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Developing Professionals—The BCG Way (A)

Attracting, developing, and retaining the best people is the key to sustaining our competitive advantage.

—Carl Stern, CEO, The Boston Consulting Group

“We pride ourselves on offering our professionals interesting, challenging work,” observed The Boston Consulting Group (BCG) CEO Carl Stern in the winter of 2001. “But as our consultants develop and learn, they face challenging questions related to how they should spend their time and where they should direct their energy.”

BCG was recognized as a premier “ideas boutique” in strategy consulting (see **Figure A**). Stern was one of only four CEOs who had guided BCG over its four decades of existence. Each CEO had left a distinct imprint on the corporation. (**Exhibit 1** provides a schematic of BCG’s history, **Exhibit 2** details the firm’s mission, **Exhibit 3** summarizes BCG’s mix of practices and topics as of 2001, **Exhibit 4** plots the firm’s growth path, **Exhibit 5** describes growth in the firm’s offices and number of professionals, and the **Appendix** describes the firm’s heritage from its founding in 1963 to 2001.)

The decisions facing four consultants who were nearing the 18- to 21-month mark at BCG were representative of the issues that BCG consultants faced early in their career. “If we can help our consultants make decisions that make them happier, more creative, and more productive, we strengthen our firm,” reflected Stern.

Figure A Timeline of Development of Key BCG Ideas

1960s	Experience curve Portfolio/ Growth Share Matrix
1980s	Time-based competition Disease management
1990s	Deconstruction/ New economics of information
2000s	The change curve Investors as customers Abundance and constraints Trading up Bioinformatics

Source: BCG.

Consultants’ Career Development at BCG

BCG is the place where the best come to learn the fastest.

—Carl Stern, CEO, The Boston Consulting Group

Although he acknowledged that BCG was a “great learning environment,” Stern was concerned that BCG officers might be focusing too much on client service and not enough on people development. Soon after taking charge as CEO in 1997, he created a 13-member committee, named the “people team” and chaired by senior vice president David Hall, to deal with people issues. Composed of heads in charge of recruiting, training, apprenticeship, and career development for the

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three regions (Europe, Asia, and the Americas), the team collaborated on streamlining people processes in BCG.

BCG's people processes comprised: recruiting talented candidates; providing them with performance reviews and developmental feedback; nurturing their professional development; and promoting them along BCG's career track. With the exception of recruiting, all of the people processes were coordinated by each local office's career development committee (CDC). CDCs had been in place in some of the offices since the mid-1980s. Over time, each local office (region for Asia) came to have a CDC locally in charge of promotion, professional development, training, staffing, and evaluation of consultants. Recruiting is described in **Exhibit 6**; the other people processes are described below.

Promotion

Career progression for BCG professionals was as follows: associates → consultants → project leaders → managers → officers.¹ North American career development officer Matthew Krentz remarked: "Although team members have overlapping responsibilities and everyone is accountable, one way to distinguish levels of responsibilities would be to say that associates and consultants are predominantly module focused,² project leaders project focused, managers both project and client focused, and officers client and firm focused."

An average of six to seven of every ten consultants were promoted to project leader, three to four of six project leaders were promoted to manager, one to two of three managers were promoted to vice president, and approximately one-half of the vice presidents were promoted to senior vice president. (**Exhibit 7** presents BCG's historical leverage ratios.)

Although promotions at all levels were up-or-out, professionals were considered for promotion not strictly by tenure but within a time window. Only when their superiors felt that they had demonstrated sustained mastery of relevant skills, ability to perform at the next level, and the potential to continue developing skills were professionals promoted to the next level. Associates worked for two or three years before being promoted to consultants or going for an MBA degree (a large proportion of these associates returned to BCG as consultants after business school). Median promotion time from consultants to project leaders was 24 months (with a range of 21 to 30 months); project leaders to managers, 21 months (range 18 to 24 months); and managers to officers, 36 months (range 33 to 45 months).³ "We build time flexibility in the career track to accommodate late bloomers and those with nontraditional backgrounds," observed Krentz.

Although voluntary exits could occur at any point in the professionals' careers with BCG, few consultants quit in their first few months at BCG. Observed global head of apprenticeship Kris Holland: "It would be crazy to quit before gaining at least two years of experience; the market would not value such experience at all. But once our professionals have three-plus years of experience, attractive outside options begin to open up. They are highly marketable—experienced but not all that expensive." Added Krentz: "People begin to self-select after the 24-month point. Some buckle down

¹ Officers included vice presidents and senior vice presidents. Although it was initially an honorary title to recognize breadth of impact and client relationships, during the 1990s promotion to senior vice president became up-or-out.

² Each project was divided into several subsections called modules.

³ To ensure that professionals, especially women, could have flexibility in their career paths, BCG considered time of service rather than chronological time for promotion consideration. For example, professionals could accumulate six-and-a-half years of experience over nine years, having taken a sabbatical of two-and-a-half years.

and try harder. Others say, ‘If that is what it’s going to take to be promoted, I am better off devoting my energy elsewhere.’” (**Exhibit 8** describes the career paths of BCG consultants.)

Promotions of consultants to project leaders were decided locally, although all offices announced their promotion decisions at approximately the same time. Krentz outlined the requirements for promotion from consultant to project leader: “Our consultants need to pass three hurdles to be promoted. The first is a high bar on analytical problem-solving ability. The second is the ability to have positive interactions with colleagues and clients and to communicate ideas clearly. The third is having a fit between personal values and BCG culture.”

“It is quite easy to gauge your own prospects for promotion,” noted Stern. “You are in good shape if you are gaining energy from what you are doing. That energy can come from a variety of sources—helping clients, personal learning, or solving challenging problems. But if you are losing energy, then it is a bad fit. You shouldn’t continue beating your head against a wall. There’s no great shame one way or another. It is simply a matter of fit.”

“People who do well at BCG are engaged by the entire problem rather than focused on only their piece,” added North American recruiting officer Kermit King. “Intellectual curiosity is the driver of success here. Consultants that are bright, but also intellectually curious about important issues, are the ones who succeed. Conversely, those who present their 10 slides and whose eyes subsequently glaze over for the rest of the presentation aren’t likely to succeed.”

Consultant Feedback and Performance Reviews

“We are constantly molding our feedback system,” observed European career development officer Carlos Costa. “We try and give detailed and clear feedback, both written and oral. We offer relative rankings to counter grade inflation, put as much feedback information as possible directly in the hands of the consultants, and adapt feedback practices to local conditions.”

Upon joining BCG, all incoming consultants were assigned CDC advisors drawn from the office CDC, a committee composed of vice presidents and senior managers from the consultants’ offices. Each CDC advisor was responsible for shepherding six to eight advisees from the hiring process through promotion to manager.

The CDC advisors met with their advisee consultants on a semiannual, or more frequent, basis. In preparation for these meetings, the CDC advisors studied: the consultants’ performance reviews submitted by project leaders, managers, and officers at the end of their projects (**Exhibit 9** charts the five-point forced-curve scale on which project feedback grades were submitted); comments from nonconsultant staff; and support data on billability, training, and internal citizenship.

The CDC advisors rated the consultants on a number of dimensions (see **Exhibit 10** for the four review forms used in the evaluation process) and reviewed with the local officers their syntheses along with the entire compendium of materials. Only then did the CDC officers share their evaluations with the advisee consultants in their semiannual meetings.

Costa constructed a two-by-two table to describe how consultants’ careers evolved at the Boston Consulting Group (BCG) (**Table A**). “We try to help our consultants develop the competencies to conduct and deliver high-quality research and also enjoy the process,” he observed. “If our consultants succeed, it is a win-win situation for them and the firm; if there is a mismatch, we help them transition to more productive and enjoyable settings.”

Table A

		Enjoy Work?	
		No	Yes
Job performance	Good	<ul style="list-style-type: none"> • More cynical about their jobs • Stay for some time • Get offers from clients or become entrepreneurs 	<ul style="list-style-type: none"> • Stay at BCG • Promoted • Develop into leadership positions
	Not Good	<ul style="list-style-type: none"> • Leave quickly • Seek position outside BCG 	<ul style="list-style-type: none"> • Stay at BCG as long as possible • Burn a lot of energy and passion • Helped and coached by BCG to outpace

Source: BCG.

Professional Development

In addition to formal performance reviews, BCG also relied on other programs and processes to encourage its consultants’ professional development.

Staffing Stern believed that staffing offered consultants the opportunity to build skills. “The greatest learning occurs on the spot—in case teams,” he observed.

That’s where you draw upon and develop your analytical abilities and insights. But because case teams allow our consultants to contribute as well as learn, the consultants have to be proactive in building their skills. For example, if someone is great at pricing and weak at supply chain management, they will be staffed by default on pricing instead of supply chain. If they want to get better at supply chain management, they should let the staffing folks know. It only helps your career prospects to let the staffing administration know about the skills you wish to develop, the projects on which you wish to work, and the people with whom you wish to work.

Additionally, your staffing pattern determines whether you are going to be perceived as a generalist or a specialist. For example, if you are consistently staffed on pricing projects, you will become known as a pricing specialist. Many of my colleagues feel that consultants should specialize. But I am among those who advise our new recruits to delay specialization for a while. One of the rare qualities in the world of business consulting is business judgment, an inductively learned ability to recognize patterns. And I believe business judgment develops faster if you are a generalist.

A typical strategy project in North America might take one-fourth of an officer’s time, one-half to all of one manager’s and/or project leader’s time, and two or three consultants and one associate working full time over a period of four months (although some post-merger integration projects comprised 50 team members and lasted a year). “Professionals are staffed on projects through a managed market with choice on both sides,” noted a BCG consultant. Consultants could access a database that listed available projects with their staffing needs and submit their requests to local staffing managers. Although client demands and project availability were fundamental constraints, staffing decisions also took into account consultants’ career development goals identified in their semiannual CDC performance reviews. Where possible, consultants were staffed on local cases and their staffing preferences were honored. In the majority of cases, consultants were staffed full time on single projects.

