THE TEAM FOCUS FRAMEWORK
FOR TEAM PROBLEM SOLVING
Introduction to TEAM FOCUS

What is it?
- A guide for any team problem-solving project
- Based upon the author’s experiences at McKinsey and research into best practices at other top consulting firms and business schools
- Note that all of the content you find herein is alive and well at McKinsey, based on my experience and hundreds of interviews, the actual framework presented (TEAM FOCUS) is my new, unique, and hopefully value-adding contribution

What is included?
  - 9 Primary Areas (TEAM FOCUS) - for team problem-solving
  - 27 Rules of Engagement - for guiding the teams to success
  - 40 Operating Tactics – for executing best practices

How should I use it?
- As a checklist of the most important elements of successful team problem solving – includes templates and examples
- As a deeper dive for tutorial lessons – utilizing the web based apps shown on slide 3
- As a source of specific applications, including consulting firm projects, business school field studies/consulting projects, business school case competitions, and executive task forces in corporations – any team problem solving opportunity!

Source: The McKinsey Engagement by Paul N. Friga
# TEAM FOCUS: Links to Web Based Apps

<table>
<thead>
<tr>
<th>Module</th>
<th>Area</th>
<th>Discussion Link*</th>
<th>Quiz (5 interactive questions per module)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Overview</td>
<td><a href="http://vimeo.com/36087078">http://vimeo.com/36087078</a></td>
<td><a href="https://kenan-flagler.qualtrics.com/SE/?SID=SV_cZaJdDHXRd1Oe8C">https://kenan-flagler.qualtrics.com/SE/?SID=SV_cZaJdDHXRd1Oe8C</a></td>
</tr>
<tr>
<td>2</td>
<td>Talk</td>
<td><a href="http://vimeo.com/36083776">http://vimeo.com/36083776</a></td>
<td><a href="https://kenan-flagler.qualtrics.com/SE/?SID=SV_9n1PH9s8GGJX1be">https://kenan-flagler.qualtrics.com/SE/?SID=SV_9n1PH9s8GGJX1be</a></td>
</tr>
</tbody>
</table>

* Approximately 20 minutes per module

**NOTE:** The web based apps are designed around the case study “UNC Printing Services”

Source: The McKinsey Engagement by Paul N. Friga
The TEAM FOCUS “Rules of Engagement”

**TEAM**

<table>
<thead>
<tr>
<th><strong>Talk</strong></th>
<th><strong>Evaluate</strong></th>
<th><strong>Assist</strong></th>
<th><strong>Motivate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Communicate constantly</td>
<td>• Discuss group dynamics</td>
<td>• Leverage expertise</td>
<td>• Identify unique motivators</td>
</tr>
<tr>
<td>• Listen attentively</td>
<td>• Set expectations and monitor results</td>
<td>• Keep teammates accountable</td>
<td>• Positively reinforce teammates</td>
</tr>
<tr>
<td>• Separate issues from people</td>
<td>• Develop and reevaluate a personal plan</td>
<td>• Provide timely feedback</td>
<td>• Celebrate achievements</td>
</tr>
</tbody>
</table>

**FOCUS**

<table>
<thead>
<tr>
<th><strong>Frame</strong></th>
<th><strong>Organize</strong></th>
<th><strong>Collect</strong></th>
<th><strong>Understand</strong></th>
<th><strong>Synthesize</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identify the key question</td>
<td>• Develop a high-level process map</td>
<td>• Design “ghost charts” to exhibit necessary data</td>
<td>• Identify the “so what(s)”</td>
<td>• Obtain input and ensure buy-in from client</td>
</tr>
<tr>
<td>• Develop the issue tree</td>
<td>• Create a content map to test hypotheses</td>
<td>• Conduct meaningful interviews</td>
<td>• Think through the implications for all constituents</td>
<td>• Offer specific recommendations for improvement</td>
</tr>
<tr>
<td>• Formulate hypotheses</td>
<td>• Design the story line</td>
<td>• Gather relevant secondary data</td>
<td>• Document the key insight on all charts</td>
<td>• Tell a good story</td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
The FOCUS Analytical Process Map

