



Fresh perspective: Boston Consulting Group's Hans-Paul Bürkner is looking east for future growth
Daniel Lynch

'We want to change the world'

The Monday Interview HANS-PAUL BÜRKNER

BCG's chief executive may have a low-key leadership style but his plans for the consulting business are ambitious, writes **Brooke Masters**

Hans-Paul Bürkner has 10 blue suits. The chief executive of Boston Consulting Group also shies away from striped shirts and unusual ties.

"Then I don't have to make choices," he says, over coffee in BCG's London office. "If you have certain rituals about what to wear and what to put in your bag, it makes life easier. My choice of ties is not necessarily the best, but most of the people I work with wouldn't notice."

Mr Bürkner's unflashy clothing reflects not only the brutally practical attitude of a man who is constantly on the road, but also a deliberately low-key leadership style.

Unlike many of the chief executives who hire BCG to advise them on everything from restructuring to entering new markets, the 55-year-old does not try to light up the room or dominate every conversation. He personally serves his guests coffee and makes a point of calling every one of BCG's 550 partners on their birthdays.

"He is really a totally unpretentious leader, somebody who is leading from the middle," says Antonella Mei-Pochtler, a member of BCG's executive committee and head of the Austrian office.

Mr Bürkner has adopted a similarly outward-looking approach to running and enlarging BCG's sprawling global business, which encompasses 7,000 people, of whom 3,900 are consultants, in 38 companies worldwide.

Although officially based in New York and Frankfurt, he lives out of a briefcase. He takes four flights a week on average and tries to visit every office and meet every partner at least once a year. He has an assistant in Frankfurt and his 17-year-old son lives there, but he shares his workspace with another partner. In New York, the company recently cannibalised his office to make room for more consultants. "I sit in a small conference room or the office of somebody else," he says.

In some ways, Mr Bürkner simply embodies the BCG approach to

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consulting. Founded by Bruce Henderson in 1963 as the consulting arm of a Boston bank, it opened its first international office just three years later in Tokyo. With 66 offices, it has acquired a reputation for demanding more travel from its staff than most professional services firms.

"We think of ourselves as an international company even though the origin is in the US," Mr Bürkner says. "In the past I would have described us as multi-local, but today we are increasingly global . . . eventually you don't know what kind of company it is

and the headquarters becomes less and less relevant."

Born in Germany, he earned a masters at Yale University before winning a Rhodes scholarship to Oxford. He began his career in corporate finance at Commerzbank and joined BCG, then predominantly a US consulting firm, in 1981. He opened BCG's Frankfurt office in 1991 and led the company's financial institutions practice, specialising in bank turnarounds. In 2003 he was elected as the group's first non-US president and chief executive.

Roughly 38 per cent of BCG's revenues come from the US, 44 per cent from Europe and the Middle East and 15 per cent from Asia and the Pacific. Many of the new opportunities are in emerging economies, but BCG continues to grow in its home base as well. Last year it opened offices in Abu Dhabi, Dubai, Kiev, Minneapolis and Philadelphia.

While BCG remains much smaller than the industry leader McKinsey, its growth has outpaced the industry average for a decade and Mr Bürkner's ambitions remain large. "We want to change the world," he says simply. "It sounds a bit exaggerated but in a way we can really do this. We want to shape in some way the society we live in."

For Mr Bürkner, one of the best ways of achieving this is by getting people in far-flung regions and countries to work together and build consensus. Under his leadership the firm has urged managers to look beyond the local office when putting together project teams. "By really working together, you are getting to know each other, by sharing values and sharing principles," he says.

Reserved by nature, Mr Bürkner can be hard to read. That often buys him the time to modify or change his position after hearing from others. "He is extremely careful to make sure everyone can voice his or her opinion, which is very important in a partnership," Ms Mei-Pochtler says.

At times that has meant abandoning dearly held proposals, including a recent attempt to establish a retirement age for BCG

partners. Although Mr Bürkner believed the group needed a formal policy, he ran into strong opposition, particularly from some of the older partners, and ended up dropping the proposal.

The same principles apply to the work BCG does for its clients, he says. "We really engage with their people and help mobilise them to get things done, leaving behind a stronger organisation," he says. "If they don't feel it in their minds and hearts, we have failed."

The credit crunch and financial slowdown have hit consulting as many of its big clients, particularly in financial services, have run into financial trouble. Revenues, which grew between 25 and 30 per cent last year are expected to rise only about 10 per cent this year.

But so far the impact has not been as dire as after the dotcom crash, when many companies dramatically scaled back their use of consultants. BCG has been able to prosper by helping clients clean toxic assets off balance sheets and improve the way they manage risk.

A specialist in financial services, Mr Bürkner says he sees parallels between the credit crunch, the dotcom crisis and earlier emerging market debt troubles. Each time, he says, financial institutions violated their own risk management principles. "It's really about not only understanding your limits but adhering to them. How much did you pour into Russia or Latin America? How much did you bet on the dotcom bubble? How much did you put into real estate?" he asks. "If you see more opportunities in the market than your systems can take, you should say 'No'."

For future growth, Mr Bürkner is looking east. He studied Chinese at Ruhr University and did his doctoral work at Oxford on savings behaviour in Thailand and the Philippines.

If he were just starting out, he says, he would go to Asia: "See the world from a perspective you would not have from Europe and North America. It's good to have the perspective of a challenger."

Family friends: benefits and challenges of an open-door policy

Since taking over Boston Consulting Group, Hans-Paul Bürkner has made a concerted effort to broaden the kinds of people who work at the firm.

Two of the 13 members of the BCG executive committee, including the chief financial officer, are women, as are 30 per cent of the professional staff. The proportion is much higher at junior level and in countries where BCG is newer on the ground, such as China, where more than half of its consultants are women.

"This is for purely economic

reasons," he insists. "It is important to make use of the best talent, and a number of clients expect women to be on the team because their customers are women."

BCG regularly appears on lists of companies that are deemed family-friendly. It offers generous parental leave and the option to work part-time.

Still, social customs are a barrier, particularly in countries where working mothers are rare, such as South Korea, or where childcare is expensive.

"For a woman it is acceptable not

to work, so when the going is tough, it is easy to stop," Mr Bürkner says. "This open door is a danger."

BCG is also trying to attract people with different work and educational experience – doctors, lawyers, sociologists and psychologists as well as MBAs.

Sometimes the broad range of experience and backgrounds leads to conflicts in BCG's consulting teams, Mr Bürkner says. But the group is finding ways to defuse tensions.

"When you have clients with global ambitions, you have to make it work."