At the end of all projects, consultants, project leaders, and managers received formal evaluations from whoever managed them directly. All evaluations used a globally consistent form and were reviewed and signed by the officers leading the project teams. Consultants, project leaders, and managers also had the opportunity to present upward feedback at the end of each project. In addition, an annual feedback process allowed all staff to provide anonymous feedback electronically to officers with whom they had worked during the year.

Training Throughout their tenure at BCG, professionals engaged in frequent formal training sessions on qualitative and administrative topics. “Formal training helps, not only in picking up skills, but also in socializing, building a network, and developing a sense of BCG as a firm,” remarked Stern. **Exhibit 11** describes the BCG’s formal training programs for its consultants.

Stern emphasized that although BCG valued formal training, “between 90% and 99% of the training occurs on the job. Our professionals learn primarily through apprenticeship.” BCG chairman Clarkeson, who had piloted the development of formal consultant training at BCG during his tenure as CEO, noted that “the training program provides recruits with a support system at BCG, but we continue to emphasize to our recruits our belief that experience is the best teacher.” Observed global apprenticeship officer Kris Holland: “Our managers and project leader essentially teach our consultants the craft of consulting in an apprenticeship setting.” **Exhibit 12** provides more detail on apprenticeship at BCG.

Mentorship at BCG

BCG’s “magic sauce” is our ability to make the consulting process challenging and yet so much fun. And what makes it a fun learning experience is the mentorship and guidance we are able to offer our professionals.

—John Clarkeson, chairman, The Boston Consulting Group

Besides CDC advisors, incoming consultants were assigned mentors, BCG officers who acted as informal counselors to the consultants.⁴ In large offices, mentors were formally assigned to consultants based on interests and prior experiences. In smaller offices, the assignment process was informal, with consultants choosing to confide in senior colleagues with whom they felt comfortable. Interactions with mentors were more informal than those with CDC advisors and took the form of monthly or bimonthly lunch or coffee. “Mentors have a non-evaluative role,” noted Krentz. “They help guide you if you want to talk about staffing issues or if you are having problems with someone in the office.”

Time spent by mentors with their advisees varied considerably. “Time taken on mentorship is magic time,” noted Krentz. “Effective mentors don’t have to set aside much structured time; you catch up and talk with the consultants you are mentoring over coffee, lunch, or dinner. What is important is that you should enjoy their company.” Vice president Kris Holland described the type of questions the consultants asked their mentors:

Some ask: “Should I move in the direction of what I enjoy doing versus what seems best for my career?” Others question: “Should I join a well-established practice area, or should I work in a less developed practice area where there may be more growth potential?” Others query:

⁴ Consultants could also turn to other sources of support within BCG. First-year consultants shared offices with second-year consultants or new project leaders who provided a sense of camaraderie and could answer routine questions. New consultants could also seek their case team members’ advice on process or content. Office heads and practice heads (if the consultants specialized in particular practice areas) were other potential sources of support.

“Should I work for person X, who is really powerful but I don’t really like, or for person Y, who is less powerful but whom I really like?” Yet others say: “Should I work in my home office on a routine project, or should I work with an outside office on a creative project?”

Mentors’ roles evolved as the consultants progressed. Observed Krentz:

Around the consultants’ first performance review meeting about six months after their joining BCG, mentors explore with the consultants questions such as, “How are you adjusting to BCG and your work? Are there any serious issues which should be addressed immediately?” At the 12-month point, mentors discuss in greater detail developmental strengths and hindrances through questions such as: “Are you developing satisfactorily? What is your likely promotion timing? How can we help you develop further in your areas of interest? How can we help develop your strengths and overcome your weaknesses?” At the 18-month stage, mentors and consultants discuss questions such as, “Is our initial feeling for career progression correct? Would you benefit from a specific type of project work or training activity? Have your strengths and developmental needs changed over the past six months?” If a consultant has not been promoted at the 24-month mark, the conversations with their mentor become more frequent. The mentor begins to ask, “What will it take for you to be successful here? What do you need to do differently? What can the firm do?”

The Challenges Facing Four BCG Consultants⁵

Four BCG consultants—Josh Coopersmith, Eric Wong, Michael Nelson, and Madeleine Lagarde—were nearing the 12- to 15-month mark and had each received two CDC reviews. All four were reflecting on how their careers had progressed thus far. (Exhibit 13 presents the views of some of BCG’s officers on early career development.)

Josh Coopersmith

Josh Coopersmith, age 28, received his bachelor’s degree in history from Harvard College in 1995. After working for three years as an associate in BCG’s New York office, he enrolled at Harvard Business School in the fall of 1998. BCG offered to sponsor his MBA provided he returned to the firm after graduation. “I really enjoyed working with the BCG people,” remarked Coopersmith. “So I committed to return to BCG. But seeking some change, I joined a different office.” Coopersmith joined BCG Chicago in June 2000.

Upon rejoining BCG, Coopersmith underwent “BCG basics” training and was assigned Matthew Glassman, a senior vice president in BCG’s Chicago office, as mentor. “Matt is great,” Coopersmith remarked, “but he has a lot going on.” Two weeks after joining, Coopersmith was staffed on his first case—a post-merger integration project for a financial services client. The team included one vice president, one manager, one project leader, and two consultants. He recalled his project experience:

All the training and hand-holding in the first few weeks had seemed a waste of time to me. Unlike some of the other consultants, I didn’t feel the need to ask my manager a bunch of questions. I had been there, done that prior to going to business school. Although the client did not appear to be terribly confident in me, I was confident about my skills and began to take a visible role in client presentations.

⁵ Names, backgrounds, and project details related to the consultants are disguised to preserve confidentiality.

The project ended in December 2000. “I was disheartened when my manager gave me a three on my performance review,” recalled Coopersmith. “He told me that I had ‘an arrogant demeanor’ and that I should try harder to be a team player.”

Coopersmith’s first CDC review coincided with the end of his first case. He recalled a conversation with his mentor after the review:

Matt told me that my project evaluation scores meant I was meeting the BCG average. He acknowledged that I had a strong consulting skill set, but suggested that I try to work more with my team members and make my logic more transparent. I had always thought that my work was uniformly good. Apparently some of my case team members thought that I was condescending! Matt said that I had to address this issue of appearing arrogant and difficult to work with.

A week elapsed before Coopersmith was staffed on the next project. “By the second half of the week I had gone to Matt to ask him, ‘What’s going on? Why am I not getting staffed?’” he recalled. “Matt assured me that such gaps were not exceptional.” Two weeks later, a choice of three projects opened up within two days. “I asked Matt for his opinion, but he didn’t point me in a specific direction,” Coopersmith noted, “On his recommendation, I talked with vice presidents and managers on each of the projects. All the projects sounded interesting. The consultant who shared my office had warned me that although it’s supposed to be a free market I should not be too pushy. So I told the staffing coordinator that any of the projects would be fine.”

From January to April 2001, Coopersmith was staffed on a project that involved the redesign of an agribusiness in Iowa. The team comprised one vice president, one manager, two project leaders, and three consultants. “It was an industry about which I knew nothing,” recalled Coopersmith.

I spent a lot of time reading the greenhorn guide that BCG practice areas develop to provide introduction to specific industries. Whenever I had a question, I would run down the hall and ask the manager on the team. By the end of my research, I felt that I knew a lot about the industry. At the end of the project, I received a one on my performance review.

As this project was coming to a close, Coopersmith received a call from the manager with whom he had worked initially. The manager asked if he could work over the weekend on a short, number-crunching case with an impending deadline. “I liked the manager, and I was also hopeful that putting in some face time would show my dedication,” Coopersmith said. He worked on the project throughout the weekend.

Coopersmith received a one at his second CDC review in April 2001, and his advisor commended Coopersmith for giving 110% of his time. Coopersmith’s advisor observed that if he continued to work at the same pace that he should expect to be promoted to project leader by April 2002. Moreover, his CDC advisor suggested that he might consider applying to the ambassador program.

The ambassador program, a temporary transfer of 12 to 18 months from their home office to a BCG office in another country, was open to second-year consultants or first-year project leaders. Local offices nominated consultants for the program, but selection of ambassadors and their appointment to host offices were managed globally. The program was very competitive. Only those in the top quartile of their class were eligible, and only 50 consultants were admitted to the program worldwide each year. At a presentation explaining the program, a vice president remarked:

The ambassador program is designed to enhance your personal and professional development. It is a way to create global networks and transfer practice-group knowledge and capabilities. It is a great adventure far beyond what you would experience as a visitor.

However, the ambassador program is not a traditional expat program. You are not doing a job for which there is no local candidate. It is not a trial transfer. It is not a “safe” way to try out a new office. The program requires repatriation. The ambassador program is not a vacation. It is not a way to spend 12–15 weeks on a beach. We expect a lot of our ambassadors!

Coopersmith raised the idea of applying to the ambassador program with his wife. “This could be a great opportunity for you, Josh,” she remarked, “and it would be great for our two kids to be exposed to a different culture. But we will be uprooting the family. How will I find work in a new country? Where will the kids go to school? Will they cope with being so far away from our friends and family for such an extended period of time?” Coopersmith pondered his wife’s comments. “I understand your concerns, and I agree in part,” he responded.

I have some professional concerns about the program, too. By relocating for some time, I might be cutting myself out of the loop. How will I get back into a favorable position in the staffing pool? Will my next promotion be delayed? Even if I were to be selected, we would have only limited say about where we might live. We could be in India, or Norway, or Argentina.

Coopersmith was looking forward to discussing the pros and cons of the ambassador program with Glassman.

Matthew Glassman’s perspective Matthew Glassman, a senior vice president, joined BCG’s Chicago office in 1992 after graduating from Northwestern University’s J.L. Kellogg School of Business. Before his MBA, Glassman had served as a platoon commander for seven years in the U.S. Army. Glassman had mentored 8 consultants over his eleven years with the firm.

“I am eager to help Josh in any way that I can,” Glassman remarked when he was assigned Coopersmith. “I have already scheduled our first lunch together. I am hoping that he will be amenable to monthly lunch meetings. But I am a little pessimistic. So many of these Ivy League kids believe that they walk on water. They don’t seek help, nor do they seem to care for any advice that they might be given.”

