

SPECIAL REPORT BUSINESS OF CONSULTING

A balanced approach

Eden McCallum puts the word 'networking' to a different use



CASE STUDY

Eden McCallum is a network-based consulting firm. Rather than having a large headquarters and all the overheads associated with a conventional consulting firm, it retains a minimal central staff and uses a pool of freelance consultants. Liann Eden was a McKinsey consultant who also held international marketing roles at Unilever and Siemens. Dena McCallum was an international vice president and director of planning and strategy for the publisher Condé Nast – and McKinsey consultant.

The inspiration for the firm began when Ms McCallum was at Condé Nast and Ms Eden was at McKinsey. She realised her budget did not stretch to hiring one of the big-name strategy consulting firms but needed that calibre of support. Ms Eden observed that many strategy consultants, particularly in the

dotcom era, were reassessing what they wanted from work – and flexibility and control were key. The former Insead MBA classmates came up with the idea of creating a pool of independent consultants.

Six years later, turnover of the company is more than £10m and it has delivered more than 300 projects. It has 24 full-time staff and 200 freelance consultants, making it, by consultant numbers, the second biggest strategy consulting firm in London after McKinsey.

As with many other businesses, Eden McCallum's evolution was based on the benign convergence of factors. "In hindsight, a lot of things came together at once," explains Ms McCallum. "First and foremost we wanted to create a business. And we saw a couple of major trends – the maturing of the consulting market, and professional people wanting to take control of their careers."

Eden McCallum's proposition was simple but scary: a consulting firm with no consultants on the payroll and with no proprietary methodologies. Instead, they would employ consultants on a contract basis as demanded by

clients, and would use whatever methodologies were appropriate to solving clients' problems.

Eden McCallum's experiences help to shed light on the age-old question: What is the real *raison d'être* of the firm? In an era of outsourcing and virtual working, what is the minimum the firm has to do to justify its existence?

The answer is three things.

- First, the Eden McCallum brand represents a particular value proposition to its clients and its consultants, and for the founders a key part of their job is to continue to nurture and sustain that value proposition.
- Second, Eden McCallum is a nexus of relationships: it gains value from the social capital that builds up over time in that set of relationships.
- Third, it is a mechanism for structuring the work and managing projects. These are, in essence, the core competences of Eden McCallum, and are the things the company has to sustain as it grows and evolves.

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