

Enabling Change

An Interview with **Liz Hilton Segel**,
Managing Partner, North America, McKinsey & Company

EDITORS' NOTE *Liz Hilton Segel is the Managing Partner for McKinsey in North America. She is a member of McKinsey's Shareholders Council, the firm's equivalent of the board of directors, and a member of the global partnership service team. She formerly led McKinsey's Marketing & Sales Practice in the Americas and the New York office. Since joining the firm in 1992, Hilton Segel has partnered with clients on their transformations, including strategy, implementation, and capability building. She has served clients across several consumer-facing industries including media, telecommunications, travel and entertainment, retail, financial services and automotive. Hilton Segel is a founding member of the Harvard Business School Women's Club of New York.*



Liz Hilton Segel

COMPANY BRIEF *McKinsey & Company (mckinsey.com) is a global management consulting firm deeply committed to helping institutions in the private, public and social sectors achieve lasting success. With consultants in more than 125 locations in more than 65 countries, they bring vast expertise to clients anywhere in the world. They work closely with teams at all levels of an organization to shape winning strategies, mobilize for change, build capabilities and drive successful execution.*

How do you define the McKinsey client?

The size of the company isn't that important – what is important is the magnitude of the change the client desires and that they see us as a partner who can actually help deliver that change. We absolutely aspire to serve leading institutions that are shaping the industries they're in. At the other end of the spectrum, we have a group within the firm that is focused on fast-growth tech companies in order to help them scale.

We also serve a substantial number of middle-market clients. We want to serve clients that have a bold vision of the change they're trying to achieve within their organizations.

How important is it to build an understanding that McKinsey serves as a partner to its clients?

It is fundamental. I would even like us to think about changing the word consultant; potentially better words would be coach or impact partner. Previously, our profession provided someone who came in to answer a question for the board or the CEO. We now see ourselves as an institution

whose job it is to be partners, working side-by-side with companies, enabling them to create the change they desire.

The type of transformations clients seek are many-fold and span our industries and functions. We have built the capacity to bring the right capabilities to each – to chart the path of change and work with the client to both deliver it and to build the client's skills to sustain it. Our teams today would be unrecognizable to those of the past, offering traditional expertise on strategy, organization or operations, now alongside data scientists,

programmers, design experts and so on.

What's exciting about this is that creating big change at a company is hard to achieve. It requires smarts but, equally important is knowing how to help people build their individual skills and doing that at scale.

Are clients concerned at first when McKinsey is brought on board and how do you ease those concerns?

Clients we've previously served understand the value.

For potential or first-time clients, building a relationship – a partnership of trust – quickly is critically important for us to ensure that, over time, the impact we achieve together is a source of pride.

Is this still a people business or is McKinsey more of a technology company today?

It's still a people business. Relationships with clients are at the heart of our ability to have impact. That was true when I joined the firm and it is even more true today. But aspects of our client service model have changed. The McKinsey I joined was 100 percent an intrinsic people business, so we hired the smartest people we could find and assumed that they could learn anything and could be quite versatile.

The McKinsey of today is grounded more in the firm's expertise. Our knowledge and capabilities enable us to underwrite performance improvement with our clients and to transfer skills to build our clients' institutional capabilities. The firm's expertise is embodied by our people, but it is also in our proven methodologies, reference cases and proprietary data sets. As you suggested, increasingly our approach includes technology-enabled solutions that improve clients' business performance.

Does McKinsey focus on specific industry expertise?

Most folks have industries they know better than others. Industry expertise is often extremely

relevant, as is functional expertise, whether it is marketing and sales, digital, or operations.

Increasingly, the expertise we are building is in transformation itself. One area we've invested in over the past few years has been McKinsey Implementation, which helps us go beyond conceptualizing the change to delivering it.

We have also invested in McKinsey Academy, which formalizes some of the skill building and learning we provide to ensure it is available to all of our colleagues.

Will you discuss the strength of the culture at McKinsey and the value of its partnership structure?

There are certain values that are fundamental to how McKinsey serves clients that we've held onto even during this time of rapid change, values like our commitment to creating transformational impact and our emphasis on outcomes for clients rather than being concerned about our own financial performance. Public firms have to be more focused on quarterly performance, but as a private company, we are more able to take the notion of partnership seriously. We put client interests ahead of the firm's.

We are prepared to occasionally be inefficient and to spend more time and dialogue on decisions in order to maintain our sense of being a self-governing partnership, and that is core to the culture.

We have been aggressively hiring from the outside. As we bring more folks in from the outside, they discover that we have a strong belief that our work is about relationships – internally and externally.

We have always felt that our culture is important to sustaining our institution over the long term.

How important is it for you to continue working with clients in your new role?

All of our leaders spend at least half of their time with clients. Staying close to what impacts our clients and their needs is important to being effective.

Leading at McKinsey is a special endeavor. Unlike managing in a corporation, there's no chain of command per se. We are a self-governing partnership and leaders lead through ideas and inspiration, rather than direction, which is powerful.

They can also lead by enabling people, eliminating friction points, as well as creating better tools or support systems.

Leadership here is almost exclusively in service of enabling our colleagues to achieve better client outcomes. ●