At first, Glassman and Coopersmith met once a month, but over the course of Coopersmith’s first year with BCG, those meetings became less frequent. “I don’t know if Josh feels as if he does not need me or does not want to talk to me,” rued Glassman.

But you can’t force a relationship. I have seen him turn to other colleagues for advice, which is great—in fact, I encouraged him to do so. Asking for help is a sign of strength, not weakness. But he has come less and less to me. I guess part of the reason might be that I don’t give him pat answers that will solve problems to his satisfaction. Instead, I may be baring for him some difficult truths about himself and he finds it too painful. For example, I think he is thinking of the ambassador program for all the wrong reasons—to distinguish himself from other consultants, rather than to learn and enrich himself. If I tell him so, I don’t think I’ll warm his heart towards me at all. But he is smart and hard working. I just hope he learns to work with, not against, his colleagues.

Eric Wong

Eric Wong, age 35, was born in mainland China and came to the United States to pursue his Ph.D. in industrial engineering at the Massachusetts Institute of Technology (MIT). Upon graduation in 1995, he joined the research and development department of a large manufacturing organization in Cleveland, Ohio. In March 1999 he, along with two colleagues, founded an Internet start-up with the help of seed money from an angel investor. A subscription- and advertising-based service, it was

designed to collect, collate, and provide information on the latest in automation engineering. When the company folded in May 2000, Wong, seeking other career opportunities, accepted an offer with BCG's Hong Kong office. "I joined BCG because I wanted to do something different from manufacturing engineering," remarked Wong. "Consulting was the best occupation to learn about different industries." In June 2000 Wong moved to Hong Kong with his wife and their two-year-old son.

Wong struggled with BCG's business basics training and found aspects of client presentation and slide writing particularly difficult. At the end of the training program, the new recruits were informally assigned their mentors. "As happens in the Chinese military," recalled Wong, "at the end of training, some of the senior officers chose which of the new hires they would mentor. Mr. Michael Lao, a vice president in the Hong Kong office, chose me, probably because we both had engineering backgrounds. He was slightly cold and somewhat rigid. I realized right away that I was not going to get much hand-holding from him."

In July Wong was staffed on his first project, for an automobile manufacturer. "I got the project because of my prior experience," remarked Wong. "There has to be a fit between which cases are available and who there is to work on them. You take what you can get." One vice president, one manager, and two consultants, including him, were staffed on the case. "Asian clients are much more demanding than U.S. clients," remarked Wong. "The consulting fees appear astronomical compared to their income, so clients expect to get a lot for what they are paying." The project lasted for six months, long by the Asian office's standards.

When the project ended in January 2001, Wong received a project evaluation of four, with comments that he "lacks polish" and "seems resistant when his team members try to give him suggestions and feedback." Reflected Wong: "Although I knew that I needed to work specifically on my presentation skills, it was a shock to hear all the negatives in the feedback." In his CDC review, which occurred soon after the project ended, Wong's CDC advisor emphasized that he needed to be open to receiving feedback and focus on developing presentation and client skills. "After the CDC review, I was so worried that I wasn't meeting BCG's expectations," recalled Wong. "I needed to make this work for the sake of my family. My CDC advisor suggested that I talk to my mentor, but I didn't want to bother Mr. Lao."

Wong did not get staffed on another case for a month. Demand was down, and the teams working on ongoing client engagements did not ask for him. In the interim, he was assigned recruiting duties for two area universities and was also asked to translate a number of documents from English to Cantonese. "I was too intimidated by Mr. Lao to approach him for advice," Wong admitted later. "Mr. Lao did come by my office once or twice to ask how I was doing. I said everything was going just fine. I didn't want to give him an impression that I couldn't cut it by myself."

In March 2001, Wong was staffed on a fast-moving post-merger integration project in manufacturing. The team comprised one vice president, one manager, one project leader, and two other consultants. "I threw myself into the project knowing that this was my one opportunity to shine," he remembered. "I worked 70- and 80-hour weeks, coming in on weekends and staying at the office until 2:00 or 3:00 in the morning. I had never worked that hard in my life. It was exhilarating, but draining." He received a performance review of two when the project ended in May 2001.

The vice president on the integration project invited Wong to join an ongoing shipping and inventory case for an industrial client. "I would have rather worked on a project that was not in the manufacturing industry, but I had become close with the vice president," recalled Wong. "So I joined the project. I was given substantial responsibility and even got to manage my own module."

His second CDC review in August 2001 occurred at the end of the case, in which he had received a performance evaluation of two. His CDC advisor recognized his “hard work and dedication.” His presentation skills were still rough, but his team members liked him, and his desire to improve was obvious. The CDC advisor suggested that Wong take public speaking classes.

Wong left the meeting happy with the CDC advisor’s comments. But he felt that he needed Mr. Lao’s or someone else’s advice on two issues about which he was growing distressed. His staffing coordinator would approach him whenever manufacturing projects came up because he was viewed as a “manufacturing guru” in the Hong Kong office. But Wong was feeling boxed in. “If I had wanted to stay in manufacturing, I would not have left Cleveland,” he averred.

Wong was also bothered by another, more personal issue. He had been putting in very long workweeks, even working through his son’s third birthday. His wife had become increasingly alarmed that his focus on work was putting a burden on the marriage and that such a lifestyle was simply unsustainable. “My wife is miserable about my inability to balance work pressures with family life,” he observed. “I don’t know what to do or to whom to turn for advice. But I don’t want people here to think that I can’t handle hard work.”

Michael Lao’s perspective Michael Lao, a vice president, had been with BCG’s Hong Kong office for five years. Prior to joining BCG, Lao had been a regional vice president for a large Japanese automobile manufacturer overseeing its Southeast Asian and Pacific Island operations. Lao received both his B.A. and M.Sc. in mechanical engineering from the University of New South Wales, Australia in 1990. Prior to attending the university, Lao completed his mandatory military service in China, serving as an operations specialist for five years. Although strangers were sometimes intimidated by his dour expression and austere nature, his colleagues expressed loyalty and affection for Lao. Soon after deciding to mentor Wong, Lao observed, “Although it is ultimately his responsibility to swim and not sink, I will do whatever I can to help Eric succeed.”

Twelve months into Wong’s tenure as consultant, Lao remarked:

Eric is struggling. He finds the work difficult. But he is trying hard and improving. The strain is showing in his demeanor. I wish I could help him more. However, I don’t want to interfere aggressively and offer pointers when he has asked for none. He is a proud individual. He does not want to be mollycoddled. I just hope that he does not wait too long before asking for help. I must not let him burn out without offering support. How can I be more helpful without cracking his confidence any further?

Michael Nelson

Michael Nelson, age 29, received his bachelor’s degree in sociology from Carleton College in 1996 and his Ph.D. in sociology from New York University in 2000. Unsure if he wanted to devote his life to academics, Nelson decided to try management consulting. He applied to and received offers from BCG and another top consulting firm. He chose BCG because he “loved the people, culture, and intellectual history of the firm. I enjoyed the recruiting process, and the creative, quick thinkers at BCG seemed to fit my profile well.”

Upon graduation in May 2000, Nelson joined BCG’s New York office and started the three-week business essentials training program. “It helped me build a network of friends, but I felt it lacked in practice casework, consulting craft-skills, and client interaction,” observed Nelson. At the end of the training he was assigned Larissa Ogden, vice president in BCG’s New York office, as mentor.

In June 2000 Nelson was staffed on his first project—a strategy case for a manufacturing client. His case team included two vice presidents, one manager, and two consultants, including him. Half of his time (three days per week) was devoted to case work and the other half was devoted to further training in presentation skills, slide writing, and work planning. “It was a schizophrenic existence,” Nelson recalled. “I would go for training on Monday and Friday and be on the client site from Tuesday through Thursday. Having had no prior business or consulting experience, I felt somewhat intimidated by the client. I was unable to politely push on client executives to get data in sufficient detail to do proper analysis.”

The end of his training coincided with the end of his first case in September 2000. Nelson received a three on his performance review. He had little time for reflection as he was immediately staffed on his next project, a market-sizing and competitor-analysis project for a consumer goods client. “The data that was coming in was very messy,” remembered Nelson.

Probing through to the right level of analysis and figuring out how to filter out the unimportant information was difficult. I was also worried that if I took too much of an initiative within my project team I might seem arrogant and aggressive. And I continued to struggle with slide writing. My only consolation was the knowledge that I would pick things up over time.

At the end of the case, Nelson received a four on his performance review and was also due for his first CDC review. His CDC advisor noted that he needed to work on his presence in client situations, slide writing, communication, and knowing how deep to go in analyzing problems. “The feedback was dead-on,” reflected Nelson. Ogden contacted Nelson the day after the CDC review. “Larissa seemed to have heard about my CDC review even before my meeting was over,” remembered Nelson. “She took me out to lunch and gave me a list of suggestions on how to address some of the areas that needed improvement. I was simultaneously floored at her dedication and shocked by how direct she was.”

In October 2000 Nelson picked up his next case, a post-merger integration that involved combining two sales forces for a global conglomerate. “It was a huge project,” recalled Nelson.

Seven BCG teams around the country were working simultaneously on the project. I was assigned to work with a Dallas-based team that included two vice presidents, two managers, three project leaders, eight consultants, and three associates. Although I worked hard on my part of the project, I had very little client contact. I felt all along that I was behind the others in the team and was just desperately trying to catch up. Frankly, I was surprised to receive a two when the project concluded in March 2001.

At the end of the project, Nelson accepted the team manager’s invitation to join his team to do follow-on work for the same client. The project was research and development oriented and required that he be in Dallas or Houston three to four days per week. “The client was aggressive and difficult,” he recalled. “I had a tough time collecting data from the client. Regardless, I thought I did a good job of analysis based on the data I could get.” He was surprised when, at the end of the project in May, he received a performance ranking of four. “It was disappointing,” he remembered.

