough to have a good overview of the problem.
  - ■ You must then apply structure to them.
    - ● Break the problem into its components, the "key drivers."
    - ● Then make an actionable recommendation regarding each driver.
  - ■ Take each top line actionable recommendation and break it down to the level of issues.
    - ● If the recommendation is correct, which issues does it raise?
    - ● For each issue, what analysis would you need to prove or disprove your hypothesis?
  - ■ The outcome of this exercise is what McKinsey calls the "issue tree."
    - ● Once the issue tree is completed, you have your problem-solving map.

- ● ISSUE TREE

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- Testing the Initial Hypothesis:
    - Test your problem-solving map.
    - Is it the best solution you could give?
    - Be open minded. List all possible ways to test IH.

2: Developing an Approach

- The problem is not always the problem.
    - Make sure you are solving the right problem, not the one you were given.
    - Doctors don't rely on patients to diagnose themselves, and consultants shouldn't rely on clients to diagnose their own problems.
    - "I want to increase my profitability" is the consultant version of a patient telling a doctor "I don't feel well."
    - Poke around. Ask questions.
    - If you find out you have been sent to solve the wrong problem, tell them immediately.
        - "I can focus on X, but I think the source of the issue is Y."
        - Use data to back yourself up.
- Don't reinvent the wheel.
    - McKinsey has developed a number of tools to analyze many different businesses.
        - Analysis of Value Added
        - Business Process Redesign
        - Product Market Scan
        - Etc.
    - It gives the raw data a framework.
    - One tool was called "Forces at Work:"
        - Looks at the likely external pressures on the client.
        - Identify the client's:
            - Suppliers
            - Customers
            - Competitors
            - Possible substitute products
        - List all changes in those categories.
            - Positive or negative impact?
        - What internal pressures? How do they impact these categories?
- But every client is unique (No cookie cutter solutions).
    - The tools may be the same from problem to problem, but you have to apply them.
    - Example:
        - In his experience, 8 out of 10 pricing problems can be solved by raising the pricing.
        - If you do the fact-based analysis, budgets, break-even analysis, and so forth, you get to that result.

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- - - But if you say "raise prices" is always the answer, you get into trouble.
    - So apply the tools.
  - Trust and verify.
- Don't make the facts fit your solution.
  - No matter how brilliant, insightful, and original you may feel your initial hypothesis to be, you must always be prepared to accept that the facts may prove you wrong. If they do, adjust to the facts. Don't try to pound them into your framework like square pegs into round holes.
  - Take a step back and ask yourself every week or two weeks, "how does the new data fit into our initial hypothesis?"
- Make sure your solution fits your client.
  - Can your client implement the solution? What are their strengths and weaknesses?
  - It may be a great solution, but not a great solution for this client. That is OK.
- Sometimes you have to let the solution come to you.
  - How do some clients look at consultants?
    - #1: You will come back with something we don't agree with, which means you will necessarily be wrong and you have then added no value; or
    - #2: You will come back with what we already know and agree with, and you will have added no value.
  - Don't need an initial hypothesis, you do need facts and data.
- Some problems you just can't solve...solve them anyway.
  - You may run into obstacles:
    - Won't give you data/facts.
    - Can't interview people.
    - People pursuing their own agenda.
  - What do you do?
    - Redefine the problem:
      - If you do this, do it soon.
      - Doing this after a day, you are a genius. Do this after a few weeks...not so much. After a few months...really bad.
    - Tweak your way to a solution.
      - May need more time.
      - May need changes in personnel that will take time.
    - Work through the politics.
      - If you face political opposition, it means that your solution has negative implications for someone in the organization.
      - Think through it. Find a solution. The solution may be "too bad" but weigh it out.

