The way how Mckinsey Works

By Herbert
March. 2007
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1 Do things Correctly VS Do the correct things

Efficiency ≠ Effectiveness

Execution

The best solution

The ratio of the effective 效率

Doing things Correctly

The Best Time & Direction concerned

Optimization

Choose the best solution with right direction to achieve the best effectiveness

Strategy

Do the correct things

The property of being efficient 效能
A senior consultant Green from McK pointed out: We probably do not know the correct way, but never go too far on the wrong way.

For a enterprise, the result of advocating “do things correctly” & “do the correct things” is totally different:

Previous one → Conservative & Passive

Latter one → Innovative & Active

Again, if you do a correct thing, though you may have some errors, it won’t be fatal; reversely, if you do the wrong things always, no matter how perfect you execute, it will be a disaster for a company.
To Find the correct things

Example: In hospital, a patient comes into a Dr’s office and tells the Dr. his symptom: has a fever and headache. The Dr. won’t believe his words easily but to check the medical record and do necessary investigations on him instead. And then give the initial diagnosis.

A more general flow for finding the correct things:

1. Define the Directions
2. From Hypotheses
3. Collect/Dig Data
4. Analyse Data
5. Find Insights
6. Develop Conclusions and Make Recommendations to Implement

Be clear with The directions

Statements that provide direction and structure for the analysis

Factual information gathered to prove or disprove hypotheses

Analyse what the data tells us

So what? —aha, new thought

Make sure you are on the right direction
1. Do things Correctly VS Do the correct things

- Keep the “final goal” in mind from the very beginning
- Consistent Faith!

**High Effectiveness**

Get twice the result with half the effort

**Insistent Direction**

Avoid to fall into Detailed businesslike execution

- If you don’t want to be a driver,
- Please keep your heads up!

In *Prison Break*, what makes Scofield to rescue Lincoln all the way?

Consistent Faith!
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Prioritize tasks

Based on the investigations, people always have following preferences to determine the priorities:

1. Do things they like first, then the things unlike;
2. Do things they are familiar first, then the things unfamiliar;
3. Do things easier first, then the things hard;
4. Do things which cost little time, then the things with more time;
5. Do things with completed data, then the things with little data;
6. Do things scheduled, then the things unscheduled;
7. Do things for others, then the things for yourself;
8. Do things urgently, then the things not urgent;
9. Do the interesting things first, then the borings;
10. Do the easy things, then the difficulties;
11. Do friends’ things first, then others’;
12. Do things happened first, then unhappened;
Do things urgently, then the things not urgent

Directly Result in Lower Effectiveness

People with lower Effectiveness spend 80% time and energy on the urgent things. In their mind:

- Things ‘MUST’ be done today → Most Urgent
- Things ‘SUPPOSE ’ to be done today → Quite Urgent
- Things ‘CAN’ be done today → Not Urgent

The more urgent a task is, the less important it will be. Examples: Long term planning, personal medical check are sometimes delayed by ‘Most urgent’ issues: telephone meetings, reporting forms
How to determine the priorities?

1. Who are you and who will you be?
   - your character, personality/your dream

2. What do you need to do?
   - The contribution to the success/dream/personality

3. What will give you the highest award?
   - The values/career success/education success

4. What make you most satisfied?
   - Your Life/Love/work balance
2. Do the important things rather than urgent things.

Well, Where will you plan to spent your time?


A? Busy and tired
C? Lower effectiveness
D? Fail in the end!!

B → In terms of long term.....

Determines our life quality/education level/performance/good health
Put the important things on the first position

As a French philosopher said: It is most difficult to determine what should be put on the first position?

Make a priorities table at the beginning each day

Make a progress table to record things to do orderly

- Evaluation
  Use purpose/requirement/award/satisfaction to make a evaluation
- Elimination
  Eliminate things no necessary to do.
  Delegate things should be done but probably could be done by you to others
- Estimation
  To achieve the target, record every thing you should do including duration, HR..
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Again, Please keep your heads up!

- When you try the best to figure out a complicated problem, if you gaze at lots of requirements simultaneously, you will lose your destination. When you feel you are surrounded by them, get backwards and THINK about the whole background/plan/goal carefully. Otherwise, it is wasting time.