I felt as if I had taken a step backwards. I turned to Larissa for advice. She was extremely helpful, as always. She told me that it was not uncommon for first-year consultants to “hit the wall” a few months into the job. She encouraged me to give it my best. She suggested ways I could refine my presentation skills. She also cautioned me that I might be getting too isolated and needed to develop more of a network in the New York office.

Soon after the project ended, in his second CDC review, his CDC advisor again told Nelson that he needed to find some way to stand out. Although he was creative, he was weak in presentation skills and business knowledge, and he was not reaching out for help.

In June 2001 Nelson was staffed on a project based in New York for a packaged goods firm seeking to expand its geographical reach. It was a relatively large team, staffed with a senior vice president who was the head of the consumer practice area, a vice president, a project leader, two second-year consultants, and three first-year consultants. In July, the project entered a new phase, and the case team was shuffled. Some of the consultants moved on to other projects, and a new manager was added to his case team.

In September, Nelson was called into his case team vice president's office. The vice president told Nelson that although he had made a good start on the case, he had been coasting of late and not delivering all that he could. "In my heart, I knew that everything that she was saying was true," recalled Nelson. "It had been a long year. I had traveled a lot and worked harder than I ever had. I was tired. I guess I had started to do just what was asked of me—nothing more."

When his project ended in December 2001, Nelson received another three with comments that his "analytical skills are weak" and "he is nervous in client presentations." Nelson was waiting on "pins and needles" for his upcoming CDC review. "My performance reviews had been mediocre at best, I knew very few people in the New York office, and it looked as if I was not on track for promotion," he noted. Nelson recalled a conversation with his CDC advisor in early January:

My CDC advisor was honest with me. She told me that I needed to be promoted to stay, and to be promoted I needed to work very hard. If my performance did not improve by my next CDC review in July, I would be let go. I knew that it was going to be an uphill battle. I am hoping to seek Larissa's counsel. She always tells me to give it my absolute best. But I am beginning to wonder whether my absolute best is good enough."

Larissa Ogden's perspective Larissa Ogden, vice president in the BCG New York office, joined the firm nine years earlier after receiving her MBA in finance from the University of Pennsylvania's Wharton School. She was well liked and highly regarded by her colleagues. "Somehow, two years have turned into nine," she laughed. "BCG has been a great place. I have enjoyed the work. I enjoy interacting with the incoming consultants." Ogden had received awards for her skill and dedication in mentoring BCG's consultants and was frequently assigned three new professionals to mentor at a time, whereas most other mentors counseled one or two new hires at a time.

Soon after Nelson joined the firm, Ogden described her initial impressions about her mentee: "From the first day that I met Mike, I knew he would have a tough time at BCG. He lacks the confidence and polish needed as a consultant, although I have no doubt that he can develop these skills. I am going to try and help him develop as effectively as possible."

A year later, Ogden reflected on Nelson's experience at BCG:

Mike's performance has been uneven. Throughout this past year, I have sensed his effort and enthusiasm wax and wane. On some assignments he has done all right, on others he has just given up. I have been hoping that boosting his self-confidence might help him gain an edge, but it's been a tough, uphill struggle for him. Mike has struggled to communicate effectively with his clients. I am confident that he can do the analysis, but the challenge is deeper than simply developing presentation skills. I don't think he fully understands what else is expected of him besides analysis of available data. How do I strike the tenuous balance

between encouraging Mike to work hard on his client projects and try his best for a promotion, but also to prepare for the possibility that he is let go?

Madeleine Lagarde

In May 2000, Madeleine Lagarde, a native of Lyons, France, graduated from INSEAD with an MBA, having previously studied at the Ecole Centrale de Paris where she earned a degree in economics and engineering. In July 2000, at the age of 26, Lagarde began working as a consultant in BCG's Paris office. "Consulting seemed a fascinating job to me," Lagarde mused. "I marveled how I could get paid so much for furthering my education. I could not imagine spending more than a few years in the profession. But it seemed an excellent way to learn quickly skills that I could apply later to my own entrepreneurial ventures." Lagarde was assigned vice president Eric Peret as mentor. "Eric was fantastically amiable," observed Lagarde.

Lagarde's first project was a post-merger integration (PMI) for a mid-sized French bank. The project team consisted of one vice president, one manager, and three consultants (including her). "The work was rather easy, and my manager seemed to respond to me well," Lagarde ruminated. "I felt as if I had nailed the assignment, but I was not particularly excited by the type of work that I was doing." When the project ended in December 2000, Lagarde received a one on her performance review. "My colleagues were impressed with me, I was told. But it was probably just luck that I was part of such a great team," she said.

In her first CDC review in December, Lagarde received a two for her effort and was complimented on her "dedication to the work, drive to succeed, team spirit, and humility," with the area for improvement being "allow yourself to have more fun in your work."

"During the first few months, Eric met with me a couple of times and even took me out to lunch once," recalled Lagarde. "He asked me how things were going. I said things were going just fine. That was partly true, since my first project had gone well. But I also found it difficult to confide in him. I guess it will be some time before I can be sure what kind of relationship I will have with Eric."

In January 2001, the team that Lagarde had just worked with was hired for follow-on work with the same financial services client. When the follow-up project ended in June, Lagarde received a one on her end-of-project review. Her second CDC review, conducted in June 2001, was as complimentary as her first. Her CDC advisor told her that her work had drawn universal praise and referred to comments from officers such as "Madeleine could be this office's next star." But the CDC meeting left Lagarde not entirely comfortable. "By my second CDC review, I felt like an expert on banking regulations and PMI practices," she reflected.

But I continued to have this nagging feeling. I didn't just want to advise someone on how to run an organization; I wanted to run it. I knew that I could be good at advising others on what to do. I wondered how good I could be at actually following my advice.

At work, I felt that I was becoming the prisoner of a vicious cycle. I was good at client work, but my enjoyment in the work evaporated as I began to feel my colleagues' expectation-laden eyes. Many consultants, and even some managers, in my office joked that they were "in awe of" my work. One manager, in particular, would hold me up on a pedestal as a model for other consultants. To escape all this attention, I drowned myself in work, which made my work better but my enjoyment even less.

"I was wondering what to do," recalled Lagarde. "I decided to seek my mentor's counsel, although he was very different from me. Eric was the head of the office's technology practice and was

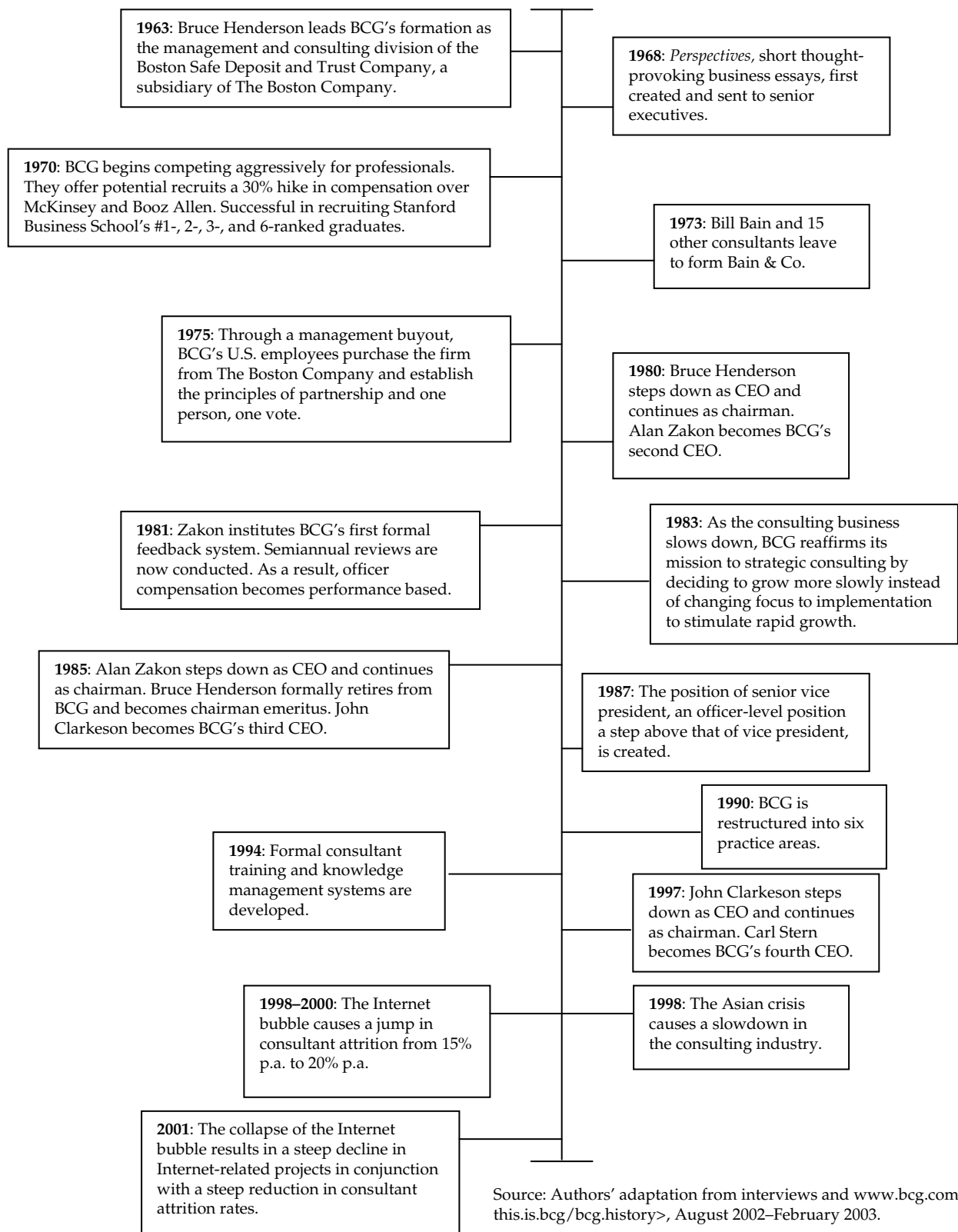
one of the most devout BCG consultants that I had yet encountered. I wondered what he would say.” Lagarde sent an e-mail to Peret, seeking a meeting.