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3: 80/20 and Other Rules to Live By

- 80/20:
    - 80% of your results will come from 20% of your effort.
    - Find the spot in the business where this is true and you can leverage and focus effort.
    - "I want to increase my profits!"
        - Where do your profits come from?
    - This analysis is all about data.
- Don't boil the ocean.
    - Work smarter, not harder.
    - Gather the minimum amount of facts and data to prove or disprove your analysis.
        - Anything more is a waste of time and resources.
- Find the key drivers.
    - Many factors affect your business. Focus on the most important ones...the Key Drivers.
        - Focus on the key drivers, the three things that really matter, and ignore the rest.
        - This keeps you from "boiling the ocean."
- The elevator test:
    - Know your solution (or your product or business) so thoroughly that you can explain it clearly and precisely to your client (or customer or investor) in 30 seconds. If you can do that, then you understand what you're doing well enough to sell your solution.
- Pluck the low hanging fruit.
    - Sometimes in the middle of the problem-solving process, opportunities arise to get an easy win, to make immediate improvements, even before the overall problem has been solved. Seize those opportunities! They create little victories for you and your team. They boost morale and give you added credibility by showing anybody who may be watching that you're on the ball and mean business.
- Make a chart every day.
    - During the problem-solving process, you learn something new every day. Put it down on paper. It will help you push your thinking. You may use it, or you may not, but once you have crystalized it on the page, you won't forget it.
    - You can avoid this by sitting down for half an hour at the end of the day and asking yourself, "What are the three most important things I learned today?" Put them down in a chart or two—nothing fancy; neatness doesn't count. If the facts don't lend themselves to charting (although McKinsey-ites try to put everything in charts), just write them down as bullet points. Put your results someplace where they won't get lost—don't just toss them into your in-tray. Later, when you are in analysis mode, you can come

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back to your charts and notes and think about what they mean and where they fit in terms of your solution.

- Hit singles:
  - You can't do everything, so don't try. Just do what you're supposed to do and get it right. It's much better to get to first base consistently than to try to hit a home run—and strike out 9 times out of 10.
  - There are three reasons he was right:
    - It's impossible to do everything yourself all the time.
    - If you manage it once, you raise unrealistic expectations from those around you.
    - Once you fail to meet expectations, it is very difficult to regain credibility.
- Look at the big picture.
  - Every now and then, take a mental step back from whatever you're doing. Ask yourself some basic questions: How does what you're doing solve the problem? How does it advance your thinking? Is it the most important thing you could be doing right now? If it's not helping, why are you doing it?
- Just say, "I don't know."
  - The Firm pounds the concept of professional integrity into its associates from their first day on the job, and rightly so. One important aspect of professional integrity is honesty—with your clients, your team members, and yourself. Honesty includes recognizing when you haven't got a clue. Admitting that is a lot less costly than bluffing.
- Don't accept "I have no idea."
  - People always have an idea if you probe just a bit. Ask a few pointed questions—you'll be amazed at what they know. Combine that with some educated guessing, and you can be well along the road to the solution.
  - It is usually code for "I'm too busy or lazy to take the time to think about this."
  - Treat it as a challenge.
  - Do you have a close enough guess to make a good business decision?

Part II: The McKinsey Way of Working to Solve Business Problems

4: Selling a Study

- About the selling process at McKinsey:
  - The firm doesn't sell.
- How to sell without selling:
  - McKinsey doesn't sell, but they do market.
  - Produce books, articles, and so forth, setting themselves out as a content creator.
  - Sends out a newsletter to its clients quarterly.
  - Maintains a network of informal contacts with potential clients.

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- ○ Speak at conferences.
- Be careful what you promise. Structuring an engagement:
  - ○ When structuring your project, whether you are selling your services as a consultant or have been picked by your organization to solve an internal problem, don't bite off more than you can chew. Set definite milestones that you can meet. That way, you'll have targets you can achieve, and your client will be satisfied.
  - ○ Remember, most clients want it fixed yesterday for free or next to nothing.
  - ○ The ED (or whoever is structuring the engagement) stands between the client and its demands on one side, and the engagement team on the other. The team can be pushed only so far for so long before the quality of its work begins to decline. McKinsey consultants, in general, work very hard over the course of a study, but they do have limits; they also have lives, which they would like, at least occasionally, to live. The challenge for the ED is to balance the desires and budget constraints of the client with the limits of the team. The ideal synthesis of these two opposing forces is a project that a team of four to six consultants can complete in three to six months and that will produce tangible results for the client.
  - ○ As the Firm spends time within a client organization, it almost always uncovers new problems that could benefit from McKinsey's expertise. These problems, however, must be addressed at another time and in another engagement. Consequently, McKinsey engagements tend to generate new business of their own accord. Thus, as long as the client is happy with the results that the Firm produces, McKinsey is likely to have a stream of new business (for which it often will not need to compete). As an organization, McKinsey is extremely good at figuring out how much a team can do over the length of a typical study. The best EDs can balance the competing demands of client and team to a nicety; they tell the client, "We're going to do X and Y. We could do Z, but it would kill the team," while telling the team, "Look, we've already promised the client that we would do Z, so we've got to deliver." They then work the team to its limit while simultaneously making the client feel that he is getting value for his money and exceeding his expectations. Of course, not every ED is that good. In my time at the Firm, certain EDs had reputations for overpromising to the client and then putting their teams through hell. They were to be avoided, along with EDs who were vague about the exact nature of the end product of a study and left the team to figure out just what it was supposed to do. What lessons does the McKinsey experience give for the way you should structure your problem-solving project? If you are a consultant putting together a proposal for an outside client, then the answer is simple: Don't bite off more than you (and your team) can chew and know what your end product is going to be.