Frame

Organize

Collect

Understand

Synthesize

Key Question

Info Type 1

• Info

Hypothesis 1

• Finding

Insight 1

Info Type 2

• Info

Hypothesis 2

• Finding

Insight 2

Info Type 3

• Info

Hypothesis 3

• Finding

Insight 3

Info Type 4

• Info

Conclusion

Analysis

Data

• Finding

Recommend

Iterate

Source: The McKinsey Engagement by Paul N. Friga
TALK: Key Questions

- Who is on the team?
- When should we meet?
- How should we communicate?
TALK: Rules

- Communicate constantly
- Listen attentively
- Separate issues from people

Source: The McKinsey Engagement by Paul N. Friga
TALK: Tactics

- **Tactic 1:** Document and share all contact information for the entire internal and external team, identify the key communication point players (who will contact whom), and the overall scope of the project.

- **Tactic 2:** Agree upon a meeting schedule that matches the nature of the project, but try to meet in person as a full team at least weekly (include the client in some meetings) or daily for one- to two-week projects.

- **Tactic 3:** All meetings should have a clear agenda (or issues to discuss), produce specific deliverables, and result in new action plans.

- **Tactic 4:** Use email frequently to keep the team updated on progress and use a brief and consistent format—remember that over-communication is better than under-communication.

- **Tactic 5:** When evaluating pros/cons of issues and ideas, remember to separate the issue/idea from the person (once presented, everyone evaluates the merit without any personal attachment).

Source: The McKinsey Engagement by Paul N. Friga
# TALK: Team Charter

**TEAM NAME:**
(Be Creative)

**CLIENT NAME:**
(If Applicable)

**PROJECT DESCRIPTION:**
(One Sentence)

**POTENTIAL ISSUES:**
(By End of Project)

**SUCCESS GOALS:**
(By End of Project)

**GUIDING PRINCIPLES:**
(No More Than 3)

## CONTACT INFORMATION (Include Client Team Members)

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Email</th>
<th>Phone (W)</th>
<th>Phone (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Member 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Member 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Member 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Member 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Member 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
TALK: Letter of Agreement

TEAM X - Letter of Agreement

SALUTATION

INTRODUCTION
- Opportunities for Improvement
- Fit with Capabilities of Consulting Firm
- Contents of Letter

BACKGROUND
- Understanding of the Situation
- Potential Arenas to Explore
- Qualifications of Consultant

APPRAISAL
- Scope (In and Out of Scope)
- Work Streams
- Sources of Data
- Timeline
- Special Deliverables

ADMINISTRATION
- Cost and Payment Schedule
- Confidentiality
- Cancellation

NEXT STEPS

SIGNATURES:

Consultant
Name_________ Date______ Position______

Client
Name_________ Date______ Position______

Source: The McKinsey Engagement by Paul N. Friga
1. **Release your agenda** – suspend your communication goals and don’t interrupt

2. **Attend to the speaker** – orient your body to the speaker, maintain eye contact, watch for non-verbals, reflect the speakers physical attitude

3. **Amplify the speaker’s ideas** – encourage (verbal and nonverbal), clarify, build

4. **Reflect the speaker’s ideas** – summarize, paraphrase, contrast and note feelings

Source: The McKinsey Engagement by Paul N. Friga
EVALUATE: Key Questions

- What are the individual working styles of team members?
- How shall we get along?
- Who is responsible for what?
- How is everyone doing?

Source: The McKinsey Engagement by Paul N. Friga
EVALUATE: Rules

- Openly discuss group dynamics
- Set expectations and monitor results
- Develop and reevaluate a personal plan

Source: The McKinsey Engagement by Paul N. Friga
EVALUATE: Tactics

- **Tactic 6:** Identify the personality types of the team members (including the client) – consider using Myers Briggs.
- **Tactic 7:** Hold a brief, relaxed session at the outset of the project to discuss personalities and working preferences. Keep the dialogue open over the course of the project.
- **Tactic 8:** Be aware of your default tendencies, but incorporate flexibility to deal with different personality types as needed.
- **Tactic 9:** Each team member should identify and document his one or two primary objectives in the project.
- **Tactic 10:** The team should openly discuss and reconcile individuals’ personal objectives.
- **Tactic 11:** Establish procedures for handling disagreements and giving/receiving feedback.
- **Tactic 12:** Hold regular feedback sessions to allow time for improvement.