Eric Peret’s perspective Eric Peret joined BCG as a consultant in 1990 after receiving degrees from two of the grandes écoles in France, the Ecole des Mines and the Ecole Polytechnique. In 1998, he was promoted to vice president. In 2000, after successfully managing the office’s largest telecom account for more than five years, he was named head of BCG Paris’s technology practice.

“Madeleine is only the second mentee that I have ever been assigned,” Peret remarked, soon after he was named Lagarde’s mentor. “She is brilliant, but seems somewhat unhappy. When I asked another vice president for advice, she assured me that all new consultants go through an adjustment phase and that Madeleine will settle down and enjoy her work more as time passes by.”

During Lagarde’s first few months with BCG, Peret tried to arrange monthly meetings. “Madeleine has been happy to meet with me but does not talk much about herself,” Peret remarked. “So I have just tried to offer her my own experiences and simple advice, with the hope that she will feel comfortable opening up to me at some point.”

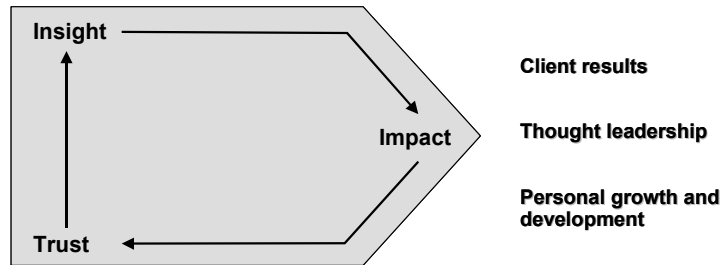
Exhibit 1 A Timeline of BCG’s History



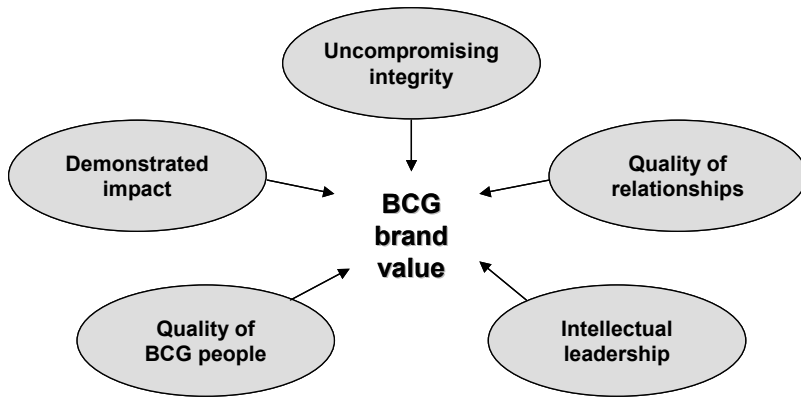
Source: Authors’ adaptation from interviews and www.bcg.com.this.is.bcg/bcg.history, August 2002–February 2003.

Exhibit 2 BCG’s Perspective on its Mission, Brand, Business Model, and Culture

BCG MISSION: DRIVE RESULTS THROUGH INSIGHT AND IMPACT



THE BCG BRAND

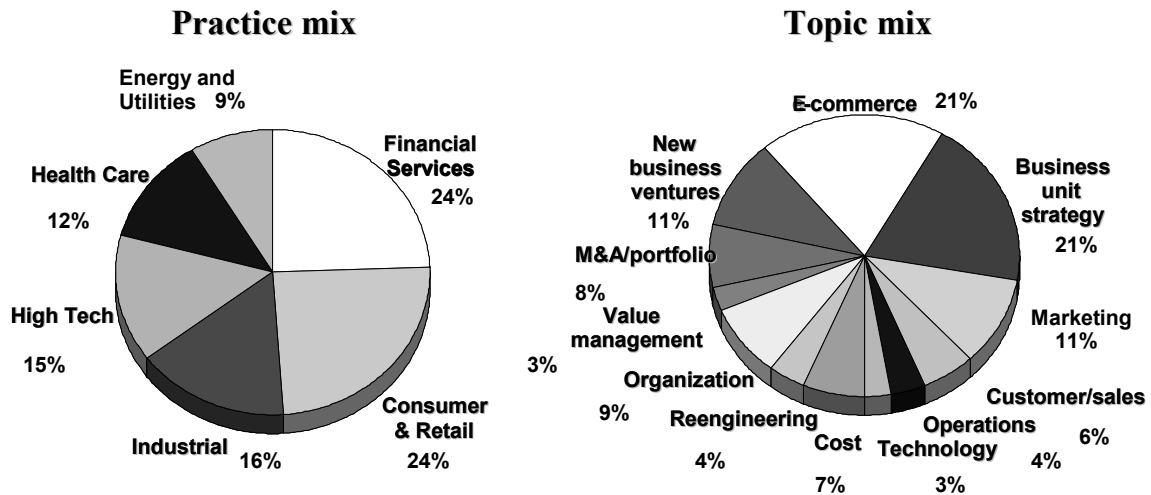


THE LINK BETWEEN BRAND, BUSINESS MODEL, AND CULTURE

Brand	Business model	Culture/people
Premium	Rapid, sustained, planned growth	Collegial
Strategy focus	Low leverage ratio	Individual autonomy and respect
Insight, innovation	Generalists initially	Entrepreneurial
Global reach, scale, networked	Flexible staffing Less travel	Lifetime franchise
Client loyalty	Deep, long-term relationships with leading clients	

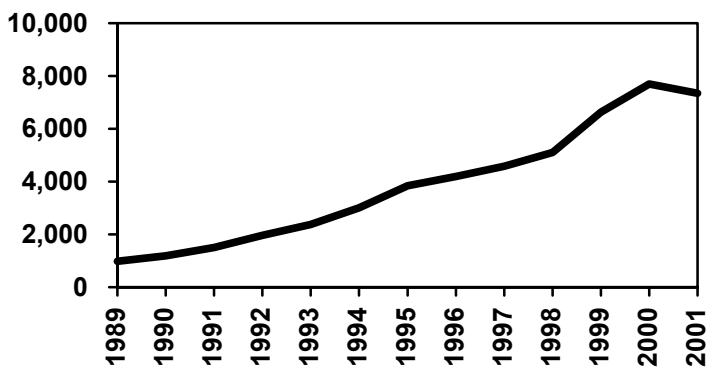
Source: BCG.

Exhibit 3 BCG's Practice and Topic Mix, 2001



Source: BCG.

Exhibit 4 BCG's Historical Revenue Growth, 1989–2001



Source: BCG.

Year	Published Revenue (indexed)
1989	979
1990	1,189
1991	1,504
1992	1,958
1993	2,378
1994	3,007
1995	3,846
1996	4,196
1997	4,580
1998	5,105
1999	6,629
2000	7,692
2001	7,343

Exhibit 5 BCG's Offices, Locations, and Consultants, 1963–2001

Year	Consultants	Offices	New Locations
1963	2	1	Boston
1964	6	1	
1965	12	1	
1966	18	1	
1967	31	1	
1968	36	1	
1969	62	1	
1970	100	3	Tokyo, London
1971	130	3	
1972	116	3	
1973	142	4	Paris
1974	154	5	Menlo Park
1975	157	6	München
1976	194	6	
1977	219	6	
1978	250	6	
1979	277	7	Chicago
1980	249	7	
1981	299	7	
1982	311	9	Düsseldorf, Los Angeles
1983	346	9	
1984	350	10	New York
1985	308	11	San Francisco
1986	331	12	Milan
1987	364	13	Madrid
1988	428	14	Stockholm
1989	524	16	Copenhagen, Zürich
1990	676	17	Sydney, Melbourne, Auckland
1991	773	21	Frankfurt, Hong Kong
1992	848	22	Kuala Lumpur
1993	1,019	27	Monterrey, Toronto, Amsterdam, Brussels, Shanghai
1994	1,235	32	Dallas, Hamburg, Moscow, Bangkok, Seoul
1995	1,487	38	Atlanta, Buenos Aires, Lisbon, Helsinki, Singapore, Jakarta
1996	1,671	41	Washington DC, Oslo, Mumbai
1997	1,894	46	Saõ Paulo, Warsaw, Budapest, Stuttgart, Vienna
1998	1,940	47	Mexico City
1999	2,166	48	Berlin
2000	2,370	49	New Delhi
2001	2,790	55	Athens, Beijing, Istanbul, Prague, Cologne, Rome

Source: BCG.

Exhibit 6 Recruiting at BCG

To sustain a growth rate of 15% per annum and account for an attrition rate of 15% per annum, BCG recruited consultants at a rate of approximately 30% per annum. By the late 1990s, this proportion translated to worldwide recruiting of over 600 new hires each year.

“The more heterogeneous our pool of candidates, the more likely is it that we will be innovative and creative,” averred Stern. To attract “the best and the brightest,” BCG cast a wide net for recruiting. In the United States, the United Kingdom, and Canada, hiring was mostly seasonal, occurring near the end of the academic calendar. Historically, roughly 65% of new hires were “traditional” consultant hires, MBAs from top business schools; approximately 10% were “non-traditional” consultant hires, graduates with nonbusiness-related advanced degrees (such as Ph.D., M.D., or J.D.); and 25% were associates, recruits hired directly from undergraduate schools. In Europe and Asia, the hiring pool was more diverse, less concentrated on MBAs, and the hiring process more continuous than in the U.S.

King described the qualities BCG sought in its recruits:

Although we look for diverse backgrounds, we seek in all candidates a combination of analytical ability, success-oriented behavior, and emotional intelligence. Our case-format interviews screen for intellectual horsepower, tolerance of ambiguity, and analytical ability. We also examine candidates on the dimension of interpersonal skills. You can’t have a brain behind a desk and push food under the door. Candidates are evaluated on their ability to connect at a personal level, perceived comfort in talking with clients, and ability to communicate in front of an audience. In addition, we assess candidates on their resilience, tenacity, and ability to lead in tough environments.