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5: Assembling a Team

- About teams at McKinsey:
    - 5-6 people.
        - May have several of these working for a client, but always work in teams.
- Getting the mix right:
    - Can't be random. What is the mix you need to solve it?
    - Two theories:
        - Pick the smartest people; they will figure it out.
        - Pick those with specific skills for this issue.
    - Both are partially right.
    - If you can choose who you work with, choose wisely.
- A little team bonding goes a long way.
    - It's a truism that a team will perform better and its members will have a better time if the team members get along well. As a team leader, you should make an effort to promote team bonding; just make sure it doesn't become a chore.
    - If a team is going to bond, it will mostly bond through work. A typical McKinsey team works at the client for 10 to 14 hours a day, plus a day over the weekend at the office. That's plenty of time for bonding. Also, on an out-of-town study, team members will eat dinner together more often than not. Why, as a team leader, would you want to take up yet more of their time? If the team isn't bonding, how is a fancy dinner going to help? Will it make a bad work experience good? So, when managing your team, be selective with team-bonding activities. Try to get your team's "significant others" involved; this will help them understand what their loved ones—your teammates—are doing, and it will help you understand your teammates. Above all, respect your teammates' time. One former associate noted that, at McKinsey, the best team dinners were at lunch— they showed that the EM knew the associates had lives.
- Take your team's temperature to maintain morale.
    - Talk to them.
    - Steer a steady course.
    - Let them know why they are doing what they are doing.
    - Treat them with respect.
    - Get to know them as people.
    - When the going gets tough, take the Bill Clinton approach.
        - Tell them "I feel your pain."

6: Managing Hierarchy

- About the McKinsey Chain of Command:
    - It is really a flat organization, but there is a chain of command.

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- Make your boss look good.
  - If you make your boss look good, your boss will make you look good. That's the quid pro quo of hierarchy.
  - Two things:
    - Do your best.
    - Make sure they know everything you know when they need to know it.
- An aggressive strategy for managing hierarchy:
  - Everyone should assert equality until shown otherwise.
  - Your ideas matter, so speak up, get in the mix.
  - Be sensitive of the type of organization, and be ready to pull back, but push the limit if you know your stuff.

7: Doing Research
- About research at McKinsey:
  - Problem solving always starts with research. Get the facts.
- Don't reinvent the wheel.
  - Whatever the problem, chances are that someone, somewhere, has worked on something similar. Maybe that person is in your organization and can answer all your questions in the course of a phone call. Maybe other people in your field, in another division or another company, have seen the same problem already—find out who they are and get to know them. Do your research and ask questions; you will save yourself a lot of time and effort. Your time is valuable, so don't waste it by reinventing the wheel!
- Specific research tips:
  - Start with the annual report.
    - Go to "message for the shareholders" or Chairman's remarks.
    - Business products.
  - Look for outliers:
    - Good or bad.
    - Helps you get up to speed on finding patterns.
  - Look for best practices:
    - Either internally or externally, find the best to mimic and learn from the best.

8: Conducting interviews
- About interviewing at McKinsey:
  - Always people that have information that the team needs.
    - Fills in the data gaps.
- Be prepared. Write an interview guide.
  - People are not always fans of this process.
  - Make the best use of their time and yours.
  - Write down the questions to which you need answers.

