

## 20 Internal strategy units sometimes feel challenged by external consultants

*Most internal units, however, understand they will not be involved in undertaking critical studies and are no threat*

### **Unforeseen challenge**

The internal strategy unit continues planning the rollout of the retail structure to replace the DFIs. This is interesting because there is no evidence LAB can compete economically in the US market.

This is what our study is trying to determine.

What happens if the strategy unit wants us to report to them? They have **tried** to co-opt the study to report into them. As politely as possible, we have to explain this is not possible since we were mandated by the CEO's office.

In fact, we will have Guillermo manage this since he represents the CEO's office and we would prefer not to get involved in turf wars. It is not for us to manage the internal reporting structures.

As it stands, we liaise with Guillermo and report to the CEO's office. In our opinion, the study should **not** report to a unit that has a preconceived notion of what the answer should be.

My phone bill is about to set new records. I believe in calling people when I need things, or to get a sense of how they are doing. As the team prepares to arrive for their on boarding, I will speak to them often.

When I was a partner at the firm, I often had very high phone bills for this very same reason.

In my discussions with the team, it appears the US market entry decision is positioned incorrectly. It is not about helping people, because that is charity. This is about an economic opportunity and that is how it should be presented. We cause more damage when we present it as a social issue.

Most of the weekend will be spent preparing for the onboarding and finalizing the materials and social events for the interns.

As many of you know, I am huge Lionel Messi, and football fan in general. Expect numerous analogies and examples from football as we conduct the study. In fact, I have asked the interns to watch Messi in a game.

Messi is a man of character: no scandals, no partying and no ego. He just plays because he loves to play. I expect consultants to be the same.

### **Scope tightening**

In many ways, we are still adjusting the letter of purpose / proposal. We have already submitted the changes yesterday via email and we expect today's meeting to be a formality.

The proposal essentially focuses all of the first few weeks on making a nuanced but important distinction:

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- (1) The first phase will not only examine the attractiveness of the US market.
- (2) We feel that is the incorrect question to answer. The US market could very well be attractive, but that does not imply it is attractive for the client.
- (3) The first part of the study will, therefore, determine whether retail structures within the US market are viable for the client.
- (4) The second part will need to be determined based on whether or not the retail structures are viable. If it is viable, then we proceed with pilot implementation planning.

Once this is agreed, we have the final approval to commence and then it is just a week to go.

### **Client's interests first**

How do we place the client's interests first? This is the central question I pretty much think about all the time in designing the study.

We need to ensure the study is not only unimpeachable on quality, but actually provides a recommendation that is in the interests of the shareholders.

In many ways, how do we leave a legacy of values, quality and insights?

I routinely contrast this to the internal work being done at the banking client. It is about the way we respond to things.

For example, the internal strategy unit decided **after** our appointment to present a **new** report to make their case. The ISU has started putting together a new report to explain the "solid benefits case" of entering the US market via retail channels.

Is this a good thing? Absolutely!

Most consulting firms worry when another firm or internal unit, challenges them. If you think about this carefully, it is good for the CEO to see two different views. Our job is not to "win", whatever that may be, but to present the best strategy for the client.

What other units or firms do is not important to us. If our work is correct, it will show.

There is no need for any political machinations or movements.

We trust in the power of our work to stand for itself – intellectual humility.

And if the ISU finds flaws in our work, then that is a problem with our work, not with the ISU.

**QUESTION(S) OF THE DAY:** How do you react when you are challenged? If you become defensive, has this worked for you?

We answer this question, additional reader questions and discuss more issues raised in this article on the accompanying episode on the *Strategy Skills* podcast channel on [iTunes](#), [Google Android Podcasts](#), [Libsyn](#),

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