Source: The McKinsey Engagement by Paul N. Friga
**EVALUATE: Individual Development Plan**

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td></td>
</tr>
<tr>
<td>Incoming Strengths &amp; Weaknesses</td>
<td></td>
</tr>
<tr>
<td>Special Development Objectives</td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td></td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
# EVALUATE: Myers-Briggs Profile Scales

<table>
<thead>
<tr>
<th>Extraversion</th>
<th>Introversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Direction of Focus)</td>
<td>(Direction of Focus)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sensing</th>
<th>Intuitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Ways of gathering information)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thinking</th>
<th>Feeling</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Ways of coming to conclusions, decision making)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Judgement</th>
<th>Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Attitude toward the outer world)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Fleisher & Bensoussan, 2002

Source: The McKinsey Engagement by Paul N. Friga
### EVALUATE: Myers-Briggs Profile Scales

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXTRAVERSION</strong></td>
<td>Is comfortable with people and things; expresses emotions easily, and is friendly, talkative, and easy to know.</td>
</tr>
<tr>
<td><strong>INTROVERSION</strong></td>
<td>Is comfortable with ideas and thoughts; does not express emotions easily and is reserved, quiet, and hard to know.</td>
</tr>
<tr>
<td><strong>SENSING</strong></td>
<td>Uses the five senses to become aware of things, likes precise and routine work, is not comfortable with solving new problems, and takes pleasure in the current moment.</td>
</tr>
<tr>
<td><strong>INTUITIVE</strong></td>
<td>Uses unconscious ideas or associations to become aware of things and likes solving problems, planning for the future, and forging ahead in new areas.</td>
</tr>
<tr>
<td><strong>THINKING</strong></td>
<td>Uses logic, makes decisions based on facts, likes to analyze and organize, doesn’t like to confront or express emotions, and is skeptical when approaching problems.</td>
</tr>
<tr>
<td><strong>FEELING</strong></td>
<td>Likes relationships to work well, enjoys people, is sensitive to others, makes decisions based on values and impact upon people, and is trusting when approaching problems.</td>
</tr>
<tr>
<td><strong>JUDGING</strong></td>
<td>Is orderly and organized, likes to finish tasks, likes to make quick decisions, and likes to make plans.</td>
</tr>
<tr>
<td><strong>PERCEIVING</strong></td>
<td>Is curious, adapts well to change, likes to start many projects but may have trouble finishing them, and may have difficulty making decisions.</td>
</tr>
</tbody>
</table>

Source: Fleisher & Bensoussan, 2002
## EVALUATE: Your Team Members

<table>
<thead>
<tr>
<th>Participant</th>
<th>E/I</th>
<th>S/N</th>
<th>T/F</th>
<th>J/P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Guess</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your Guess</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your Guess</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your Guess</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
ASSIST: Key Questions

- What are the key tasks that need to be performed?
- Who is responsible for the completion of specific tasks?
- What can others do to help in terms of team task completion?
ASSIST: Rules

- Leverage expertise
- Keep teammates accountable
- Provide timely feedback

Source: The McKinsey Engagement by Paul N. Friga
Tactic 13: First spend at least 1 hour in a general brainstorming session to openly discuss the problem and key issues to explore (see the “Organize” section later in this model).

Tactic 14: Be sure to balance out the load equitably based upon the estimated number of hours to complete the tasks - revisit the assignments after work has begun to ensure continued equitable work distribution.

Tactic 15: Identify and leverage the specific skill set of each team member (and the firm/client, if applicable).

Tactic 16: Include at least one or two key status report meetings with the team (and the client) to review findings, data sources, and work streams.

Tactic 17: On a daily basis, provide an update of individual and team progress to assess opportunities to adjust workload and assignments.