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- ○ Know about your interviewee in advance.
- ○ Start with general questions, then move to specific.
- ○ Include some questions to which you know the answer.
- ○ Look at your guide...what are the three things you most want to know by the end of the interview?
- ○ Always end interviews with "is there anything else you would like to tell me?"
- When conducting interviews, listen and guide.
  - ○ Always let the interviewee know you are listening.
    - Give verbal feedback.
    - "Yes", "I see", "uh-huh."
    - Use body language.
    - Write things down.
  - ○ Silence can be powerful, don't be afraid of it. They will fill it in with information in a lot of cases.
- Seven tips for successful interviewing:
  - ○ #1: Have the interviewee's boss set up the meeting.
    - Tells them it is important.
  - ○ #2: Interview in pairs.
    - You and another consultant interview one person.
  - ○ #3: Listen, don't lead.
    - You want exhaustive answers, not "yes/no."
    - Talk as little as possible, only to keep the interview on track.
    - Ask open-ended questions.
  - ○ #4: Paraphrase, paraphrase, paraphrase.
    - Repeat back the answers in slightly different form to confirm understanding.
  - ○ #5: Use the indirect approach.
    - It's not an interrogation.
    - Be sensitive to the interviewee. Are they comfortable? Nervous?
    - Ok to dance around a little bit till they are comfortable.
  - ○ #6: Don't ask for too much.
    - Focus on what you need to get.
    - Don't try to gather everything they know about everything. Wears them out, will wear you out.
  - ○ #7: Adopt the Columbo tactic.
    - Ask the question on the way out, when the guard is down.
    - Or after, pass by their office and ask.
    - Less threatening.
- Don't leave the interviewee naked.
  - ○ Respecting the interviewee's anxiety means not leaving him feeling naked at the end of the interview, as if he's been the subject of a military interrogation. Remember that you're looking for just two or three things in

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any interview. You shouldn't need to squeeze an interviewee dry to get them.
- Difficult interviews:
  - Don't back down.
  - Exception...if the person who you are interviewing is more senior than the person that authorized your project, you may have to.
  - Those that hold back information...reiterate what you are there to do, and the backing you have.
  - Sandbaggers...talk and talk, but not about what you want. Need to direct them to the topic at hand.
  - The person who knows your work will likely get them fired, and you know it too...tough one. Need to emphasize you have to do your job. No easy way on this one. Need to push through.
- Always write a thank you note.
  - When you get back to your office after interviewing someone, take the time to write a thank-you letter. It's polite and professional and could pay you back in unexpected ways.
  - Doesn't have to be a novel, but it can't be a template.

9: Brainstorming
- About brainstorming at McKinsey:
  - It is the core of consulting. It is what the clients are really buying.
  - Do your research before a session.
  - It takes time. Two hours or more. Sometimes over a weekend. Sometimes late into the night.
- Proper prior preparation:
  - You cannot do it successfully in a vacuum.
  - Put your research into a "Fact Pack."
    - Neatly organized summary of the key points and data you have discovered.
  - Familiarize yourself with the outlines of the problem and the data.
    - You can come up with hypotheticals, but don't come into the room with an "answer."
- In a white room:
  - The point of brainstorming is the generation of new ideas. So start with tabula rasa—a clean slate. When you get your team into the room, leave your preconceptions at the door. Bring the facts you know but find new ways of looking at them.
  - No bad ideas.
    - Just keep them directed at the problem.
  - There are no dumb questions.
    - Never discount the benefits of working through obvious or simple questions.
  - Be prepared to kill your babies.

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- ○ Know when to say when.
    - ■ Two-hour sessions maximum.
    - ■ There are exceptions, but you need breaks.
  - ○ Get it down on paper.
- Some brainstorming exercises:
  - ○ The Post It exercise:
    - ■ Everyone in the room gets a pad of sticky notes.
    - ■ Write down any relevant ideas, one per note.
    - ■ Give them to the leader, they read aloud.
    - ■ Generates ideas quickly, doesn't bog down in discussing each one during creation.
  - ○ The flipchart exercise:
    - ■ Put a number of them around the room.
    - ■ Each one has a different category or issue.
    - ■ Each team member goes around the room writing ideas down on the appropriate flipchart.
    - ■ Each team member can have a different colored marker or put their initials so you know who wrote what. Or you can choose to be anonymous--up to you.
  - ○ Bellyaches up front:
    - ■ List all complaints about proposal. Get them out.
    - ■ List all favorable parts of proposal.

