

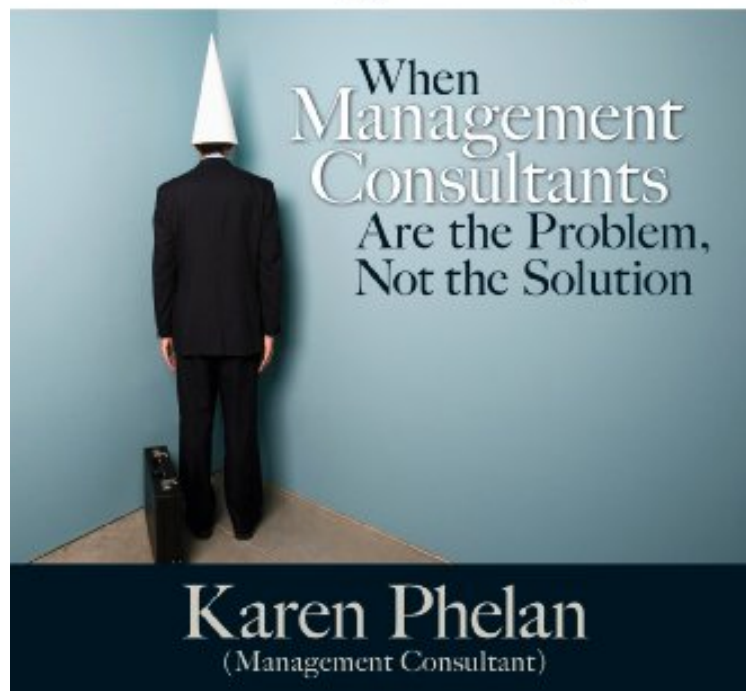
(Download pdf) I'm Sorry I Broke Your Company: When Management Consultants Are the Problem, Not the Solution

I'm Sorry I Broke Your Company: When Management Consultants Are the Problem, Not the Solution

Karen Phelan

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I'm Sorry I Broke Your Company



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Karen Phelan : I'm Sorry I Broke Your Company: When Management Consultants Are the Problem, Not the Solution before purchasing it in order to gage whether or not it would be worth my time, and all praised I'm Sorry I Broke Your Company: When Management Consultants Are the Problem, Not the Solution:

0 of 0 people found the following review helpful. Hey Look, He's Not Wearing Any ClothesBy NBOKaren is the "kid" in the crowd who finally points and shouts that the emperor has no clothes. Rank and file workers have known or

suspected as much for a long time, but the allure of a fad is just too much to resist. That shiny "thing" that well-meaning (or perhaps not) consultants dangle and twiddle in front of your eyes that will transform "your" company or entity into one of the great ones.....It's now OK to say no, good judgment by people who know their business and their workers is the only reliable "secret" to success.5 of 5 people found the following review helpful. "Just Say No" to Consultant Perpetrated NonsenseBy Jeannie CoyleManaging is hard and it's especially hard to manage people. It is seductive for managers to reach out to consultants offering shiny, super-sounding solutions to make their lives easier. But pause before you buy. Karen Phelan does an amazing job of pulling back the covers on many of these solutions and showing the resulting bed bugs that infect organizations. Yikes. Best, she offers some relief for getting rid of them and trying healthier alternatives. The best part for me was when she takes my field, HR and leadership development, to task. We have unwittingly perpetrated many over-wrought, wooly headed performance management, succession planning and leadership development tools that managers are routinely asked to put up, and sadly, often do. Leaders, if something feels wrong and doesn't make good sense to you, reach for Karen's book. You just might get the insight and courage to "just say no" to nonsense.1 of 1 people found the following review helpful. Finally! Karen admits what company workers have been feeling and thinking in the last 30 years, but didn't dare say.By Wilson R. JacksonOver the last 30 or so years, quality and other Human Resource management systems have done a lot of damage in companies. On the surface, their goal appeared noble, but they resulted in changing behaviors that helped make companies successful into individuals gaming the system for their survival and personal benefit. With each new approach, company workers and middle management would attempt to comply, but would note with dismay the personal toll it took on many of their people. Karen's book finally puts it all into perspective and exposes the consultants for what they really were - well meaning people who thought they were helping companies but who were actually helping to destroy them. All this time, companies thought they were improving their management and people, but ended up burning them out with bad systems, one after another. At worst, ranking systems, for example, destroyed the teamwork that made companies successful. Thank you, Karen!