“Recruiting and retention are always important for a people-intensive business such as ours,” observed Clarkeson. “But if our professionals are having a good experience, then these issues are addressed automatically. So long as BCG seeks out the hardest problems and clients that enjoy working with us, we will continue to attract and retain the best and the brightest.”

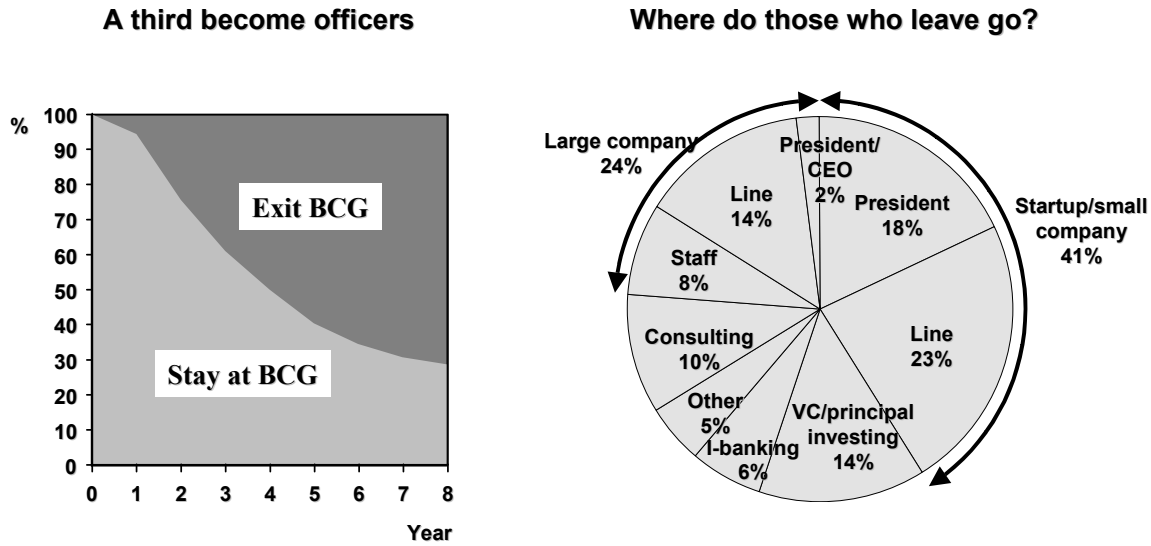
Source: BCG.

Exhibit 7 BCG Leverage Ratios, 1990–1999

Title	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Officers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Manager	0.8	0.9	0.8	1.3	1.0	1.0	1.0	0.9	0.7	0.7	1.1	1.1
Project Leaders	N/A	N/A	N/A	N/A	0.9	1.0	1.3	1.0	1.3	1.6	1.4	1.4
Consultants	3.9	3.1	3.6	3.3	2.3	2.4	2.6	2.4	2.8	2.9	3.4	3.6
Associates	1.2	0.9	0.9	0.7	0.9	0.9	0.9	0.7	1.0	1.1	2.6	2.4
Nonofficer Total	5.9	4.9	5.3	5.3	5.1	5.3	5.8	5.0	5.7	6.3	8.4	8.5

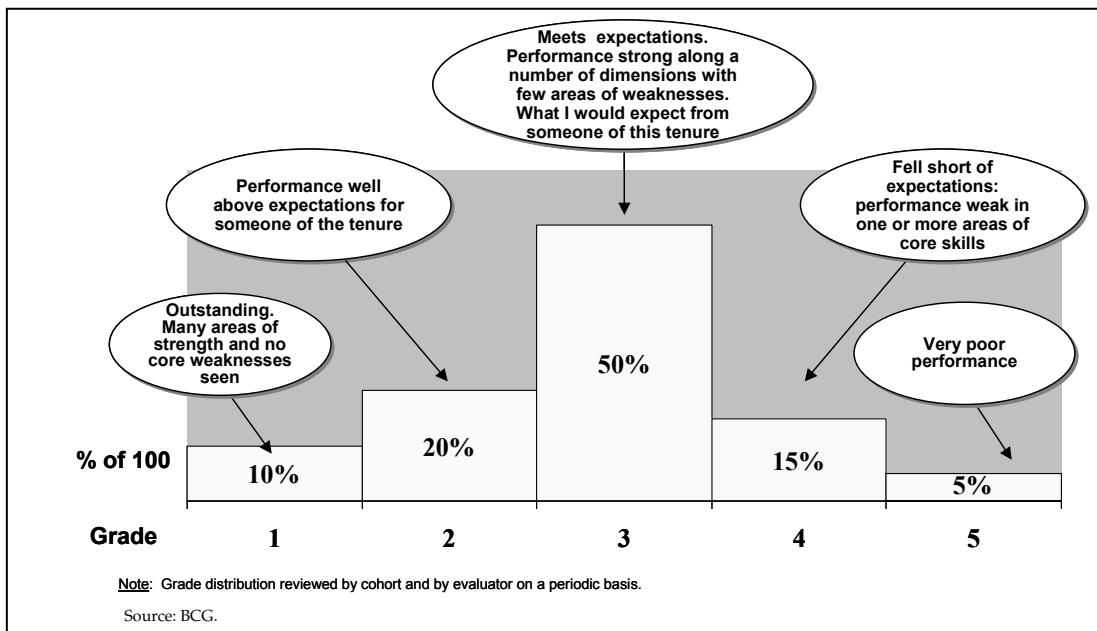
Source: BCG.

Exhibit 8 Career Paths of BCG Consultants, circa December 2001



Source: BCG.

Exhibit 9 Expected Distribution of Project Feedback Grades



Source: BCG.

Exhibit 10 Sample CDC Review and Development Plan Forms for Consultants

CDC REVIEW AND DEVELOPMENT PLAN (I)

Name: John Smith Review Date: January 30, 2001
 Role: Consultant Review Period: July 2000 - January 2001
 Months in Role: 16 New Cases: 2: Packaged Goods, Financial Services

Area	Strengths	Areas for Development
Problem solving skills	Strong consulting skill set • Takes complete ownership of module - intellectually and analytically	Looking forward: Leverage VP team in client relationship - build "trusted advisor" skills
Communication and presence	Good presence; articulate and confident Builds credibility	Continue building exec summary skills
Practicality and effectiveness / creates value for client	Develops key recommendations from insights • Good packaging skills	
Client relationship development	Very good facilitator - seen as "go to" person Strong client skills; balance of tenacity & empathy	
Contribution to BCG case team	Strong team player Seeks and acts on feedback Very organized	Work more effectively through team members • Make logic transparent: provide more than activities and deliverable • Create accountability on the part of team members Ensure personal/professional balance
Role model/commitment to firm values	Manages communication loops effectively	

John: 1/30/01

- ① 1/30/01
- ②
- ③

CDC REVIEW AND DEVELOPMENT PLAN (II)
 Criteria for Promotion to Project Leader

Demonstrated performance relative to new project leader cohort

	Mastery, in a position to teach others	Strong	Additional experience required	Requires focus for development	Significant progress needed
Problem solving skills/insight: <ul style="list-style-type: none"> • Demonstrates understanding of the client's overall problem and generates appropriate hypotheses to solve it • Uses clear logic to design and sanity-check analysis • Able to design and perform complex analysis - has proven command of technical analytic skills • Goes beyond the obvious, pushes the boundaries • Takes creative risks at the project level • Knows and uses relevant BCG practice materials, adapted to client 	①				
Leadership, communication, and presence: <ul style="list-style-type: none"> • Engages audience, projects self-assurance -- "leadership" presence • Manages client and team dialog effectively, makes influential contributions • Uses powerful and effective written communication (slide design, etc.) • Constructs logical storylines at project level • Actively listens to others, shows that she/he understands and values others' views • Has embraced leadership roles (client, office, people process) 	①				
Client value creation: <ul style="list-style-type: none"> • Changes the client's way of looking at his/her business • Applies business judgment to client issues • Develops practical/pragmatic solutions and action plans • Shows sensitivity and commitment to client 	①				
Client relationship development: <ul style="list-style-type: none"> • Gains respect from all levels of client and team • Represents BCG effectively to mid-level and senior management of client • Manages client expectations appropriately • Maintains effective balance between responsiveness and assertiveness • Builds lasting relationships at all levels of interaction 	①				

Continuum

Source: BCG.

Exhibit 10 (continued) Sample CDC Review and Development Plan Forms for Consultants

John: 1/30/01

CDC REVIEW AND DEVELOPMENT PLAN (III)
Criteria for Promotion to Project Leader

		Demonstrated performance relative to new project leader cohort				
		Mastery, in a position to teach others	Strong	Additional experience required	Requires focus for development	Significant progress needed
<p>Apprenticeship: team management:</p> <ul style="list-style-type: none"> • Structures work effectively - adapts appropriately to changing demands • Maintains appropriate balance between delegation and control • Manages team process and VP/M expectations effectively • Spots potential conflict and orchestrates win-win solutions • Ensures high-quality, timely output • Keeps team aware of progress and findings, is receptive to suggestions • Communicates expectations clearly and provides regular and timely feedback 						
<p>Apprenticeship: people development:</p> <ul style="list-style-type: none"> • Invests time in individual development/ acts as a "coach" • Generates enthusiasm, initiative -- is available and approachable 						
<p>Role model/commitment to firm values:</p> <ul style="list-style-type: none"> • Performs role with highest level of integrity, generating trust and protecting client interests • Treats all others—clients, consulting and support staff—with respect • Is a team player and role model for case team and within BCG • Seeks and acts on feedback for self development • Committed to and can represent the BCG brand 	<p align="center"><input type="checkbox"/> yes <input type="checkbox"/> no</p>					
		<i>Continuum</i>				

CDC REVIEW AND DEVELOPMENT PLAN (IV)
John: 1/30/01

Summary Performance and Potential	Action Steps
<p>Excellent performance</p> <p>Very high potential</p> <p>Developmental Goals Keep on doing what you are doing</p>	<p>Casework</p> <p>Staffing</p> <ul style="list-style-type: none"> • Work directly for VP on in town case <p>Training / Coaching</p>
Career Outlook	
<p>Promotion to PL at 18-21 mark assuming continued excellent performance</p>	<p>Other</p> <ul style="list-style-type: none"> • Prioritize areas of interest - find the line at which to push back on requests • Develop balance for the "marathon vs the sprint"

Signature of reviewee: _____

Date reviewed: _____

Signature of reviewer: _____

Source: BCG.