Part III: The McKinsey Way of Selling Solutions
- To get your clients to buy into your solution, you have to sell it to them.

10: Making Presentations
- About Presentations at McKinsey:
  - ○ McKinsey communicates with its clients through presentations. They may be formal presentations: meetings held around boardroom tables with neatly bound blue books. They may be informal presentations between a few managers at the client and a couple of McKinsey consultants with several charts hastily stapled together into a deck. As junior members advance through the ranks at the Firm, they spend a lot of time presenting ideas to other people. McKinsey has become extremely good at communicating in this way. You can apply many of the Firm's techniques in your own presentations. They will help you get your message across— which, after all, is the goal of the process.
- Be structured.
  - ○ For your presentation to succeed, it must take the audience down the path of your logic in clear, easy-to-follow steps.
  - ○ If your presentation is sloppy and muddled, the client will think your thought process is sloppy and muddled.

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- Remember that there are diminishing marginal returns to effort.
  - Resist the temptation to tweak your presentation right up to the last minute. Weigh the value of a change against a good night's sleep for you and your team. Don't let the best be the enemy of the good.
  - They are fanatical about putting together professional presentations. But you have to know when to draw the line.
- Prewire everything.
  - A good business presentation should contain nothing new for the audience. Walk all the players at the client through your findings before you gather them into one room.
  - McKinsey consultants engage in "prewiring." Before they hold a presentation or progress review, a McKinsey team will take all the relevant players in the client organization through their findings in private. That way, there are few, if any, surprises on the big day. As one former EM said, "It was very rare for us to do a presentation where we hadn't taken the various players through our findings beforehand. Otherwise, it was just too risky. In effect, the actual presentation became performance art."
  - When prewiring, you must remember the cardinal rule of being a successful consultant or corporate troubleshooter: Not only do you have to come up with the "right" answer, you also have to sell that answer to your client. Sometimes, this just requires salesmanship; other times, it takes compromise. Suppose you walk into the office of Bob, the Director of the Gadgets Division, and tell him that you think the answer is to invest more in widgets, at the expense of gadgets. He is unlikely to be pleased, but when you are alone with him in his office, you are far more likely to be able to take him through your analysis step by step.
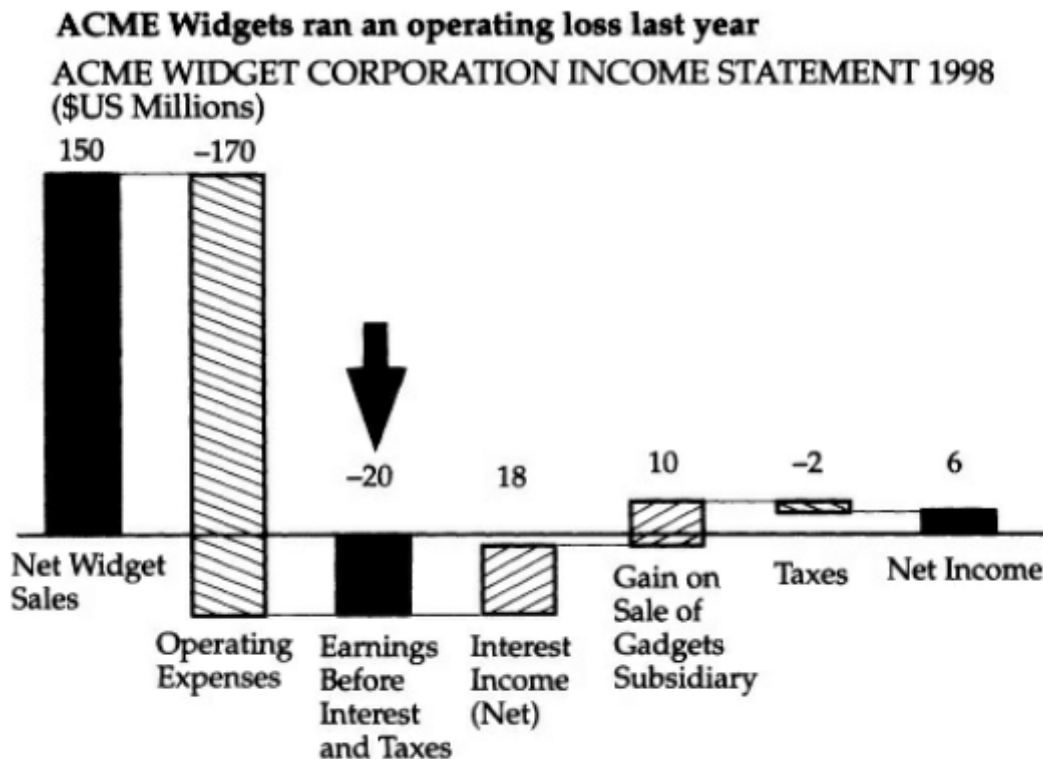
11: Displaying Data with Charts
- About charts at McKinsey:
- Keep it simple...one message per chart.
  - The more complex a chart becomes, the less effective it is at conveying information. Use charts as a means of getting your message across, not as an art project.
  - In the late '80s, each McKinsey team member got a set of plastic templates to draw their own charts, even though you could do it by computer. They did this to keep it simple. The computer programs would visually look too distracting or too complex.
    - They now keep it simple in PowerPoint.
    - Keep colors simple.
  - Always supply attribution.
  - Too many charts will bore your audience.
- Use a waterfall chart to show the flow.
  - The waterfall chart is an excellent method of illustrating how you get from point A to point B.