It's the People, Stupid!Karen Phelan is sorry. She really is. She tried to do business by the numbers—the management consultant way—developing measures, optimizing processes, and quantifying performance. The only problem is that businesses are run by people. And people can't be plugged into formulas or summed up in scorecards. Phelan dissects a whole range of consulting treatments for unhealthy companies and shows why they're essentially fad diets: superficial would-be fixes that don't result in lasting improvements and can cause serious damage. With a mix of clear-eyed business analysis, heart-wrenching stories, and hard-won lessons for both consultants and the people who hire them, this book is impossible to put down and impossible to ignore. Karen Phelan and other consultants may have "broken" your company, but she's eager to make amends. Finally, an author challenging our broken management models who has credibility—she has been there. Karen Phelan not only explains why the emperor's sacred ways of managing—has no clothes but provides us with insightful alternatives that promise to add real value to our organizations and the people that make them function.—Dean Schroeder, award-winning coauthor of Ideas Are Free!Funny, irreverent, and outrageous, this book is making a deeply serious point: talking to actual people and figuring out how to help them work together better is what's going to make organizations stronger, not another PowerPoint presentation.—Rosina L. Racioppi, President and CEO, Women Unlimited, Inc.

Named one of The Globe and Mail's top ten business management books of 2013 I learned early in my consulting career as a professor coach that it is all about building relationships. Karen reminds us, It's the people stupid! and then shows us in this wonderful book how the recommendations of the commercial consultants are basically just ways of keeping the consulting industry profitable. The best thing about this book is the concrete examples, not just the critique. It shows us over and over again how problems are not solved by extensive programs and studies, but by getting people together and building relationships. The most important of those, and often missing, is the relationship between the client and the consultant. This book shows over and over again that when the consultant finally talks to the client and establishes a relationship, problems begin to be addressed and solved. In the end this turns out to be a book about how to manage and how to live, not just how to be careful of consultants. —Edgar H. Schein, bestselling author of Humble Inquiry and Helping Former Fortune 100 executive Phelan skewers the mystique of management consultants in this entertaining guide for how not to manage a business. Drawing on her own consulting experiences, she portrays them as providing pre-packaged, unproven theoretical constructs that "substitute for getting people to work together better." Phelan argues convincingly that using statistical models to solve all problems exalts the process of measurement above the goals of improving employee efficiency and performance. Phelan's unpretentious style engages the reader in the unfolding revelation that prevailing business models are wrong. If, as she maintains, the misconceptions propagated by the consulting industry underlie many business problems today, a fresh approach is needed. Readers will be intrigued by her thesis that no principles apply universally, and that companies that hire consultants to think for them are courting doom. Her message that consultants can contribute to "a

two-way relationship" offers a hopeful contrast to her earlier warnings. Although Phelan belabors her main points, her caution against relying on "one size fits all" advice rings true. —Publishers Weekly (ed January 2013) —
"Finally, an author challenging our broken management models who has credibility—she has been there. Karen Phelan not only explains why the emperor—our sacred ways of managing—has no clothes but provides us with insightful alternatives that promise to add real value to our organizations and the people that make them function." —Dean Schroeder, award-winning coauthor of *Ideas Are Free* —
"Funny, irreverent, and outrageous, this book is making a deeply serious point: talking to actual people and figuring out how to help them work together better is what's going to make organizations stronger, not another PowerPoint presentation." —Rosina L. Racioppi, President and CEO, Women Unlimited, Inc. —
I highly recommend the iconoclastic and people oriented book to any organizational leaders, decision makers, managers, and consultants who are seeking an approach to finding workable, realistic, and lasting solutions to the most pressing problems within the firm. The author shares timeless and empowering ideas that will engage and inspire the employees, and avoid the latest fads and acronyms at the same time. —Blog Business World, April 2013