Source: The McKinsey Engagement by Paul N. Friga
MOTIVATE: Key Questions

- What are the unique motivators for each team member?
- How will we reward ourselves once the assigned tasks have been effectively completed?

Source: The McKinsey Engagement by Paul N. Friga
MOTIVATE: Rules

- Identify unique motivators
- Positively reinforce teammates
- Celebrate achievements

Source: The McKinsey Engagement by Paul N. Friga
MOTIVATE: Tactics

- Tactic 18: Identify and discuss one primary and one secondary motivator for each person (the source of energy for each team member).
- Tactic 19: Give praise for and celebrate each major team milestone; share compliments with team members on a daily basis.
- Tactic 20: Have a social gathering after the project is complete.

Source: The McKinsey Engagement by Paul N. Friga
MOTIVATE: Motivation Chart

Motivators

Source

• ___e.g. Financial
• ___e.g. Recognition
• ___e.g. Development
• ___e.g. Contribution

Person

• ______________________
• ______________________
• ______________________

Source: The McKinsey Engagement by Paul N. Friga
FRAME: Key Questions

- What are the key questions that we are trying to answer?
- What are the parameters of our analysis?
- What is our hypothesis?
FRAME: Rules

- Identify the key question
- Develop the issue tree (MECE)
- Formulate hypotheses
Tactic 21: Identify the key question to drive the project, which should be based upon specific discussions with the client.

Tactic 22: Document this question, the scope, and the high-level plan of attack in an engagement letter.

Tactic 23: Specifically identify the temporal (years under study), geographical, and functional areas for the project.

Tactic 24: Avoid common “Scope Creep,” when additional work is added that is beyond the original parameters or is only tangentially relevant. Refer back to the base problem, parameters, and engagement letter to mitigate “Scope Creep.”

Tactic 25: Develop a general hypothesis that is a potential answer to the problem at hand.

Tactic 26: Develop supporting hypotheses that must be true to support the general hypothesis (for testing).

Tactic 27: Revisit and revise the hypotheses during the project as data are gathered (prove or disprove them).
1. Identify key question
2. Develop information tree
3. Formulate hypotheses

Source: The McKinsey Engagement by Paul N. Friga
ORGANIZE: Key Questions

- What needs to be true for the hypotheses to be correct/incorrect?
- What should we not analyze for now?
ORGANIZE: Rules

- Develop a high-level process map
- Create a content map to test hypotheses
- Design the story line

Source: The McKinsey Engagement by Paul N. Friga
Tactic 28: Maintain objectivity as the hypotheses are tested during the project.

Tactic 29: Use frameworks as a starting point to identify issues for analysis.

Tactic 30: Explicitly list the types of analysis and related data that the team will and will not pursue (at least for that stage in the project life-cycle).

Tactic 31: Revisit this list if the hypotheses are modified.

Source: The McKinsey Engagement by Paul N. Friga
## ORGANIZE: Process Map

<table>
<thead>
<tr>
<th>Phase</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
</table>
| **Primary Objective** | • Frame, Organize, and Collect  
• Develop a Situational Understanding | • Understand  
• Create a Preliminary Storyline | • Synthesize  
• Finalize Report |
| **Deliverables** | • Work Plan  
• Preliminary Fact Pack  
• Interview Summaries  
• Incorporation example overview (Avon) | • Ghost Deck  
• Interview Summaries  
• Revised Fact Pack | • Executive Summary  
• Final Report  
• Appendix |
| **Completion Date** |   |   |   |

Source: The McKinsey Engagement by Paul N. Friga
### Governing thought

<table>
<thead>
<tr>
<th>Key line</th>
<th>Support</th>
<th>Analysis</th>
<th>Data source</th>
<th>Resp.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ORGANIZE: Hypothesis Structure

[ENTER HYPOTHESIS]

[ENTER KEY SUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[ENTER KEY SUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

[SECOND-ORDERSUPPORTING STATEMENT]

Source: The McKinsey Engagement by Paul N. Friga
We should exit the low-end PC business

This market will continue to shrink
It is not profitable
Our other business do not require us to serve the low-end market

