PART I

Translating a Vision into Reality

Ideas are not enough. They do not last. Something practical must be done with them.

—Marvin Bower, 2001[1]

CHAPTER 1

Marvin Bower

1903—Harvard University had no business school. The New York Times cost one cent. Women could vote in 2 of the 45 states. The Wright brothers made their first flight. Thomas A. Edison's light bulb was already 24 years old.

2003—9,000 applicants competed for 900 places at the Harvard Business School. The New York Times cost $1. The majority of registered voters were women in 42 of the 50 states. British Air decommissioned the first supersonic commercial airplane, the Concorde, after 24 years of active use. The light bulb, after 124 years, was fundamentally unchanged.

Born in 1903, Marvin Bower lived in one of the few houses in this country that had electric light. When Marvin died in Florida almost 100 years later, he had become to the world of business and management what Thomas Edison was to technology. Both men were elected to the Business Hall of Fame. When notified of the honor being conferred on him, Bower said, "It must be a mistake. I'm not a businessman. I am a professional."[1]

His profession was one that he virtually invented: top management consulting. As the person who transformed McKinsey & Co. from a nearly defunct accounting and engineering firm into a preeminent adviser to senior executives throughout business and, on occasion, government, his term of service was a remarkable 59 years, from 1933 to formal retirement in 1992 at the age of 89.

What distinguished Marvin Bower was his dedication to values and his personal integrity. As John Byrne noted in an article in *Business Week* after Marvin's death in January 2003:

> Bower was McKinsey's high priest, the man who made the partnership the gold standard in its industry. . . . He strongly believed that, like the best doctors and lawyers, consultants should always put the interests of their clients first, conduct themselves ethically at all times, and always tell clients the truth—rather than what they wanted to hear.[2]

Bower's ethical sense and values can be traced directly to his early years. The firstborn child of Carlotta and William Bower, Marvin Bower grew up in a family of modest means in Cleveland, Ohio. While the Bowers were not poor, they valued integrity and respect over money. Two years after Marvin's birth, his brother, Bill, was born.

The Bower family's emphasis on learning was a major element of Marvin's childhood. Required reading included stories and poetry, with William Bower keeping track of the books Marvin and his brother read. Marvin read every Mark Twain story twice; as he completed one, he would initial it.

His father was the ideal role model because his work on complex matters of land title transfers had both intellectual and practical hands-on aspects. It involved both technology and law, and required business acumen and very high ethical standards. William achieved national recognition in his field, just as his son would in later years. William Bower regularly took Marvin and his brother on tours of different kinds of industrial plants in Cleveland so they could experience firsthand what each plant was like. Marvin remembered these plant tours as fun and absolutely special because his father sometimes even took off a day from work to tour a plant with Marvin and Bill.[3] It is a fair guess that Marvin's desire to learn something useful and important from any and every experience was inspired by his father. As they would leave each plant, his father would ask, "What did you learn?"

While ostensibly a conservative midwestern family, the Bowers did not emulate the patriarchal structure typical of the time. More democratic in his approach, William Bower sought the opinion of all family members when it came to important decisions. Marvin clearly remembered being included in the discussion when his family was considering a move to the other side of Cleveland. In fact, the discussion itself overshadowed Marvin's memories of the actual move. As Marvin recalled, "[It was] remarkable [that my father] continued to involve his sons in family decisions. Of course, my input did not necessarily influence the family decision—I can't even remember what I said—but I did speak up on that and other occasions when I was invited to participate."[4] Such events would have been Marvin's first introduction to a non-hierarchical management structure.

Marvin demonstrated his independent way of thinking early on. In high school he met Helen McLaughlin, the woman who would become his wife. He recalled that his father did not approve of his going steady with Helen: "Dad and I had a real struggle until he learned that I would not give in about going steady."[5] His memories of that time also included an influential English teacher, editing a school newspaper, and holding down a wide variety of summer jobs.