- Need to ask yourself some fundamental questions frequently: Does the things you are doing make any sense for solving the problem? How does it? Is it the most significant thing you are doing? …

- A famous Chinese proverb: outsiders see more than insiders (旁观者清)

Then Guess what will happen?
Different Level/Point, Different scene!

Luxemburg

London Darling Street
Does what I’m doing now make me to be closer to the goal?

- Here is a question list:

- All these 40 questions, may be in too detail. But if you really have an answer for each one of them, you already make a perfect plan that leads you to fly to the final goal.
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Test Yourself whether you control your TIME

1. Do you often work long time?
2. Do you bring work home usually?
3. Do you feel you spend little time on your work?
4. Do you feel guilty if you don’t finish your work?
5. Do you feel high pressure usually even there is no serious problems?
6. Do you have a lot work which are not important but not figured out yet long time?
7. Are you often disturbed when you are working on the important things?
8. Do you have your dinner in your office?
9. Do you forget some important dates last month?
10. Do you often finish your work in last minute?
11. Do you feel easy to find excuses to delay your job?
12. Do you always feel need to do something to keep you busy?
13. Do you feel guilty after you have a long vacation?
14. Do you read some books which are not related to your job?
15. Are you busy with some trivial things?
16. Are you indulged yourself with previous success or failure rather than looking forward?
Result to show how effectively you control the time

If you cannot manage time, you can manage nothing
STEP 1: One Day one Table

- The advantages of scheduling daily life with a table

### Tables make us clear with the purpose anytime

- Goals are important to the success;
- Goals cannot be settled one time. It should be evaluated/modified along the time passing;
- Tables make the goal to be touchable and actual that avoids wasting time aimlessly;
- E.g.: Try use 10 minutes everyday to write down the current goals. One week later, you will have dozens even hundreds of achievable goals.
- Key words: Enforce

### Tables save time

- Sometimes, we heard: “God, how time flies!”, “It’s not urgent, leave it tomorrow”. “I’m sorry, I’m late”....
- Tables arrange things according to priorities;
- Time is equal to people whether he is success or not.
- Key points: Priorities

### Tables enhance enthusiasm

- Tables make the goals more clear;
- When you finish the work a day, you could check which you’ve done, which you haven’t done and which you could have done better so that your enthusiasm can be enhanced;
- A Table each day will make complicate things simple and keep you in passion;
- Key words: passion
How to make a scheduling table

- Remember to have a summary on your table everyday; The last step to finish the table;

- It is not artwork
  - Be simple;
  - The more complicated table is, the worse effect will be.

- Any styles you want
  - Either on a notebook
  - Either on your PDA…
  - Either a chart, or an Excel…

- The Key is content
  - Through the table, Find the shortest path to the success
  - Through the table, self-examination on your work.
  - The content of the table: perspective of the future as well as the control of present

Precondition: INSISTENT
STEP 2: Effective way from wastebin

- The most important factor of social system is knowledge not data. The only thing a computer can do is to handle data not knowledge.
- An effective way to reduce documents accumulation: Big wastebin;

Handle it immediately; -- Discard it;
Read and store -- When read it first time, you don’t know which is useful which is not;
Store the part you think necessary;
Read and discard -- When read it second time, Store the useful but not urgent;
Archive

Keeping too many records is a nervous behavior psychologically;
Ask yourself: How often do you use the data you archived?
If you don’t have this archive data, what will be the worst situation?
If the answer is: Nothing important happen.
So why do you spend so much time, energy to keep it?
Apparently, archiving data is good habit.
But if you really spend too much time and get a little award, you have better use wastebin!
STEP 3: Disorder is a bad habit

- Uncomfortable
- Disordered
- Lower efficiency
- Bad Mood

- Comfortable
- Ordered & Clean
- Higher efficiency
- Good Mood
How to tidy out your office desk?