Experts predict so
Core customers are decreasing
Mid-tier will expand

Key line | Support | Analysis | Data source | Resp. Date
--- | --- | --- | --- | ---
This market will continue to shrink | Experts predict so | Core customers are decreasing | mid-tier will expand | 

Source: The McKinsey Engagement by Paul N. Friga
ORGANIZE: Storyline (Sample)

Executive Overview

Main Recommendations / Governing Thoughts

Topics to Cover (Key Supporting Points)

Main Point 1

Main Point 2

Supporting Slide(s)

Supporting Slide(s)

Main Point 3

Supporting Slide(s)

Main Point 4

Supporting Slide(s)

Conclusion

Source: The McKinsey Engagement by Paul N. Friga
COLLECT: Key Questions

- What data do we need (based upon the questions to answer)?
- What primary and secondary sources should we utilize?
COLLECT: Rules

- Design “ghost charts” to exhibit necessary data
- Conduct meaningful interviews
- Gather relevant secondary data

Source: The McKinsey Engagement by Paul N. Friga
Collect: Tactics

- Tactic 32: Design ghost charts to exhibit the necessary data relevant to the overall story.
- Tactic 33: Always cite the source of data on each chart created.
- Tactic 34: Use primary research and especially interview the client personnel – document interview guides ahead of time and share the insights with the team in written form within 24 hours.

Source: The McKinsey Engagement by Paul N. Friga
COLLECT: Interview Guide Tool

- Interviewee:
- Date:
- Interviewer:
- Topic:

Background of Interviewee

Introduction

Key questions to ask

1. How does the annexation process in IN work?

2. The Avon incorporation example

3. Lessons learned and tips for White River Township

Source: The McKinsey Engagement by Paul N. Friga
COLLECT: Interview Summary Tool

Key insights:
1. Avon is a relevant example
2. There are several challenges that can be overcome
3. Annexation is a slow and complex process

1. Avon is relevant
   - It’s recent – 1995
   - Rationale / motivation for incorporation was better services and more control
     - Farmers were selling their land to the highest bidder, and the highest bidder was often an irresponsible developer – the development often wasn’t what the town had planned or would like to see. If the town had incorporated earlier, they could have prevented much of the bad development with zoning guidelines.
     - They had crime spilling over from Plainfield.
     - Wanted to annex 1100 acres in Hendricks County
   - Citizen and govt. effort led to actual incorporation of a new town
     - They didn’t annex enough land, though, and they are still dealing with bad development on the outskirts of town. When Avon tries to annex more land, they are annexing poorly developed land, not free land that can be used for business development.

2. There are several challenges that can be overcome
   - Lots of analysis necessary
     - He likened annexation to a business transaction. The problem seems to be that an offer is made, but not accepted by some because it is not explained. The offer needs to be clear, translated into dollars and cents. People respond emotionally to tax issues. Municipalities need to approach them with a benefit-cost analysis.
   - Significant communication effort
     - Those annexations that involved good communication went well and those that involved poor or non-existent communication had problems. People should have more power.
     - Notification and communication with citizens and townships are important.
   - Funding for mailings and other process requirements

3. Annexation is a slow and complex process
   - It took a long time
     - The fight lasted more than a year, during which Westfield launched an aggressive campaign to win over landowners.
   - Legal requirements
     - De-annexation is an option if cities fail to provide services - within a three-year time frame.
   - It would be even longer and more complex for the size of the WRT annexation. Approximately 10 – 30 times as large

Source: The McKinsey Engagement by Paul N. Friga
COLLECT: “Ghost Decks”

Ghost deck

Market will continue to shrink
Sales

Experts say

Core customers

Hypothesis tree

Work plan

Source: The McKinsey Engagement by Paul N. Friga
COLLECT: Data Sources

Have You Tried These Sources?

Free Sources
- Yahoo
- Google
- Company Websites

Electronic Databases
- Lexis-Nexis
- Hoovers
- Check all Libraries Databases (free to students)
- Factiva
- Standard & Poors
- Frost & Sullivan
- Thomson One Banker
- S&P NetAdvantage

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Key Questions

- What are the “so whats” of our analysis?

