Is Consulting a Curse?

Idea In Short

Demand rigor from critiques, including critiques of your own profession. The FT's curse headline confused correlation with causation, skipping segmentation, growth analysis and interviews. Consulting is booming and genuinely correlated with turbulent forces it did not cause. Fact-check sensationalism with the method it lacked.

A Bold Headline, Thinly Built

The Financial Times published a short, scathing piece on the management consulting industry, wrapping some valid points in a Warren Buffett quote and a visual, and reaching a bold verdict: consulting is a curse.1 Calling a 133-billion-dollar industry a curse after 850 words is odd, sensationalized and logically faulty, and the piece rewards exactly the kind of dissection its subject industry performs for a living. If you are going to argue an industry of that scale is a curse, do a good job.

Credit Where Due

Several observations in the piece hold up entirely. Consulting was booming, with global management consulting revenues topping 133 billion dollars, up 7 percent year over year, Bain and BCG posting double-digit growth and one Big Four firm drawing more than 40 percent of revenues from advisory. Consultants are genuinely needed, since the downsizing that followed the 2008 crisis left capability gaps, glibly labeled management in the cloud, and continuous change in technology, regulation and competition keeps creating demand for thinkers and doers; consulting is not going away. And the dangers of benchmarking are real, because blindly following best practices and the competition produces regression to the mean rather than sustainable advantage. Strategy is about being a better you, and benchmarking makes a good yardstick and a poor compass.

Where the Logic Slides

The odd reasoning begins with the observation that consultants become a habit, which is true and shallow: any professional services firm, lawyer, marketer, tax accountant or consultant, survives only on work quality and referrals, so doing the job well naturally produces repeat business. Not a deep thought. The sharper question the piece gestures at deserves better development: with executive turnover so high that one or two C-suite seats are always turning over, if companies hire all these consultants, what exactly is management doing? That is a genuinely interesting inquiry into governance and accountability, and the article drops it for the headline instead.

The Rigor a Consultant Would Apply

A consultant writing the same critique would, at bare minimum, divide the 133 billion dollars by type of consulting, show the growth over time, identify the root causes of that growth and interview a few consultants and executive clients for their points of view. The industry's evolution from its management-engineering roots in Taylorism to its present scale is a fascinating topic genuinely worth inquiry, served far better by serious book-length treatments of McKinsey's history and the intellectual history of corporate strategy than by a wrapper around a Buffett quote.2 Sensational conclusions from thin evidence are precisely what clients hire consultants to avoid.

Correlation Is Not a Curse

The strangest move is the causal claim buried in the metaphor, because by any Indiana Jones logic a curse causes problems, so calling consulting a curse asserts that consulting caused the troubles it accompanies. That is a big logical no-no.3 Is consulting correlated with shifting industry landscapes, shareholder impatience, the revolving executive door, retail's creative destruction, rising regulation, the increasing similarity of business problems as third-party providers standardize operations and the harmonization of business education? Correlated, yes, on every count. Did consulting cause those forces? No. Consulting grew because turbulence grew, and mistaking the ambulance for the accident is the kind of error an 850-word deadline produces.

The Fair Critique the Industry Deserves

Defending consulting from bad logic does not mean exempting it from good critique, and the honest version writes itself from the comments' raw material. Overuse is real where organizations contract out core responsibilities and thorny decisions that belong to management. Boat-rocking incentives are real, since advisers dependent on renewal face pressure toward palatable findings, and the firms that resist it trade short-term revenue for long-term reputation. Quality variance is real, with good, bad and indifferent practitioners sharing the same business card format. Each critique names a testable failure mode with an accountable remedy: clients keeping strategy ownership in-house, firms protecting candor structurally and buyers referencing quality before signing. That article would have been worth writing, and the industry should welcome it, because professions improve through rigorous critics and stagnate under lazy ones.

The Comments Knew Better

Fittingly, the reader comments carried more nuance than the article. One self-identified consultant joked that consultants come down the hill after the battle to shoot the wounded. Another noted that while Buffett may avoid consultants at the holding company, his investment companies certainly use them, all of them. Others observed that consultants rarely rock the boat that pays them, that governments and businesses overuse consultants by contracting out core responsibilities and that consultants come in all shapes, good, bad and indifferent, with firms standing or falling on the quality of their people and the credibility of their ideas in a market that does not forgive non-delivery. The crowd, collectively, performed the segmentation and balance the headline skipped, which is its own lesson: bold claims attract corrective wisdom, and the professional move is applying that rigor before publishing rather than after.

- 1Financial Times
- 2McKinsey & Company
- 3Correlation does not imply causation

Summary

The curse article made valid points on benchmarking dangers and habitual hiring, then collapsed into correlation-causation confusion. A consultant's treatment would segment the spend, trace the growth drivers and interview both sides. Bold headlines deserve the rigor test, and this one failed it.