Exhibit 11 Formal Training at BCG

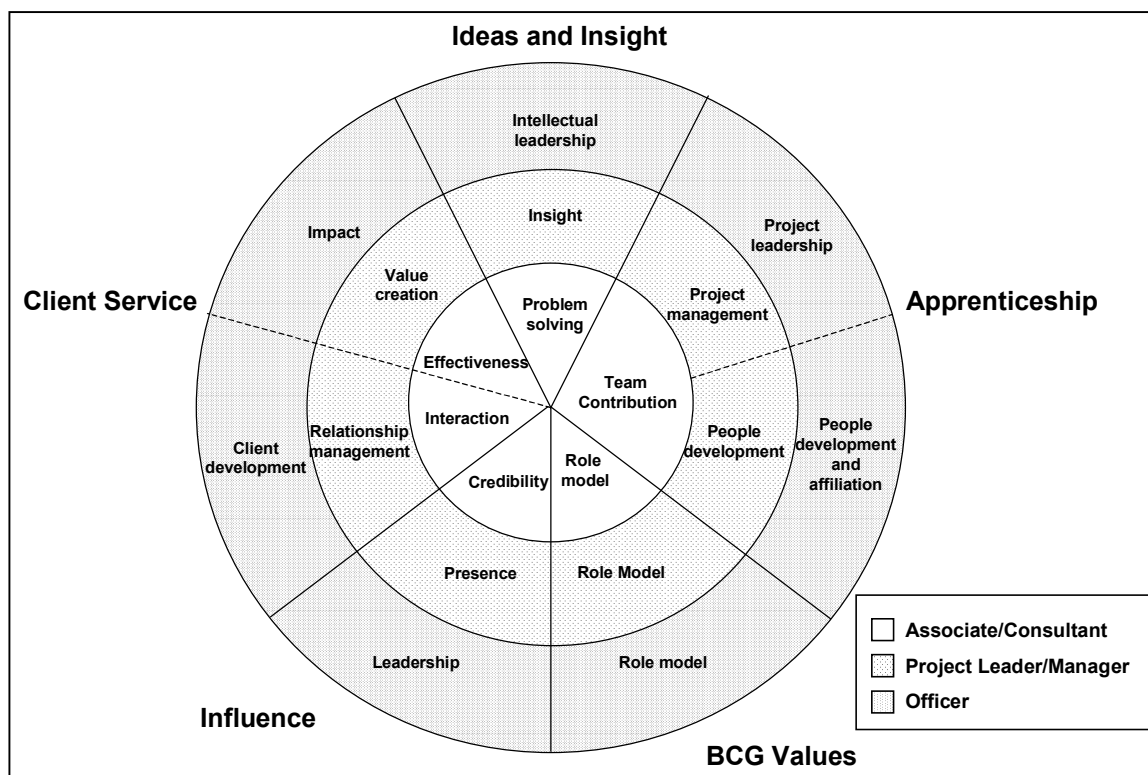
Entry-level skills training varied across offices and depended on whether the consultants were traditional MBA hires or nontraditional advanced degree hires.

Shortly after starting, nontraditional hires spent three weeks attending a mandatory business essentials program conducted at an area university. Consultants were immersed in an MBA-type curriculum composed of two-day sessions each on topics such as accounting, organizational behavior, strategy, and finance taught by business school professors. Consulting skills and client communication were also emphasized, and the new hires were exposed to BCG history, values, and expectations. Evenings were devoted to social events to enable the nontraditional hires to form networks akin to those that many of the incoming MBA hires already possessed.

Entry-level training for traditional MBA hires, delivered locally and regionally, included exposure to BCG’s history, BCG’s values, “BCG basics” (consulting skills including presentation style, slide-writing techniques, and analytics), and expectations about the capabilities they were expected to develop.

Training was not limited only to entry level consultants. Formal training sessions were offered throughout professionals’ tenure at BCG. **Figure C** describes schematically how professionals were expected to develop on each of BCG’s six core capabilities throughout their careers.

Figure C Expected Progressions on BCG’s Core Competencies, by Tenure



Source: BCG.

Exhibit 12 Apprenticeship at BCG—the “Dot-Matrix”

In 1998 Stern asked Holland to study how BCG professionals’ apprenticeship experience could be made more rewarding and developmental. Holland recalled their conversation:

Carl said, “We are doing terrifically on the client side. I want you to help move the dial on the people dimension. Kris, how about making sure that our professionals’ experience at BCG is consistently top notch?” I protested, “Carl, I agree that improving the BCG experience from the professionals’ perspective is very important—but it’s hard to evaluate and difficult to achieve. It’s a huge challenge.” He answered, “Yes, it is. That is why I am asking you to do it.”

“Over the next several months I spent a great deal of time with consultants and project leaders asking them about their experiences,” recalled Holland.

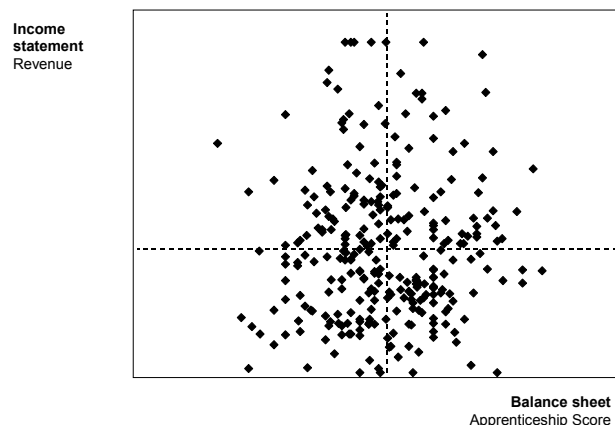
Their apprenticeship experiences at BCG had very little to do with the CDC or with their formal training. But they had a lot to do with their projects. The three key dimensions that determined how much they learned and enjoyed were (a) the nature of the work, (b) the apprenticeship skills of the officers leading their teams, and (c) their openness to learn. The nature of work was constrained somewhat by what the market demanded, although, in a firm like BCG, professionals would keep coming up against a variety of challenging projects. Most BCG professionals were open and eager to learn. But leaders hugely impacted consultants’ learning experience, and that impact varied greatly from person to person. I realized that to really move the dial on the people dimension, we would have to focus on officer behavior.

Stern was entirely in accord with Holland’s findings. “When I joined BCG in 1973, most of our learning came from apprenticeship, but it was not rewarded explicitly,” recalled Stern. “The consequence was that professionals’ development was based somewhat on the luck of the draw—some had great experiences, others were less fortunate. Effective learning by apprenticeship required that we be rigorous in encouraging and developing our officers to become good apprenticeship leaders.”

The Dot-Matrix In the spring 1999 BCG officer meeting, David Hall presented the data that Kris Holland had been collecting and analyzing on BCG officers’ client service and apprenticeship performance. “They are both important constituents of officers’ responsibilities,” Holland observed. “But myths develop over time as to what it takes to achieve both or whether one can be achieved only at the expense of the other. So, when the matrix was presented, the room initially went eerily quiet.”

The presentation revealed the empirical results. A cloud of points showed that there was no systematic relationship between the two variables. (See **Figure D** for the dot matrix Holland presented.) The lesson from the dot matrix “hit home immediately,” Holland recalled. “Officers didn’t have to focus on choosing between the two dimensions. Instead, the challenge for them was to learn how to move to the ‘Northeast’ and excel at both client service and apprenticeship.”

Figure D Dot Matrix Presented at the 1999 BCG Officers’ Meeting



Note: Median scores are represented by the dashed lines.

Source: BCG.

Exhibit 12 (continued) Apprenticeship at BCG—the “Dot-Matrix”

Stern came to the lectern next and read out a list of names. “These names probably mean nothing to you,” he said. “But these are names of the people without whose help and support through the years I would not be here speaking to you all. I want you all to think: ‘Whose lists do I appear on today? On whose lists would I like to appear?’”

Stern used the dot matrix to drive home to senior officers the importance of apprenticeship. “In the 1999 Bermuda meeting we simply shared the overall data with our officers,” he recalled in 2003. “The next year we started sharing dot-matrix information with the individual officers and publicly acknowledging those in the Northeast corner. The following year, we began to include it in officers’ performance evaluation. Now, they can get held up for promotion or their discretionary compensation can be cut if they don’t score well on both dimensions.”

“The dot matrix offers a combined picture of our ‘profit and loss’ and ‘balance sheet’ statements,” reflected Holland.

The client side contributes to our profits. The number that everyone talks about on this dimension is revenue; it is not a comprehensive measure, but it is visible. But what contributes to our asset base? Our people. I would argue that the strength of apprenticeship determines how we strengthen or deplete our asset base. But measurement is tricky. We have worked on making our upward feedback instrument a robust and refined measure of apprenticeship.

Interviews with officers in the Northeast quadrant of the dot matrix revealed to Holland no single “bag of tricks,” but rather a variety of approaches to people development. She noted:

Thus far, our analysis has shown that superior apprenticeship has no significant correlation with tenure, practice area, or geography. Effective leaders bring in high-quality work, stretch their team members intellectually, and push them much farther than they would have gone alone. They may not always be charming folks, but somehow they make a personal connection with their team members: they coach and they care. Many of them bring a passionate intensity to their work, which raises the team’s energy and motivation, and builds affiliation to BCG overall.

Exhibit 13 BCG Officers' Views on Early Career Development**CEO Carl Stern**

We try and help our new consultants navigate through their early years and avoid mistakes. The biggest mistake that some of our new associates and consultants make is that they don't ask for help. Saying "I don't know" or "Help me" is a sign of strength, not weakness. There are so many avenues for providing help—they just have to ask. The other error they sometimes make is confusing quantity for quality. Consulting is an exciting and challenging field where you can go down an infinite set of avenues. Clients will absorb as much of your intellectual and emotional energy as you have got. You have to be able to draw a personal boundary. If we notice our associates and consultants driving themselves crazy or working themselves too hard, we will counsel them on it.