Laura Edwards was Marvin Bower's English teacher in high school. Even at the age of 99, Marvin continued to retain strong memories of her and the effect she had on him and Helen:

> Laura Edwards made learning fun. We came to like her, and soon she asked that we all get on a first-name basis. . . . No other teacher did that. In a funny way, simply doing that made us feel closer to Laura. . . . She lectured us all in a pleasant manner about getting good grades so we could get into colleges, as we all intended to do. I think we all took it to heart. She was an outstanding teacher and influenced Helen to go into teaching. Helen and I visited her when we returned to Cleveland after moving away, and wrote to her over many years.[6]

Marvin adopted this practice of dealing with people on a first-name basis and made it an integral part of his relationships with others, colleagues and clients alike. He was known to everybody simply as Marvin, and if someone called him Mr. Bower he would correct him or her.

His ability to communicate clearly and effectively was evident in his high school years, when he launched a school newspaper entitled *Home Brew.*[7] The school administration did not like the title (this was during Prohibition), but the first-rate quality of the reporting convinced them to allow the name chosen by Marvin, providing him with an early lesson in how powerful good communication skills could be.

Each summer Marvin would work at jobs obtained with his father's help. He worked as a surveyor's helper, an ice deliverer, a factory worker, and a Boy Scout camp counselor during World War I when there was a shortage of help. As Marvin recalled, "It was a good experience. I had some real responsibility and I had excellent teachers, so I learned a great deal [despite being only 15 years old]. I collected a tidy sum of money and Father taught me how to save."[8] In years to come, Marvin Bower would prove to be frugal not only with his own money but with the money of clients as well.

An industrious young man, he was also adventurous. One summer, he and a friend, John Hamilton, set out to take a bike trip to Buffalo and back.[9] They thought it would be good training for football. They rapidly found the trip boring—more hills and mosquitoes than expected. After about three days of boredom, they grabbed onto a slow-moving truck. The truck driver did not know they had hitched on and began going faster and faster. Marvin and John let go and smashed into the pavement, fortunately without injuring themselves. A few days later, they reached Erie, Pennsylvania and turned around. The next summer the tenacious Marvin and John again set out for Buffalo, this time using William Bower's outboard motor on a rowboat they had built. A storm set in over Lake Erie, the motor died, and Marvin and John were washed up on an island. They managed to swim to the mainland, call home, and alert the Coast Guard. That ended the boating adventure for the two high school students. The following year, still set on visiting Buffalo, Marvin came up with a more practical approach: He asked his father if they could go to Buffalo for their summer vacation.

After high school, Marvin Bower attended Brown from 1921 through 1925 at his grandfather's suggestion. When Marvin reflected on his time at Brown, he mentioned one of the few regrets in his life: "I isolated myself in my fraternity too much. I didn't take advantage and get to know the full campus of people."[10] At Brown he met Malcolm Smith, who became a close friend for life, and studied philosophy and economics, the latter being a relatively new academic field at the time.

Two of Marvin's college professors made a lasting impression on him: One was an economics professor named Patton who used the outstanding text by Marshall to teach principles of economics so they could be remembered. The other was the psychology professor who was very good in dealing with people, and from whom he learned a lot about listening and people.[11]

Following Brown, on the advice of his father, Marvin went to Harvard Law School, while his friend Malcolm Smith went on to Harvard Business School. Marvin recalled:

> It wasn't hard to get in . . . I had an adequate but undistinguished record scholastically, but one didn't have to have top grades to get into Harvard Law in those days. The big problem at Harvard Law at that time was *staying* in, because they flunked people out.[12]

Marvin was able to self-fund his law school education—he had saved earnings from his many summer jobs, and by 1925 he had made enough successful investments in the stock market to pay for his schooling.[13] Almost everyone made money in the stock market in the 1920s, but it was very unusual for a 22-year-old to have been such a careful investor.

For four summers, starting in 1925, Marvin worked for the Cleveland law firm of Thompson, Hine and Flory (TH&F).[14] During the first summer, his assignment was to collect debts for clients of the firm, principally wholesale hardware companies in Cleveland. First the clients' salesmen tried to get the retailers to pay up, then the wholesalers wrote letters to the retailers; if this proved unsuccessful, they turned the bad debts over to TH&F. When Marvin went to see the retailers—"dunning" them, it was called—he found he had more punch in person than through a letter: His style was so effective that he could persuade many of the retailers to pay up. TH&F continued to use him in that role for the next three summers.