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Rules

- Identify the “so what(s)”
- Think through the implications to all constituents
- Document the key insight on all charts
Tactic 35: Ask “so what” to sort through the analysis to find out what is ultimately important.

Tactic 36: Estimate the impact of the recommendations on the client’s operations.

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Examples

**Trends**
- Vertical Bar Chart
- Line

**Compositions**
- Pie Chart
- Waterfall Chart

**Relationships/Comparison**
- Comparison Bar Chart
- Scatter Plot
- Horizontal Bar Chart

Document structuring
- Text
  - askfdkdkfdklfj lasdkfj asdlkflfj aslkdfj asldh gf
  - askfdkdkfj lasdkfj asdlkflfj aslkdfj asldh gf
  - askfdkdkfj lasdkfj asdlkflfj asl

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Sample 1
Units

-21
-20
-18
-4
-1

Sample 2
Units

4
7
10
15
17
23

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

<table>
<thead>
<tr>
<th>Chart name</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>51</td>
</tr>
<tr>
<td>ABC</td>
<td>61</td>
</tr>
<tr>
<td>ABC</td>
<td>72</td>
</tr>
<tr>
<td>ABC</td>
<td>66</td>
</tr>
<tr>
<td>ABC</td>
<td>65</td>
</tr>
<tr>
<td>ABC</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Chart name
Units

100% = 84,586

ABC 65.0
DEF 20.1
GHI 9.2
JKL 5.7

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

<table>
<thead>
<tr>
<th>Chart name</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>5.1</td>
</tr>
<tr>
<td>Addition</td>
<td>15.9</td>
</tr>
<tr>
<td>New base</td>
<td>21.0</td>
</tr>
<tr>
<td>Less A</td>
<td>8.8</td>
</tr>
<tr>
<td>Less B</td>
<td>0.4</td>
</tr>
<tr>
<td>Remainder</td>
<td>11.8</td>
</tr>
</tbody>
</table>

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Chart name
Units

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Chart name
Units

ABC  ABC  ABC  ABC  ABC  ABC
3.3   7.2   12.4  18.8  28.9  37.4

2000 – 2005 annual CAGR = XX%

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Source: The McKinsey Engagement by Paul N. Friga
UNDERSTAND: Chart Example

Source: The McKinsey Engagement by Paul N. Friga
THE MARKET IS GROWING RAPIDLY

Total Market Revenue
US$ billions

Source: XYZ research report; estimate for 2004 from ABC report

Less is more ... only show essential information

Source: The McKinsey Engagement by Paul N. Friga
Marimekko Chart

Nike dominates its top four competitors with a mix of U.S. and international sales

Footwear sales in $ million

- Nike
- Reebok
- Adidas
- Fila Converse
Bar-mekko Chart

While more women’s footwear is sold, the average sales price is higher for men’s footwear.

Average Price per Pair

Sales (in $ billion) | $6.7 | $6.1 | $1.5 | $0.2
Pairs Sold (in millions) | 162.6 | 119.0 | 48.7 | 10.5

Total= 340.8 Million Pairs Sold

Average price $42.50
Cascade (or Waterfall) Chart Tool

Cascade (or Waterfall)

Basketball, cross-training, and running are the three largest categories of athletic footwear.
Cluster Bar Chart

Nike sales were predominately from the U.S., while Adidas sales were predominately international.
Stacked Bar Chart

Fila sales decreased significantly, while converse sales increased by almost 50%
Fila sales decreased significantly, while converse sales increased by almost 50%
Nike dominates U.S. branded athletic footwear market

- Nike: 47%
- Reebok: 15%
- Adidas: 6%
- Fila: 6%
- Converse: 4%
- New Balance: 3%
- Airwalk: 2%
- Footjoy: 2%
- Keds: 2%
- Others: 11%

1997
Nike, Adidas and Fila sales grew faster than the industry average over the past 5 years, while Reebok, Converse and smaller companies fell behind.
100% Area Chart Tool

100% Area Chart

Nike, Adidas and Fila share grew over the past 5 years, while Reebok, Converse and smaller competitors fell behind.
Stacked Bar Line Chart Tool

Stacked Bar Line Chart

Nike’s sales have increased significantly with a greater reliance on non-U.S. markets. Net income growth has not kept pace with sales growth.

