

Book Summary

In *When McKinsey Comes to Town* (2022), Walt Bogdanich and Michael Forsythe unveils the hidden influence of McKinsey across industries and governments. Through accessible case studies for the general public, the authors investigated McKinsey's omnipresence in sectors like oil, pharmaceuticals, and government. Yet, throughout all sectors, McKinsey's expert management consulting advice leads to three main strategies to satisfy corporate interests: product strategy, cost-cutting, or layoffs. Disturbingly, McKinsey's advice often prioritizes these three strategies regardless of the consequences, such as compromising worker safety in U.S. Steel and Disneyland incidents, endangering lives through extreme cost measures in immigrant facilitates, or ignoring their firm's values of ethics and global positive change in their work with oil majors and the governments of China and Saudi Arabia. This pattern, as revealed by the authors, underscores a stark contrast between McKinsey's public image and their work, which have tangible adverse effects on the public.

Rhetorical Situation

By: Maxx, Gaurav, Cathy, Dominic

Proposition:

- Walt Bogdanich and Michael Forsythe unveils the hidden influence of McKinsey across industries and governments through accessible case studies for the general public.

Audience:

- The intended audience is the general public—anyone who may be affected by McKinsey's consulting practices or is interested in the consulting world.
- Perhaps a more American focus rather than international audiences.
- Yes, we feel that we are part of the text's intended readership because we are American students not only exposed to McKinsey's practices but go to a university that places a heavy emphasis on consulting.

Genre:

- Investigative Journalism / Expose Writing.
- It is not an academic text nor a monograph.
- It is published by 2 ex-NYT investigative journalists.

Exigence:

- The exigence of the text is the increasing influence of consulting companies such as McKinsey and the various instances occurring as described in the book. The authors are worried about their expanding influence that allows them to influence many parts of our lives behind the scenes.
- The writers want to expose the consulting industry, specifically McKinsey, and their expansive influence that oftentimes lead to negative outcomes for the people and environment.

Motive of Reader:

- General public readers would want to read this out of curiosity, perhaps to gain a better understanding about how McKinsey influences their lives, and we (American students in a university that heavily emphasizes consulting) to know what consulting firms do in general.
- As McKinsey gets more well-known and richer, people would perhaps want to understand the causes for this and why they are so successful.
- They would most likely read the book with an open mind, as most people probably don't know that much about McKinsey's operations to begin with and are more curious or interested in what they do.

Author's Goal:

- Target a larger, more general audience who know of McKinsey but may not be too familiar with its practices and clients
- Discussion about how McKinsey's practices shape critical economic and policy outcomes worldwide
- Raising important questions about the firm's transparency and accountability
- Prompt a deeper discussion of the power McKinsey has in global affairs and the need for greater scrutiny in the consulting industry
- The authors definitely do achieve their goals as they effectively drive home their statements about McKinsey

Plan:

- The text is organized as case studies of McKinsey in multiple industries.
- Each chapter (a case study) highlights an influence that McKinsey had on that specific industry, and the negative outcomes associated with their consulting work. These chapters as a whole demonstrate the hidden influence of McKinsey across industries and governments, which oftentimes leads to slightly negative to disastrous results.

Other Rhetorical Strategies:

- Using quotes and other people's words to make points.
- Using specific evidence from McKinsey employees or from company employees that highlights McKinsey's involvement in these situations and tying that directly to the negative outcome that occurred.
- The writer uses many depictions of suffering, especially in chapters like the one on ICE, China, and opioids. The writer also contrasts these depictions of suffering with depictions of the wealth of affluence of McKinsey's executives, such as the Ferraris described in the South African chapter.

Book Outline of Research Text

Introduction

Given that McKinsey is an influential consulting firm who aims to advise companies to increase profitability.

Thus McKinsey's advice instead did have detrimental effects on their client's company.

What McKinsey often recommends drastic cost-cutting measures which can compromise employee safety and lead to accidents.

What McKinsey's advice can cause companies to value short-term financial gains at the expense of overall long-term gains.

Chapter 1

Given that McKinsey is an influential consulting firm who emphasize their moral and ethical values to attract business.