In 1927, in the summer before Marvin's last year at law school, he married his longtime sweetheart, Helen.[15] Over 70 years later, Marvin still remembered the details of that day—what it cost to rent an awning for the church, the problems of renting a formal suit, the dress Helen was wearing, and of course his friends who attended. *The Cleveland News* coverage singled it out as the "Wedding Event of the Week."[16]

Their honeymoon was by car—a "new" (secondhand) car.[17] In typical Marvin fashion, this trip was going to be an adventure, and there was no detailed itinerary. The couple started out late, ending up in Erie the first night. (There were no interstate highways back then, although most of the roads in highly populated areas had some sort of paving.) They had planned to tour Nova Scotia, but instead meandered around, visited many interesting places, and met a variety of people. After two weeks, they arrived in Cambridge, Massachusetts, just in time for Marvin to go back to school.

When he finished law school, Marvin was determined to work for a firm he knew he could be proud of. He targeted Jones, Day, Reavis & Pogue, a highly respected Cleveland law firm. As he told the story, he had not done well enough in law school for Jones, Day to make him an offer, so he decided to go first to the then fledgling Harvard Business School to strengthen his record. His friend Malcolm Smith had found business thoroughly absorbing and was convinced that business was more creative than law.

Once he entered business school in 1928, Marvin confirmed what he had already suspected—that he really enjoyed business. A member of *The Harvard Business Review,* he was particularly interested in marketing, statistics, finance, and public utility management.

While Marvin was in business school, Helen worked as a teacher (ultimately becoming a principal in Medfield, Massachusetts) to cover their living expenses, with schooling paid for by their stock market earnings. In the summer between his two business school years, Marvin worked for the law firm of Davis Polk in New York, staying in Malcolm Smith's apartment in Bronxville while Malcolm was away. Marvin's strategy paid off. After graduating from the business school in 1930, he joined Jones, Day in their corporate law practice.

In 1933, after three years with Jones, Day, Marvin left the firm, plunging headfirst into the business world after he consulted his friend George Dively, a Harvard Business School classmate of Malcolm Smith and a fellow Clevelander, who agreed that such a move was wise. Marvin joined what was then James O. McKinsey's accounting and engineering firm. Six years later he bought it, and oversaw its transformation into the premier firm in a new profession—management consulting.

Marvin Bower's foray into the business world would have far-reaching effects on business management throughout the world. He successfully built an eminent institution—and through it a profession—and simultaneously influenced thousands of leaders. His professional life was marked by his commitment to people, his caring about the success of client institutions and promulgation of important ideas, and his absolute integrity. During his almost 100-year lifetime, business went from a second-class profession (for those who even deigned to consider it as a profession) to the engine driving a global economy. Throughout this transition, Marvin was there, anticipating and envisioning the future and recognizing and serving the needs of senior business executives who were faced with huge challenges in a quickly changing world.

As he moved into consulting, Marvin had the opportunity to work with and advise many of the leaders of companies who would lead the charge into less hierarchical structures: Alfred Sloan, chairman of General Motors; Charles Mortimer, chairman of General Foods; Crawford Greenwalt, chairman of DuPont; Ralph Cordiner, CEO of General Electric; John Loudon, chairman of Royal Dutch Shell; Thomas J. Watson Jr., chairman of IBM; and even President Dwight D. Eisenhower, who, with Marvin's help, dramatically reduced the size of the White House staff and gave his key people an unusual degree of autonomy.[18] At that time, no Republican had been in the White House for 20 years. The Republican National Committee felt that a complete examination of staff functions was necessary, so Eisenhower did something unprecedented: He called in an "outsider" from management consulting to study the problems he and his staff members would encounter as his new administration took over. Eisenhower's decision to bring in Marvin's McKinsey team reflected the esteem in which Marvin was held by business leaders to whom the president turned for advice. By the 1950s, Marvin had firmly established his position as a professional who represented the gold standard in consulting—someone who merited unreserved trust and respect for his dedication to the needs of McKinsey clients. (See Figure 1.1.)