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○ The charts in Figures 11-1 and 11-2 depict a simplified income statement, starting with sales on the left and ending with net income on the right, and show the various items that lead from one to the other. The starting point (sales in the example) is always a column that begins at zero. Positive items such as interest income are depicted as columns that start at the high point of the preceding column and reach upward. Negative items such as operating expenses are columns that start at the high point of the preceding column and extend downward. The total is the distance from the top of the last item (or bottom if that item is negative) to the zero line. Subtotals can be included along the way in the same manner.

● **Waterfall Chart**

ACME Widgets ran an operating loss last year
ACME WIDGET CORPORATION INCOME STATEMENT 1998
($US Millions)

Source: Acme Widget Corporation annual report.

12: Managing Internal Communications
● About internal communications at McKinsey:
  ○ The success of a team-based operation depends on open communication, both from the top-down and from the bottom-up.

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- Keep the information flowing.
  - Information is to your team what gasoline is to a car's engine. If you choke off the flow, you'll stall.
  - The Mushroom Method of Communication can work both ways...from supervisor to direct report and vice versa (Keep them in the dark and feed them bullshit).
    - Don't do this.
    - When people work in a vacuum, morale declines.
  - Two methods of internal communication:
    - The message (email, voice mail, or memo)
    - The meeting
  - Meetings:
    - They are the glue that holds your team together.
    - Keeps information flowing.
    - Reminds people they are part of a team.
    - Need an agenda and need a leader.
    - Frequent meetings are good. Badly run, long meetings are not.
  - Learning by walking around.
    - You can learn a lot by doing this.
  - Communicate frequently and openly.
- The three keys to an effective message:
  - #1: Brevity
    - Simple and brief as possible.
  - #2: Thoroughness
    - Balance brevity with thoroughness. Tell them only what they need to know, but make sure it is all they need to know.
    - What are the issues and what are your thoughts on them?
  - #3: Structure
    - To be readily understood, a message must have structure, and that structure must be apparent to the audience.
    - Keep your thoughts organized.
- Always look over your shoulder.
  - You cannot be an effective consultant if you don't maintain confidentiality. Know when you can talk and when you can't. Be just a bit paranoid.
  - They take confidentiality seriously.
    - They have best practices.
    - On a plane, don't take client information out of your bag, etc.
    - Never mentioned clients' names outside of the office and sometimes not even at the office.
    - Often work for more than one client in an industry.
  - Be sensitive about it. Think of the information from your client's perspective.