About the Author
Karen Phelan is a cofounder of Operating Principals, a consulting firm that replaces bad business practices with ones that work. A former engineer with degrees from MIT, she spent more than a dozen years as a consultant with Deloitte Touche and Gemini Consulting and afterward worked in management at Fortune 100 companies.

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Introduction
Most people, if not all, have a hidden talent—some goofy or useful ability that they share with few other humans. I once met a woman with an uncanny ability to call coin tosses. I know another woman who can mimic the tones of a telephone and get her voice mail without pressing buttons. My older son can manipulate three-dimensional images of objects in his mind. When we built models together, I noticed that he built his in his head first. My younger son converses in his sleep. I don't mean he utters random words or phrases. You can have an entire conversation with him while he is sleeping. My husband can dead reckon anywhere through the woods. If you ever need to get out of the woods quickly, he can navigate a path without a GPS and get you within one hundred feet of your car. I have a skill, too. I realized exactly what it was only a few years ago.

In 2006 I attended a Sloan School class on systems dynamics. Our first task was to break into teams and play the beer distribution game, a simulation of the supply chain of a beer manufacturer. The game illustrated the bullwhip effect, a phenomenon well-known to people who work in supply chains. The effect shows that small variations at one end of the chain can become amplified along the chain, resulting in large variations at the other end. A few minutes into the game, I realized what was going on and figured out the correct order quantities while the rest of the class struggled. I am familiar with supply-chain problems, so I thought little of it. However, in problem after problem, the answer was just plainly obvious to me. While everyone else was documenting cause-and-effect loops, I thought about the problems and found the answers. My classmates marveled at my ability, and I became something of a phenomenon. Only I felt like a fraud. Yes, I could solve all the systems problems in my head in a few minutes, but I didn't have a remarkable computer-like ability to solve systems problems. My talent is empathy—being able to put myself in someone else's shoes. With each problem, I immersed myself in the situation and pretended I was there, making decisions as the various actors until I found the one that worked. How I really differed from everyone else in the class, including the instructor, was that I knew these problems weren't about supply chains, factory maintenance, improvement initiatives, or construction schedules. They were about people reacting to circumstances. Every business problem is about people reacting to circumstances. Textbooks, consultants, and experts blame the bullwhip effect on forecast errors, unpredictable demand, poor information, poor inventory management, and so on. What they don't mention is that the bullwhip effect is primarily caused by emotions. It is caused by fear when demand falls off slightly, and people become scared and order less and less all along the chain. It is caused by optimism when demand increases slightly, and people hope demand grows and worry that they won't have enough supply so they order too much. It is caused by mistrust as each person adds to or subtracts from his order to cover his ass if the supplier can't ship as planned or the customer changes her mind. The only way to eliminate the bullwhip effect is to eliminate the fear, hope, and mistrust of the people ordering inventory.

I wrote this book because, after a thirty-year-long career, I am tired of pretending. I've had to do a lot of pretending—pretending that the inventory management system I am implementing is the answer when I am really getting each part of the supply chain to trust each other, pretending to reengineer the new product development process when I am really getting the Sales, Marketing, and Research and Development (RD) Departments to work together better, pretending that my amazing ability to solve problems is due to computer-like thinking rather than human-like imagining. Most of all, I am tired of seeing employees treated as assets that need to be monitored, measured, standardized, and optimized. I can't be honest about what I do because no one would buy my services if I said that I help people work together better. Instead, I pretend to sell methodologies, models, metrics, processes, and systems. As a young consultant, I created many models, processes, and programs, all with the purpose of taking the variability out of tasks, the emotions out of decisions, and the judgment out of management. In short, I was trying to eliminate the human element from running a business. I was not alone. Over the last two decades, management methods have proliferated and embedded themselves as corporate best practices with the goals of improving efficiencies, standardizing skills, and optimizing performance. Balanced

