

Why Women Mean Business



Understanding the Emergence of
Our Next Economic Revolution

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New models of work

Princeton-educated Troy Smeal has all the credentials of a corporate high-flier. He was a partner at Marakon Associates, an international strategy consulting firm, and then a director of strategy at Diageo, the global drinks group. But he quit the corporate world at the age of 36 to become an independent consultant. The long hours at Marakon and non-stop travel at Diageo left him no room to be the kind of father he wanted to be to his two young children.

“I think very highly of Marakon and the people who work there, but we had a very different approach to things”, he says. “I wanted a work-life balance which meant working fewer hours. While the firm sympathised with it rationally, emotionally they never believed that in the consulting world you could work less because of client demands.”

At Diageo, the job he took on quickly changed and he found himself travelling every week between key markets in Asia and Latin America and sleeping off the jet lag at home at weekends. “I wasn’t able to give to Diageo what I wanted to give to someone because I was miserable and tired.”

The he heard about a new London firm, Eden McCallum, that he thought might be the answer for him. Launched by two former McKinsey consultants, Liann Eden and Dena McCallum, it has a different business model from traditional, pyramid-shaped consultancies. Instead of directly employing large numbers of consultants, it draws on a core group of 150 freelancers, and a wider network of 350 other specialists when needed, matching their expertise to the strategic consulting requirements of its corporate clients.

This way of working might be expected mainly to attract female consultants. In fact, 70% of Eden McCallum’s consultants are men, choosing what projects they take on to suit their interests and lifestyles, while not sacrificing their income. A survey by the firm showed the consultants’ top reason for wanting to be independent was the flexibility it gave them – followed by the earning power.

“It allows me to use my skills and do what I find exciting in consulting – working with chief executives and their teams on very interesting issues,” says Smeal. His established reputation and earning capacity mean he has to work for no more than 100 days a year, including 40-50 nights away from home. “That’s a very small price to pay in comparison to having a full-time job,” he says. “I can take months off at a time.”

Eden McCallum, with its lower cost, flexible business model, was launched in the difficult post-dotcom market of 2000, when many companies were cutting their budgets for consulting. The founders were unsure whether it would prove as attractive to high-flying consultants when the market improved and competition for talent became tougher. In fact, it continued to draw clients and consultants, the latter typically in their late 30s and 40s. In 2007, its turnover hit more than £12.5m.

New models of working such as this pose a challenge to traditional firms, which are struggling with how to meet client demands while responding to employee demands for greater flexibility.

“It’s a model which many other consulting firms are watching with a mixture of interest and concern,” says Fiona Czerniawska, a leading authority on the industry (Interview with author, February 2007). Consulting is a cyclical business, and firms have to be able to grow without becoming too flabby. “The single most important challenge consulting firms face is how best to match supply to demand. The war for talent makes things harder because firms often have to recruit ahead of it to be sure of having the resources to meet client demand.”

To lure back talented consultants like Smeal, large firms need to become more responsive to both sexes’ desire for greater flexibility and choice. Wayne Henderson is in his 40s and a prominent member of the “inner circle” of consultants at Eden McCallum, having left Booz Allen Hamilton to have more time for his family. He is contemplating a possible return to a “more corporate-type career” but is very choosy. “Work-life balance will be a strong determinant of what I do,” he says. “I couldn’t imagine going back into a big corporate consultancy right now. It’s still not appropriate to be spending four nights a week away from home. But I don’t want to be in my 50s and feel I’ve forgone my career” (Interview with author, February 2007).

As for Smeal, he has no immediate plans to return. “I do miss the interaction and part of me says: ‘Wouldn’t it be nice to walk into an office and have a conversation over a cup of coffee?’ But I’m quickly brought down to earth when I realise everything else that goes with it. I wouldn’t consider that when my kids were young. Maybe there will be a happy middle ground somewhere, which is still part of the corporate world, with its perks and responsibilities, but is much more flexible than it is today” (Interview with author, February 2007).