Marvin never believed in making money just for the sake of making money to keep score. His commitment to his clients, his partners, and his values was exceptional. He believed that a great service institution was built not only on skills and experience, but most importantly on the behavior and conduct of its people. He was well ahead of his and our time. In 1935, as a two-year associate, he wrote a note to James O. McKinsey stating that he did not believe consulting and accounting could be performed by the same firm without posing a conflict of interest.[19] In the late 1950s and 1960s, Marvin sacrificed a significant increase in personal wealth by

Survey Helped Eisenhower to Fill U. S. Jobs

Study of Policy Positions Ordered Months Ago to Speed Appointments Now

A scientific survey of qualifications required for policy-making jobs in the Federal government is guiding top-rank members of the Eisenhower administration in filling these jobs, a management consultant revealed yesterday.

Marvin Bower, a managing partner of the firm of McKinsey & Co., management consultants, said his firm was retained before Gen. Eisenhower's nomination for President last July to undertake the survey. The firm was given the assignment by a "group of forward-thinking Republicans under the leadership of Harold E. Talbot, Gen. Lucius D. Clay and Herbert Brownell jr. . . . to aid the Republican administration in selecting competent individuals for key positions—to get the right persons for the important jobs," Mr. Bower said.

Data Wanted Earlier

He explained that the objective was to make information about the positions available early to facilitate the filling of these posts in the short period between election and inauguration.

Gov. Sherman Adams, of New Hampshire, who will be Assistant to President Eisenhower after Jan. 20, confirmed last night that the Eisenhower organization has accepted the services of "selected research groups and management consultants who are preparing studies on the executive branch of the Federal government."

Gov. Adams said the studies are "directing careful attention to the current organization" of the executive department, its personnel and existing relationships between departments.

Immediate Gains Sought

Indicating that the studies are designed to make immediate improvements in the President's administrative set-up, as distinguished from the long-range reorganization study to be conducted by Temple University in conjunction with a special commission headed by Nelson A. Rockefeller, Mr. Adams said the studies are adapting recommendations of the Hoover report to present needs.

The studies also are "preparing further suggestions for realigning and reorganizing the agencies in the Executive department for more efficient and productive results," he said.

Gov. Adams and Arthur H. Vandenberg jr., the President-elect's secretary, will visit the White House at 2 p. m. today for consultation with John R. Steelman, assistant to President Truman, and Matthew J. Connelly, the President's secretary.

FIGURE 1.1 SURVEY HELPED EISENHOWER TO FILL U.S. JOBS
(*The New York Times*, January 1, 1953 © The New York Times Company)

selling his shares to his partners at book value when other service firms were going public and their partners taking a lucrative payday. He did not believe that a service firm could consistently place its clients' interests first if it were a public firm also answering to shareholders. Marvin decided that in order for the firm to grow and survive, ownership should be broad. Because of his adherence to high standards, he was a model for four generations of leaders. In addition to his one-on-one working relationship with senior managers, he used his superb communication skills to reach out to managers throughout the world.

In 1966, Marvin wrote his first book, *The Will to Manage,* in which he discussed the practical application of his many revolutionary ideas for helping management exercise meaningful leadership in a changing world. In 1975, a letter from the book's publisher, McGraw-Hill, informed him that *The Will to Manage* was one of the best selling business books the firm had ever published.[20] In 2002, the book was cited as one of the 100 most important business books ever written in the reference book *Business: The Ultimate Resource.*[21]

Marvin's unwavering commitment to enhancing the welfare of business and the world in general included his involvement in a variety of business and community services. In 1955, he agreed to be president of the Joint Council on Economic Education. Marvin believed that the U.S. school system, including colleges, was woefully inadequate when it came to teaching economics, and that every citizen needed to have some understanding of economics. The council, founded six years earlier, provided state-of-the-art economic education through state councils and university-based centers. Marvin's impact in this role was not soon forgotten: Lou Gerstner, who assumed the council's presidency three terms later, was continually asked, "How's Marvin doing?"[22]

Marvin was also an active adviser to the Harvard Business School and was president and board chairman of the Harvard Business School alumni association. His Harvard-related services included close associations with five of the school's deans, spanning a 50-year period. Marvin provided advice to Dean Donald K. David on setting up a joint program with the law school. For Dean Stanley F. Teele, who had been an HBS classmate, Marvin was an informal adviser. For Dean George Baker, Marvin studied the school's organization. For Dean Lawrence Fouraker, Marvin served on the advisory board. For Dean John McArthur, Marvin was a key adviser and counselor. In addition, Marvin was quite active on the board of Case Western Reserve, and was one of the leaders in merging Case and Western Reserve into a single institution.