scorecards, pay for performance, core competence development, process reengineering, leadership assessments, management models, competitive strategy, and cascading performance measures are some of the models that are now entrenched in business management, even though there is little evidence that they work as advertised. All these models and theories attempt to dehumanize the workplace, and they have succeeded, though not as intended. People are treated like machines that have to be maximized until they break, and all their unique and goofy talents never see the light of day. We have been led to believe by management gurus and management consultancies that businesses are logical and run by the numbers and that their models and theories will provide step-by-step instructions on how to succeed. Companies try to implement these models or make decisions strictly by the numbers and never realize the expected successes because businesses are not actually rational. Human assets are not a part of a business. If you take away the human assets, you don't have a business, just a bunch of offices and equipment that can't do anything. Businesses are people—irrational, emotional, unpredictable, creative, oddly gifted, and sometimes ingenious people who don't operate according to the theories. This book is a reminder that we need to stop trying to dehumanize the workplace and that if you manage the people element, you pretty much have everything covered. This book is intended for consultants, people who hire consultants, non-consultants, and anyone who is tired of pretending that modern management practices work. If you have ever been at work and wondered if everyone else was insane, you are not alone. I wrote this book for you.

Why I blame management consultants

The term "consultant" is used very loosely. Anyone who is a contractor to a business is considered a consultant. Plus, there are all sorts of technology consultants, marketing consultants, and design consultants. When I use the term "management consultant," I am talking about those who work with the top layers of corporate management and advise them on what to do. More specifically, my ire is mostly addressed at the large consultancies that hire MBAs straight out of school and arm them with spreadsheets, pro forma methodologies, incoherent jargon, and a not-small amount of arrogance. I blame these people for conceiving and propagating the many management myths that are the roots of some of the biggest problems in business today—lack of innovation, short-term focus, obsession with financial gains over creating valuable products and services, and stressed-out, overworked, and disengaged employees. Rather than focusing on the obvious question—How can my business make life better?—corporate leaders have spent the last few decades fixating on other, less-meaningful questions like, "How do I gain a competitive advantage?" "How do I maximize my shareholder value?" "How do I increase my bottom line (both personal and corporate)?" "How do I optimize the efficiency of my human assets?" The result is lean and mean companies that operate alike, offer copycat products and services, and are dependent on acquisitions for growth. Many of these problems are rooted in the accepted management wisdom that abounds with little proof of veracity. The beginnings of all this management dogma started with one or more management consultants. The best analogy I can use to explain this cycle is diet and exercise fads. It seems like every year brings a doctor or fitness expert who has found the solution for weight loss. That solution may be a miracle food or a rigorous diet program or a new exercise regimen. However, none of these fads work, and worse, they often result in yo-yo dieting that leads to more weight gain and overall poor health. To be healthy, you need to eat a variety of foods in moderation and get plenty of exercise and enough sleep. The secret to weight loss is the same secret that everyone has known forever. There is no secret. Similarly, every year, management consultants develop some new model or theory that will be the answer to all your business problems. Visit the website of any consultancy and you will see that it sells "business solutions." Management consultants strive to achieve thought leadership by creating new models and theories that hopefully will be adopted widely by businesses and make them famous (and rich). However, all this has just led us to fad after fad after fad. The widespread adoption of each fad brings with it its own set of problems that lays the groundwork for the next fad. Competitive strategy based on external factors led to competence strategy based on internal capabilities, which led to blue ocean strategy based on top-down ideation, which led to adaptive strategy based on bottom-up responses to the marketplace. Each one corrects the deficiencies of the former fad but then creates deficiencies of its own. The result is a vicious cycle similar to dieting, gaining weight, more dieting, and more weight gain. The only way to stop the fads is to stop the management consultants creating and selling them.

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