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Consulting Innovator Marvin Bower Putting Customer Needs First Was A Key For Him

By Curt Schleler

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To be a good consultant, you have to be able to tell managers what other people in their company won't, says Marvin Bower. He should know.

Bower, 97, a founder of New York-based McKinsey & Co. in 1939, who was active with the firm until 1992, is considered the father of modern management consulting. One principle Bower introduced was that consultants shouldn't be afraid to challenge a client's opinion.

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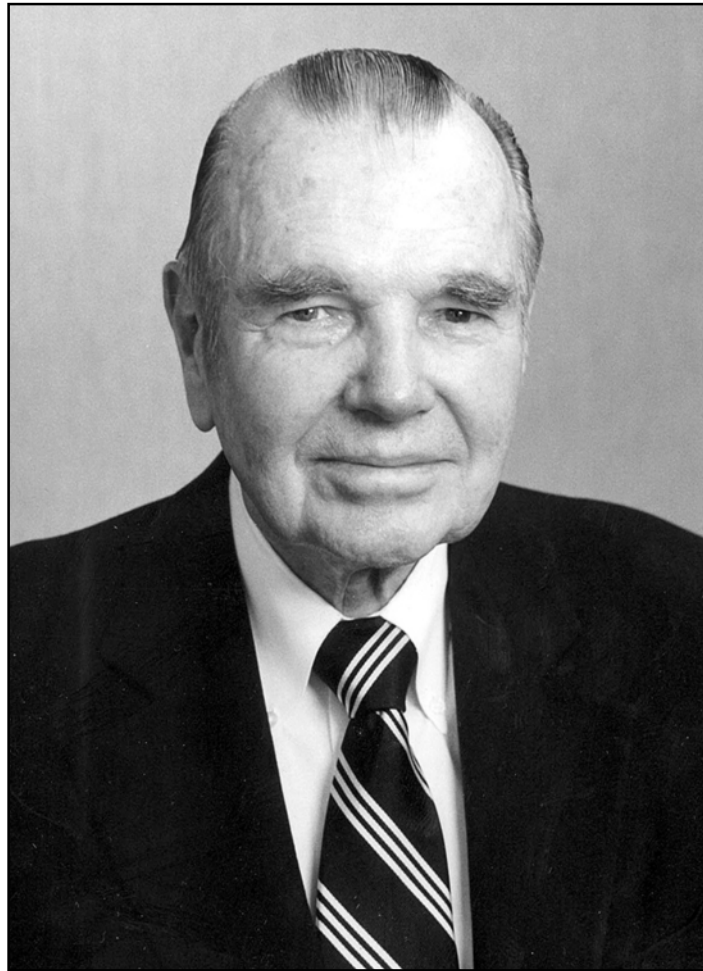
Bower wasn't. At Bower's retirement dinner, one McKinsey partner told of a meeting he and

Bower had attended years before.

"We finished a major piece of work for what was at

the time a very major client," the partner said. "At a big management meeting to present our findings, the head of the company, who was the autocrat of all autocrats, kept interrupting and speaking his own mind.

"Marvin was in some other corner of the room, and at one point he finally bellowed out, 'The problem with this company, Mr. X, is you,' and there was a deathly silence. It hap-



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pened to be totally accurate. That was the end of our work with that client, but it didn't bother Marvin."

Fierce about quality control, Bower instilled two goals in

McKinsey employees: Put the client's interests ahead of McKinsey's; only perform work that is necessary and that McKinsey can do well.

Co-workers often saw Bower

setting the example.

"We retell stories about how Marvin turned down opportunities to counsel prominent business leaders, such as the time he declined to work with Howard Hughes and when he refused to help the U.S. government devise a bailout plan for American Motors," recalled McKinsey employee Bill Price in *Month*, the firm's inhouse newsletter, in 1993.

"He said no whenever he felt it was not in the prospective client's interest for McKinsey to serve them or top management was not committed," Price said.

Bower told McKinsey consultants that they couldn't worry about McKinsey's profit-and-loss statement. "If we do the right work for the client, we'll make more money," he said.

New hires had such guiding principles drilled into them, "We have a continuing firmwide training and educational program, not only for those coming to the firm directly from graduate school, but for the experienced, as well," Bower told the *Harvard Business School Bulletin*.