Marvin also felt he had an obligation to help improve education in the United States at the local level. While a member of the Bronxville school board, he decided that it was important for an outsider to challenge some long-established school practices.[23] Marvin and Helen established an organization in Bronxville with the mission of educating young people on the dangers of drugs—a pioneering version of the now widespread Drug Abuse Resistance Education (DARE) program. Marvin also encouraged others to give back to their larger and smaller communities. He was active in and supportive of the Volunteer Consulting Group, an organization of consultants providing pro bono help to nonprofit organizations. Finally, in his seventies, Marvin became an elder at the Bronxville Reformed Church.[24]

Marvin and Helen had three sons: Peter, born while they were still in Boston; Richard, born in Marvin's first year with McKinsey & Co.; and James, born three years later. While his sons were growing up, much of Marvin Bower's time was consumed by McKinsey & Co. Perhaps that contributed to his particular intensity when he did focus on his family. For example, when it came time to plan the family summer vacation, Marvin would ask one of his sons what he wanted to do. When Jim answered, "a trip to the Grand Canyon," that is what they did, donkey riding through the canyon.[25] When Dick hot-wired the family Cadillac, Marvin recognized the yen for adventure, perhaps recalling his own youthful mishaps in his quest to reach Buffalo, and grounded his son for two weeks. And Marvin was nothing if not loyal: After Peter joined Campbell's Soup in 1956, Marvin never touched a competitor's soup.

Marvin had six grandchildren and nine great-grandchildren. His grandchildren remember a wonderful grandfather who carried a dollhouse home on the train for Christmas, enjoyed watching *The Munsters* with them, and was an inspiration for their work and their lives, always sending them articles he thought might interest them.

Helen died in 1985 at the age of 81. As Marvin wrote to his family following her death:

> She respected everyone. . . . Perhaps you can gain some meaning by understanding better the qualities that Helen had—from which you benefit by genes and blood or just from example. The large number of letters I received (perhaps 250) were a great tribute to her, and many were quite specific in describing her qualities from which you have benefited and still can benefit. . . . Let me share [one in particular] with you. Years ago when I was chairman of the Joint Council on Economic Education, the president [of the council] and I went to Washington with our wives. He writes:
>
> "My most memorable recollection of Helen stamped her as a rare person and one I was privileged to know. You will recall one of our Annual Meetings in Washington when the students marched on the White House. Helen and Lois left the hotel and marched along with the students. Helen's response to 'why' was 'my son was in the parade.' Courage and forcefulness went along with her protectiveness for her family. She portrayed for me the model of American womanhood."[26]

Marvin continued: "Clearly you are all loved and have inherited from her, in one way or another, outstanding qualities and have high standards to live up to. It's hard to imagine a better role model. We share a sorrow we will never get completely over. But Helen would want us all to adjust to it in the spirit she would bring to that task."

In 1989, Marvin married Cleo Stewart, a neighbor in Bronxville and a longtime family friend. Together they moved to Delray Beach, Florida. In 2001, Cleo died on Marvin's 98th birthday, but not before she had set him up with round-the-clock care and a project—writing his memoirs.

As Marvin's 99th birthday was approaching, his son Dick called me to say that he felt it was important that Marvin have a quiet birthday dinner with a few family members. Two days later, Marvin's secretary called to invite 21 people to the 99th birthday party Marvin was throwing for himself. It was quite a party. Attendees included Fran Allen, the widow of Jim Allen (from Booz•Allen & Hamilton); Juliette Dively, George Dively's widow; Jack Bennington, the inventor of the Bennington electrical joint, and Marvin's Sunday breakfast partner; Mac Stewart; Suzanne and Bill Bower, Marvin's great niece and nephew; friends from McKinsey; and

Marvin's son Dick and his wife Neely. At the age of 99, Marvin continued to be in charge of his life: He was going to celebrate what turned out to be his last birthday in the manner he wanted.

Looking back on Marvin's long life, a quote from Thomas A. Edison seems appropriate:

> "I am long on ideas but short on time. I expect to live only about a hundred years."