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13: Working with Clients

- About working with client teams:
  - It goes without saying that without clients there would be no McKinsey. They pay the (enormous) bills that keep the Firm going. It is not, therefore, surprising that McKinsey-ites are always told to put the client first. Hamish McDermott remarked that there was one true hierarchy at McKinsey: client, firm, you (in descending order).
- Keep the client team on your side.
  - When you're working with a client team, you and the team have to work together or you won't work at all. Make sure that members of the client team understand why their efforts are important to you and beneficial for them.
  - Make sure they want to help you.
  - Help them as much as you can. Give them insight.
  - Bond if you can. Take them to dinner or an event.
- How to deal with "liability" client team members.
  - You may find that not everyone on the client team has the same abilities or goals as you do. Get "liability" members off the client team if you can; otherwise, work around them.
  - There are two kinds of "liability" members on a client team: the merely useless and the actively hostile. Ideally, neither type is on your team. If your career is typical, you'll probably get both.
    - Try to get them replaced with someone else.
    - If not possible, give them a small part of the project that is not critical and can be done by others.
    - The next best solution is to work around spies and saboteurs. Make use of their talents where you can and keep sensitive information out of their hands when possible. If you know who is behind the spy, find out what the ring leader's agenda is—maybe you can use that to your advantage when it comes time to sell your solution.
  - Engage the client in the process.
    - If the client doesn't support you, your project will stall. Keep your clients engaged by keeping them involved.
    - Understand their agenda. What does the client want?
      - Keep communicating.
      - Provide regular updates.
      - Get early wins.
    - The client may think your solution was actually their solution...don't get caught up in it, the fact is they got to the solution.
  - Get buy in throughout the organization.
    - If your solution is to have a lasting impact on your client, you have to get support for it at all levels of the organization.
    - Explain what is being done and why. Show people the entire picture. Let them know how their jobs fit into the organization as a

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whole. They're not stupid; they'll understand. Treat them with respect (remember, a lot of the time they don't get any) and they will respond positively most of the time.
- ○ Be rigorous about implementation.
  - ■ Making change happen takes a lot of work. Be rigorous and thorough. Make sure someone takes responsibility for getting the job done.
  - ■ Be specific about the plan:
    - ● Bad: We must reorganize the widget sales force.
    - ● Good: We must reorganize the widget sales force.
      - ○ Hold training sessions for all sales regions (Start: March 1. Responsibility: Tom.)
      - ○ Reallocate sales staff to new sales teams by customer type. (Start: March 15. Responsibility: Dick.)
      - ○ Take new sales teams to call on top 20 customers. (Start: April 1. Responsibility: Harriet.)
      - ○ Etc.
  - ■ One former EM gave a no-holds-barred recipe for a successful implementation plan: State what needs to be done, and when it needs to be done by, at such a level of detail and clarity that a fool can understand it. Enough said. Make specific people responsible for implementing the solution. Be careful about whom you pick. Make sure people have the skills necessary to get the job done. Enforce your deadlines and don't allow exceptions unless absolutely necessary.
  - ■ One EM had a very simple technique for getting the job done. Using the detailed McKinsey implementation plan, he assigned specific tasks to members of his team. Every two weeks the team would meet, and anybody who had not accomplished his or her tasks for the period had to explain the failure to the entire group. After the first meeting, when a few of the team members had undergone a grilling from Lothar, no one ever missed a deadline.

Part IV: Surviving at McKinsey

14: Find Your Own Mentor
- ● Take advantage of others' experience if you can. Find someone senior in your organization to be your mentor.
- ● McKinsey maintains a comprehensive system of mentoring for its client service staff. Every consultant, from analyst to director, is assigned a mentor to monitor and guide his or her career through the Firm.
  - ○ Great in concept, but hard to implement.
  - ○ Tough to just assign someone a mentor. Better if it happens organically, but it needs to happen.

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- - But it is on you, don't wait for it to happen to you. Seek out your mentor.

15: Surviving on the Road
- Traveling across the country (or the globe) can take a lot out of you. Making travel an adventure will lighten your load. So will proper planning and a good attitude.
- You have to look at it as an adventure, not a chore. Attitude is everything.
  - You have to enjoy the journey.
- Plan it properly:
  - Places to see
  - Things to make it easier
  - Things that help you be you
  - Connect with people

16: Take These Three Things with You Wherever You Go
- Narrow your traveling needs down to the very few things you must have with you when you leave. Here are a few (mostly serious) ideas:
- The basics:
  - Passport
  - Tickets
  - Money
- The McKinsey list
  - Itinerary
  - List of names and contact information of everyone they will see
  - A good book
- Main point...be prepared.