As McKinsey grew, Bower had ways to assure its principles were applied consistently in its offices around the U.S. and later the world. Under Bower, McKinsey shunned merging with, acquiring or forming affiliations with other consulting firms.

"When we want to expand, we gather together a partner and a small group of experienced people who are willing to move,

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and we send them off to a new location. (As a result,) everyone at McKinsey follows the same principles and provides the same services, whether he or she works for us in the U.S. or abroad, and they all trust each other," Bower said. "Thus, even with our global reach, we are still one firm."

Bower knew that a strong organization depends on strong basics. He made sure McKinsey stayed focused on the basics no matter how complex the problem.

"We tailor our diagnosis and our work to the problems of each particular client," he said in an interview given in 1987 for the proposed MBA magazine. "It's elemental, but a lot of firms (start) with an idea that they have the solution to the problem. Part of our training is to avoid that approach. We find out first what the real problem is."

To solve big problems at a company, Bower looked for specific, smaller causes. Each company differs, he cautioned.

"The lack of competitiveness of one company is fundamentally different than the lack of competitiveness of another, and the reasons are different in each case," he said, "You have to get down to specifics."

"For a particular company, what are its competencies and skills? How are its skills being impaired? And how can it become competitive? What sustainable competitive advantages

can it develop?"

Following Bower's principles, McKinsey built an outstanding reputation. Still, Bower kept aiming for a higher level of excellence.

He and McKinsey partners constantly searched books and magazines for new management ideas. He insisted they keep abreast of up-to-the-minute events and ideas.

"One of our professional responsibilities to our clients is that we know what we are talking about," Bower said.

He made certain, though, that McKinsey didn't adopt the latest business fad. Instead, the company's consultants kept their eyes firmly on a client's problem.

To get at the root of the problem, Bower didn't believe in just studying charts and crunching numbers. When he was hired by a client, he and his employees waded in and started talking — to everybody.

They talked to floor managers, salespeople, accountants, janitors, executives. Once they'd interviewed everyone, added up the numbers and analyzed the corporate culture, Bower said, they could sift through the results and pinpoint the root of a company's problem.

"We don't go into the client

Bower At A Glance

Born: 1903 in Cincinnati.

Education: B.S. in economics and psychology from Brown University in 1925. J.D. from Harvard Law School in 1928. MBA from Harvard Business School in 1930.

Achievements: Helped found McKinsey & Co. in 1939. Served as managing director of the firm from 1950 to 1967. Served as director and partner there until retirement in 1992. Wrote best sellers "The Will To Manage" (1966) and "The Will To Lead" (1997).

with a theory on how to do things," Bower told MBA magazine. "That would be a solution seeking a problem. We study the situation carefully as to what that client needs. We don't have any theories from the business schools that we are trying out on our clients."

Former partner Chris Darwall notes that a key ingredient in Bower's success was his ability* to look at the long term.

"He thinks in terms of decades," Darwall recalled. "He's always asking what will be the key issues in American business in 10 years. Most people think only in limited time frames, but studies show that successful CEOs can see a bigger picture, and yet Marvin's vision extends even further."

Although his vision took the future into account, he also kept aware of the present. He was known as a stickler for details. Once, he noticed that too many

ellipses and dashes were making their way into company reports, That made it hard for clients to read them; he felt. So he issued a memo forbidding the offending punctuation marks.

Bower didn't stubbornly cling to the status quo. Darwall told MBA magazine that when she first got to know him, he spoke only about the men of the firm. But when she ran into him in the late 1980s, when he was in his 80s, he told her, " 'One of the major problems in corporate America today is how to harness women power.' Wow! And this man is over 80. If only I could be so flexible."

He learned flexibility gradually, usually through studying others. Take his former dress code at McKinsey, in which workers had to wear hats to work.

Bower had been watching corporate trends, and by the early 1960s he realized that offices weren't as formal as they once had been. Hats were no longer necessary.

So one day, he walked into the office bareheaded.

The whole office knew within an hour, One junior staffer asked a senior consultant whether Bower's hatless appearance meant the dawning of a new era. But Bower had taught McKinsey employees to be cautious. "I'd wait six weeks," the senior consultant said. "It may be a trap."