Sales & Net Income in $ Million

Net Income ($ million) 287 329 365 299 400 553 796 400 451 579 590

Net Income Growth has not kept pace with sales growth.
Cluster Bar Line Chart Tool

Cluster Bar Line Chart

Price per pair has increased across all four market segments from 1993 to 1997.

Retail Sales

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Men's</td>
<td>$12.1B</td>
<td>$12.4B</td>
<td>$13.3B</td>
<td>$14.1B</td>
<td>$15.3B</td>
</tr>
<tr>
<td>Women's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infants'</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Price per Pair

- 1993: $47.7
- 1994: $46.8
- 1995: $47.5
- 1996: $50.5
- 1997: $51.5
Horizontal Stacked Bar Chart

Nike sales were predominately from the U.S., while Adidas sales were predominately international. Licensing is a small, but significant, revenue source for all companies, except Nike.

Footwear Sales in $ Million

- **Nike**: $6,300
- **Reebok**: $2,300
- **Adidas**: $1,900
- **Fila**: $1,025
- **Converse**: $590

Legend:
- **U.S.**
- **Int'l**
- **Licensed**
Nike overtook Reebok in sales in 1989 and has grown rapidly.

Footwear Sales in $ Million

- Nike
- Reebok
Retail sales dipped between 1997 and 1999 as price per pair increased.
Nike’s sales have increased significantly with a greater reliance on non-U.S. markets. Revenue growth has not kept pace with sales growth.
Retail sales dipped between 1997 and 1999 as price per pair increased.
Pie Chart Tool

**Pie Chart**

*Nike dominates U.S. branded athletic footwear market.*

Nike 3,797
Reebok 1,229
Adidas 490
Fila 488
Converse 285
New Balance 265
Airwalk 180
Keds 180
ASICS 130
Footjoy 122
Others 908

*TEAMSFOCUS*
Nike experienced strong growth in the U.S. and overseas, while Fila experienced international growth and lower U.S. sales.
Adidas and New Balance experienced a relatively high return on sales when compared to their market share.
X-Y Linear Scatter Chart Tool

Of the top 20 companies, five experienced declines in both U.S. and international sales.

![X-Y Linear Scatter Chart]
Gantt Chart Tool

Gantt Chart

Product release project plan.

Tasks
- QA Product
- First Iteration
- Create Build
- Test Build
- Fix Defects
- Second Iteration
- Create Build
- Test Build
- Fix Defects
- Website
- Design
- Deploy
- Ship Date

January
SYNTHESIZE: Key Questions

- What is the story (situation, complication, and resolution), and what is the best way to tell it?

Source: The McKinsey Engagement by Paul N. Friga
SYNTHESIZE: Rules

- Obtain input and ensure buy-in from client
- Offer specific recommendations for improvement
- Tell a good story

Source: The McKinsey Engagement by Paul N. Friga
SYNTHESIZE: Tactics

- Tactic 37: Tell a story — using a very brief situation and complication, followed by the resolution which is the most important aspect of the project.
- Tactic 38: Share the story with the client and the team ahead of time to obtain input and ensure buy-in.
- Tactic 39: Keep the story simple and focus on the original problem and specific recommendations for improvement — include estimated impact on the organization.
- Tactic 40: Have fun!

Source: The McKinsey Engagement by Paul N. Friga
SYNTHESIZE: Executive Summary Slide

Governing Thought
(answer to the key question and summarizes the statements)

Statement #1

Statement #2

Statement #3

Supporting Evidence

Supporting Evidence

Supporting Evidence

Recommendations
Benefits
Reasons
Phases

Findings
Facts
Charts
Diagrams

Source: The McKinsey Engagement by Paul N. Friga
The problem-solving and presentation processes each have their own unique steps.

The problem-solving process:
- Preliminary Hypothesis
- Data
- Conclusions
- Recommendations

The presentation process:
- Recommendations
- Conclusions
- Data