17: A Good Assistant is a Lifeline
- Call the position secretary, administrative assistant, or whatever. The person who takes your messages; keeps your schedule; does your typing, duplicating, and filing; and performs a dozen other office tasks is an exceptionally valuable resource. Treat them well.
- Give them all the information, time, energy they need; it will come back tenfold.

18: Recruiting McKinsey Style: How to Do It (and How to Get Through It)
- McKinsey looks for specific attributes in a recruit. Here's how it finds them (and how you can show the Firm you have them).
- Goal is to always hire the best of the best.
- They look for analytical thinkers.
  - Ask impossible questions to see how they think through it. The analysis is more important than the answer.
  - "How many gas stations are there in the US?"

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- ○ "Why are manhole covers round?"
- Personality matters. Do you want to work with this person?

19: If You Want a Life, Lay Down Some Rules

- When you work 80 hours or more per week, after eating, sleeping, and (you hope) personal hygiene, there's not much time left over for anything else. If you want a life, you have to do a little advance work.
- Some guidelines:
  - ○ Make one day a week off limits from work.
  - ○ Don't take work home.
  - ○ Plan ahead.

Part V: Life After McKinsey

20: The Most Valuable Lesson

- Preserve your integrity at all times. You will encounter any number of gray areas in business life—always take the high road. Do The Wall Street Journal test. If you are comfortable with reading about your actions on the front page of the WSJ, then it's OK. If not, you are pushing the ethical envelope—don't.
- Consulting is best thought of as a profession. Putting the client first is the key to successful client service; to do so, you must maintain your professional objectivity. It has allowed me to stand my ground when a client hasn't heard what he wants to hear, or to walk away when the client doesn't want to work with me, and has helped me focus on what truly drives value for my clients.
- Focusing resources and eliminating hierarchy lead to superior decision making. The Firm's clients had a hard time doing either one when attempting major change.
- Personally, the most valuable lesson I learned was humility. I joined McKinsey as a 24-year-old associate with a track record of uninterrupted success. For the first time, I was surrounded by people who were better prepared and more skilled than I was. Professionally, I learned to structure problems so that they can be solved. The Firm taught me that every problem has a solution; it may not be perfect, but it will allow me to take actions that are directionally correct.
- The one firm concept: No stars, just meritocracy. That culture is extremely strong within the Firm, and I think it can work in other organizations too. I'm implementing it in mine.
- I can't point to any one thing. It has to do with problem solving—the idea that any problem, no matter how daunting, can be broken into its constituents and solved. The other thing is that there is nothing new under the sun. Whatever you're doing, someone else has done it before—find that person.
- Execution and implementation are the key. A blue book is just a blue book, unless you do something with it. Getting things done is the most important thing.
- I learned to strongly value honesty and integrity in business—this is something McKinsey inculcates in its people and insists upon.

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- When faced with an amorphous situation, apply structure to it.
- I would rather be surrounded by smart people than have a huge budget. Smart people will get you there faster.
- Anything that gets in the way of efficient communication is anathema to a strong organization. Fuzzy thinking, obfuscatory jargon, impenetrable hierarchy, and playing the "yes-man" get in the way of adding value for customers or clients. Structured thinking, clear language, a meritocracy with the obligation to dissent, and professional objectivity allow an organization and its people to reach their maximum potential. Of course, McKinsey has its own word for this—it's called "professionalism."

21: Memories of McKinsey

- What stays with me is the rigorous standard of information and analysis, the proving and double-proving of every recommendation, combined with the high standard of communication both to clients and within the Firm.
- The thing I remember most is the very high performance standards and the relentless drive for excellence that you see among the people there. It's not something you will necessarily find outside the Firm. There's an attitude within the Firm that says, "If there's a problem, give us the resources and we'll solve it. We'll just go out and do it." Outside the Firm, you often run into the attitude that says, "It can't be done," and that's just not acceptable at McKinsey.

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