North American recruiting officer Kermit King

Most of our recruits are able to see about two years out. That's how far in the fog their headlights see. They come to consulting for breadth of exposure. Rarely do they come in saying they want to be BCG officers. It is our responsibility as their mentors to help them navigate through their consulting experience. We want them to feel constantly challenged and always learning so that they become increasingly enthusiastic about their consulting careers. We end up graduating about one-third of our hiring class to officers.

North American career development officer Matthew Krentz

Some of our consultants overreact to their first project experience. Long-term career progress has very little to do with the first project experience. You must maintain perspective, especially early on. However, I always advise new recruits to overinvest in their first few cases. There is a momentum effect. Good work creates a positive buzz that brings more good work. You can pull out of one tough case, but we begin to see patterns if your first three cases go poorly. One of the critical points around which our professionals need intensive mentoring is their transition from consultant to project leader. In their first two years, consultants are exposed to a breadth of projects, learn to execute, demonstrate their ability to uncover problems, and learn to work successfully with clients. The third year brings about a steep change. They transition from what they have done at school and in their earlier jobs to managing others. It is a huge challenge. Some flourish, others flounder. Around this point, some of the consultants also realize that they are putting in too much time and effort to get the desired results, and they begin to select themselves out.

European career development officer Carlos Costa

I always caution my advisees against two types of behavior. They should totally eschew political behavior early in their career. A consultant that does not respect rules, breaks communication channels without any reason, networks too aggressively, and talks a lot about his or her greatness is not likely to progress very far. Secondly, I advise them not to be in too much of a rush. Some of our brightest consultants want to focus on only the high-horsepower experiences and want to be taken off cases once they go into the implementation phase. They end up missing out on learning implementation-related skills and do not develop client relationships or deep industry expertise—skills that are important as you move up the BCG hierarchy.

Global apprenticeship officer Kris Holland

People choose BCG for the quality of the experiences they can get. It is our responsibility to provide stretch opportunities and the responsibility of the consultants to make sure they are taking advantage of those opportunities. Most projects provide scope for exceptional work for those who demand it of themselves. I advise newcomers not to focus on speed of promotion as the principal metric of success. It is too short term and far too limited. Instead, I advise them to focus on personal growth as the key objective and to take responsibility for their own development. If you are growing, you will feel good about your work and your value in and out of BCG will increase.

Source: BCG.

Appendix BCG's Heritage, 1963–1997

Henderson's Leadership: Founding a Business Strategy Consulting Firm (1963–1980)

In 1963 Bruce Henderson, a former vice president at Westinghouse, led BCG's formation as the management and consulting division of the Boston Safe Deposit and Trust Company, a subsidiary of The Boston Company. Robert Mainer, a consultant who worked closely with Henderson in the early years of the firm, recalled a seminal meeting two years after BCG's founding:

Bruce called a staff meeting for a Saturday morning in the fall of 1965. He explained that to survive, much less grow, in a competitive landscape occupied by hundreds of larger and better-known consulting firms, we needed a distinctive identity. He had concluded that we shouldn't fight the competitive battle as generalists but should instead stake out a special area of expertise. He asked what we thought that specialty should be. Many suggestions were offered, but in each case we were able to identify several other firms that already had strong credentials in that particular area. The discussion began to stall. Then Bruce asked a momentous question: "What about business strategy?" I objected: "That's too vague. Most executives won't know what we're talking about." Bruce replied, "That's the beauty. We'll define it."⁶

John Clarkeson, the firm's sixth employee, recalled how he joined BCG in 1966:

As a second-year MBA student at Harvard Business School [HBS] interviewing with firms during recruiting season, I came across BCG, a small consulting firm that appeared to be addressing exactly the issues that excited me at school—problems of business policy that required breadth and depth of analysis. The founder, Bruce Henderson, was wise and inspiring. Among the BCG partners at that time were Pat Conley, ex-head of research at Westinghouse and one of the few computer experts in industry; Sy Tilles, an HBS professor; and Jim Abegglen, one of the first U.S. thinkers to learn about emerging business opportunities in Japan. I joined BCG thinking, "This place is intellectually so exciting!"

The first few years were difficult. "We shrank by about 4% in 1967–1968," recalled Clarkeson. But by capitalizing on new ideas, including the experience curve and the growth/share matrix, BCG developed a reputation for being a premier "ideas boutiques" in strategy consulting. "At a time when our competitors were throwing everything but the kitchen sink into their definition of strategy, our concept of strategy was crisper, more powerful, and clearer," observed Clarkeson. The firm began mailing senior executives *Perspectives*, short essays designed to encourage thinking on a variety of business issues. These pieces, chosen "to be deliberately provocative, significant in implication, and relevant to the policy decisions of corporate competition," sought to challenge both classic economic theory and traditional business practice.⁷

Once BCG had established its market position, "the toughest challenge to our growth became attracting high-quality professionals," observed Clarkeson. "So Bruce became very aggressive with salary, offering potential recruits a 30% compensation premium over McKinsey and Booz Allen. In 1970 we were able to recruit Stanford Business School's first-, second-, third-, and sixth-ranked graduates. HBS graduates also began to pay attention. Our talent shortage problem had been solved."

Although Bill Bain and 15 other consultants left in 1973 to form Bain and Co., BCG suffered little cannibalization of business and continued on its growth trajectory. Its growth was aided by geographic expansion. In 1970 it opened offices in London and Tokyo, followed by Paris (1973), Menlo Park (1974), and Munich (1975). In 1975 BCG's U.S. employees purchased the firm from The Boston Company through a management buyout and established the principles of partnership and one person, one vote.

In 1980, upon turning 65, Henderson stepped down as CEO, although he continued as chairman. Alan Zakon succeeded him as BCG's CEO. With 249 consultants and six offices worldwide, BCG was competing intensely with McKinsey & Co. to attract the best clients and consultants.

⁶ The Boston Consulting Group Web site, <http://www.bcg.com/this_is_bcg/bcg_history/bcg_history_1965.asp>, accessed on February 18, 2003.

⁷ Ibid. For more on *Perspectives*, refer to Carl W. Stern and George Stalk, Jr., eds., *Perspectives on Strategy from The Boston Consulting Group* (New York: John Wiley & Sons, 1992).

Appendix (continued) BCG's Heritage, 1963–1997**Zakon's Era: Growing the Firm and Formalizing Processes (1980–1985)**

"Nineteen eighty marked a transition in our life cycle," recalled Clarkeson. "Growth of the strategy consulting business slowed down. Industry skepticism about the value of strategic consulting was captured in a *Fortune* magazine cover article, which emphasized that strategy was an overblown concept. Some partners suggested that we move from strategy consulting into implementation to maintain our growth trajectory. After careful deliberation, we decided that growing more slowly would be just fine. Within three years, we had risen rapidly among the ranks of prestigious consulting firms."

When Zakon took charge, BCG, like most other consulting firms, trained its consultants through an apprenticeship process. However, no formal feedback system was in place. Zakon instituted a semiannual review system in which consultants' strengths and weaknesses were formally evaluated. During Zakon's tenure as CEO, officer compensation became performance based and BCG strengthened its local presence. Munich became the hub of the German practice, the Paris office spawned Milan, and the London office spawned Madrid. In the United States, satellite offices were launched in New York and Los Angeles.

In 1985, Zakon stepped down as CEO and assumed the role of chairman. Bruce Henderson formally retired from BCG and became chairman emeritus. John Clarkeson succeeded Zakon as BCG's new CEO. In the six years that Zakon was CEO, BCG had grown to 308 consultants in 10 offices worldwide.

Clarkeson's Tenure: Building Capabilities (1985–1997)

"Implementation of strategic advice had always been a challenge," observed Clarkeson.

We wanted a better solution for clients than simply bringing in huge armies of consultants and allocating huge budgets to implement a recommendation. Experience taught us that the best method to implement our recommendations was to team with the clients. In a project with a Swedish client who wanted our team to work side by side with their team, we noticed that implementation had started in the second week. In Japan too, we discovered that because the consultant and client teams were so close, the implementation was closely tied to our recommendation. We realized that our challenge was not in ensuring that implementation was completed after we submitted our recommendations, but rather in collaborating with clients throughout the duration of the project. Once the idea of teaming with the client was set in motion, implementation challenges became a nonissue.

Teaming with clients required that BCG eschew projects that might look appealing to outsiders but could demoralize and override management. "We focused on winning over our clients with challenging suggestions," remarked Clarkeson. "We emphasized that we were good at strategy, and we promised our clients noncatastrophic transitions."

Under Clarkeson's leadership, the firm's mission was articulated, it was structured into practice areas, with the idea that "not everyone should be an all-singing, all-dancing generalist," and the title of senior vice president, an officer-level position a step above the rank of vice president but with the same voting rights, was created to give high-performing professionals "the chance to stand in the spotlight." Clarkeson led the development of formal consultant training and a knowledge management system. He formed four capability committees to streamline the major internal processes of client service, innovation, marketing, and people issues.

By the end of 1997, when Clarkeson stepped down as CEO and assumed the role of chairman, BCG had expanded to 1,894 consultants in 46 offices. Carl Stern, who had joined BCG first as a summer intern in 1973 and accepted a permanent position with the firm in 1974, succeeded him as CEO.

Stern's Leadership: Developing Professionals (1998- 2003)

Soon after Stern became CEO in 1997, BCG was confronted by a number of business challenges—the Asian crisis, the creation and subsequent collapse of the Internet bubble, and the slowdown of the economy. Despite these service market challenges, Stern saw the challenge of motivating and developing BCG professionals as equally important. He believed that BCG's competitive advantage arose from its professionals. High-quality consultants would be attracted and retained by BCG only if the consultants felt that they were continuously developing and learning as professionals.