

Kuhlman, David C. – Leading Firms

SelectBooks, 2013, [Business] Grade ★★★★★

Management of professional services firms is clearly very different to that of traditional product manufacturing or services firms – seldom has the metaphor about herding casts been more apt. To cater to the specific nature of these firms David Kuhlman, with 25 years of experience as a management consultant, has written a book on how to manage accounting firms, consulting firms, law firms etc.

Although each CEO letter states that the most valuable asset of the firm are the employees, in professional services firms there are often literally are no other assets. In professional service firms most of the employees are equally capable, skilled and knowledgeable as the executive management – or clearly more so if you ask themselves. In a manufacturing company the assets don't have a will of their own to decide if they want to implement what the management decides and they certainly don't have the option to just walk out the door and join the worst competitor if the decision hurts their ego. In professional services firms nothing can be done against the will of the most prominent employees.

In the book's first part the author describes what professional services firms do. That is, not how the audit is prepared or the consultancy project is executed but what the processes of the firms look like and which strategies they peruse. Initially Kuhlman doesn't argue for or against any specific practice and isn't very engaging. The second part continues where the other started and takes a more prescriptive stance on what firms should do in terms of their processes. The topics include management of the revenue cycle, how to deploy employee resources, brand development, career models etc. In the final part Kuhlman moves into the more unspoken cultural aspects that drive professional services firms and set the outstanding ones apart from the others.

In the third part of the book the author displays his triumph card. Only a person with multiyear

experience of the business could have written the latter part. Kuhlman has thought long and hard about the finer nuances of running a consultancy firm and put into words to what many experience subconsciously. In this way this book is definitely more penetrating than *The McKinsey Way* and other similar books. To my disappointment the focus in the book is very much on management consulting firms and those interested in professional services firms with other types of business models like for example asset managers, investment banking, securities brokerage will find relatively little to benefit from.

For an outsider to the management consulting industry it is quite fascinating to read the sections on employee management. In this industry people are truly commodities. The flows of an 'up-or-out' system is discussed; employees whose productivity development has stagnated stand in the way of up-and-risers who need the customer exposure and the former subsequently need to be 'counseled out'. They become leaders in other veins of society and future customers to the firm.

Since English is not my first language I rarely want to comment how others express themselves in writing. However, the language in this book hampers the reader's understanding. It is abstract and cumbersome in an academic kind of way despite that most of the subjects discussed are practical in nature - parts of the book become a bit boring to read. The introduction to the text is highly promising and the book is full of wise thoughts. Unfortunately, very similar thoughts pop up time and again on various places and in the end this makes the structure of the book a bit unclear – what is the storyline? Some editing in the spirit of Barbara Minto could have benefited the text.

There is a lot of wisdom in this book. Too bad it isn't as inviting to read as it could be. The subject is no doubt interesting.

Mats Larsson, December 6, 2015