- 1) Get rid of all unnecessary stuff; Put all documents need to be handled in the center of the desk and the rest to the locker according to categories; The purpose is to remind you: you have to finish and concentrate on the current task;
- 2) Don’t put down the current job towards others because of disturbing or tiredness except having a breath outside of office. Imagine, if you don’t finish the current task, and you start others, your desktop will be disorder soon. You have to complete tasks one by one;
- 3) When finish a task, do clean and tidy out the desk then move to the next;

Couple of good habits:
- Move the books which are not used currently;
- Check the documents and categorize them according to contents;
- Put the pending stuff into locker;
- Put the readings for spare time into locker, do not put them in front of you when you work;
- Categorize clients/friends’ name cards and keep them in locker;
- Spend couple of minutes to tidy the desk before you leave office everyday;

**Insisting on above procedure → Clean & ordered working environment → Good habit**
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Suggest 1: Don’t try to boil the whole sea

- Remember: The knowledge and ability of one person is limited. Depending on team’s knowledge, experiences and ability is sensible choice.
- In McK, you never work alone yourself. (Actually in every company)
- The difference between responsible and accountable:
- In a project:
  - Each single team member should be responsible for his/her position;
  - PM should be accountable for the whole project.
Suggest 2: Pick the apple which is easily picked first

- Help to build confidence;
- Roam is not built in a day so is the success;
- From simple $\rightarrow$ complicate
- Begin with the most complicated case, failure will be unavoidable;
Suggest 3: Important minorities and trivial majorities – 8/2 rules

- Avoid to spend much time on trivial majority tasks; Because even you spend 80% time on it, you only get 20% effectiveness; Reversely, you only need spend 20% time on these tasks, you will get 80% target.

- Marketing rules demonstrate:
  - 20% people control 80% money;
  - 20% employees control 80% revenue;
  - 20% problems control 80% success;
  
  ....

Real Examples:
Real Examples – 8/2 rules

CASE 1
An insurance company categorized its clients based on their transaction money. The result was very shocking: around 90% revenue came from less than 10% clients. This discovery changed this insurance company’s policy from treating equally without discrimination to providing different level services to different level clients. As a result, the total revenue and profit of the company increased accordingly.

CASE 2
A company ever requested all level managers to point out any factors that obstruct the profit increasing. 37 were summarized finally. Because of too many projects, all 37 factors cannot be figured out same time. Thus, the CEO required all level managers prioritize these 37 factors according to the importance. The result was the TOP 5 factors were the chief criminals.
Real Examples – 8/2 rules

CASE 3
A manager of a department was required to work only 3 or 4 hours a day. He found amazingly: in terms of quality and quantity, there was no difference for what he had done a day in 3 hours or in 9 hours. The only reason he could explain was: Since working time was shortened, he had no choice but to spend his time on the important tasks. This may be the main reason why he can maintain his effectiveness.

CASE 4
The CEO of a clock company found among many clock production categories, 4% revenue are from 30% products. And he decided to stop these 30% clocks immediately. In the following 6 months, the profit of the company raised steadily.

CASE 5
The structure of traditional fridge is: freezer is on the top and cold storage is on the bottom. When you use freezer, you need to keep standing. When you use cold storage, you should go down. Apparently, the percent of using freezer is only 20% while using cold storage is 80% high. That makes many house ladies feel tired. Based on this investigation, a electronic company changed the design of traditional fridge structure and put the cold storage on the top. And now all fridge adopt this design basically.
Final Suggest: Figure out one problem every time

- As human being, we always try to figure out problems together at same time. But the result may not be that good.
- Facing disorder/mass tasks, how will you do?

Wholeheartedness VS half-hearted
一心一意 VS 三心二意
CONCLUSION

Youth

Youth is not a time of life; It is a state of mind; it is not a matter of rosy cheeks, red lips and supple knees; it is a matter of the will, a quality of the imagination, and a vigor of the emotions; it is the freshness of the deep springs of life. Youth means a temperamental predominance of courage over timidity, of the appetite for adventure over the love of ease. This exists in a man of sixty more than a boy of twenty. Nobody grows old merely by a number of years. We grow old by deserting our ideals. Years may wrinkle the skin, but to give up enthusiasm wrinkles the soul. Worry, fear, self-distrust bows the heart and turns the spirit back to dust. Whether sixty or sixteen, there is in every human being's heart the lure of wonder, the unfailing childlike appetite of what's next and the joy of the game of living. In the center of your heart and my heart there is a wireless station, so long as it receives messages of beauty, hope, cheer, courage and power form men and from the infinite, so long are you young. When the aerials are down, and your spirit is covered with snows of cynicism and the ice of pessimism, then you are grown old, even at twenty, but as long as your aerials are up, to catch waves of optimism, there is hope you may die young at eighty.

Be Young
Be Passionate
Be Imaginative
Be Positive
Thanks!

Q & A?