Given that examples of McKinsey's values include observing high ethical standards, safety, and environmental protection.

Thus McKinsey prioritizes client interests and profits over everything else (such as their moral and social values).

What McKinsey is willing to work with controversial industries or governments despite ethical dilemmas or questionable social impact.

What McKinsey's culture nudges their consultants to accept almost all consulting cases despite moral choices or face pressure to leave the firm.

Chapter 2

Given that outsourcing and restructuring jobs depresses wages and lower job security.

Thus McKinsey's consulting practices have played a key role in exacerbating wealth inequality.

What McKinsey nudges corporate executives to inflate their salaries.

What McKinsey nudges companies to cut costs by outsourcing and restructuring instead of improving revenue.

Chapter 3

Given that McKinsey can work with both private companies and public governments.

Thus McKinsey's involvement in the healthcare industry poses a clear conflict of interest.

What its advantageous connections with the government helps it secure contracts that other firms can't.

For example, when Illinois was trying to evaluate and overhaul Medicaid, McKinsey was able to obtain non-bidding contracts at a higher cost due to policies being bent in their favor.

What its connections with the government helps its clients bypass regulations.

For example, McKinsey was able to get the FDA's approval of Biogen's Aduhelm drug, despite clear evidence that it wasn't effective.

Chapter 4

Given that McKinsey's consulting with ICE presents clear violations of its Values.

Thus McKinsey faces backlash and criticisms from the public for their work on ICE

What the firm's business practices conflict with ethical standards.

For example, McKinsey consultants spoke out against its work with ICE, only to be replied with "We don't do policy, we do execution."

What McKinsey violates human rights to save on costs.

For example, McKinsey advised ICE to cut spending on food for detainees, a recommendation the ICE workers were even against.

Chapter 6

Given that McKinsey has a long history of being extremely secretive about the recommendations it provides its clients.

Given that tobacco companies attempt to hide the fact that cigarettes and tobacco is dangerous for public health and safety in order to earn more revenue.

Thus McKinsey's secrecy has allowed it to help tobacco companies create toxic products without penalty while making a fortune doing so.

How McKinsey maintained a dual consultancy role, advising both cigarette companies and the FDA to influence the tobacco industry regulations subtly to help the interests of their tobacco clients.

For example, McKinsey's consultancy with Big Tobacco was deeply buried in industry documents, demonstrating its desire to remain secretive in their involvement with tobacco company as they consulted for the FDA.

What McKinsey and its clients agreed to keep marketing strategies confidential, preventing damage to McKinsey's reputation as an enabler of harmful products.

For example, among the list of McKinsey recommendations for Big Tobacco, many of the reports were marked “highly confidential” that included recommendations for how the research department should structure its experimental pilot plant.

Chapter 7

Given McKinsey's extensive expertise in the pharmaceutical sector.

Thus McKinsey's engagement in the pharma industry has exacerbated the opioid epidemic.

What McKinsey advised pharmaceutical firms to focus their marketing efforts on individuals more susceptible to opioid addiction.

For example, McKinsey recommended that Johnson & Johnson concentrate their marketing efforts on patients at greater risk of abuse.

What McKinsey employed false marketing strategies to boost sales of opioids.

For example, McKinsey instructed Purdue Pharma to market their opioid specifically as Oxycontin because it was viewed as positive.

Chapter 8

Given McKinsey claims to have a public commitment to sustainability and climate action.

Thus McKinsey's consulting practices for major polluting companies is in contrast to their values of environmental protection.

What McKinsey's continued profitable engagements with the fossil fuel industry and major polluters.

For example, McKinsey has counted at least seventeen mining and fossil fuel companies among its biggest clients, generating hundreds of millions of dollars in fees.

For example, McKinsey has advised at least 43 of the hundred companies responsible for the most carbon emissions since 1965, indicating a significant portion of its business is with industries contributing to global warming.

What McKinsey's influence on clients' decisions that do not prioritize sustainability efforts.

For example, McKinsey is involved in projects like "Coal Processing Optimization" and advises on the expansion of coal production.

For example, McKinsey still advises major steel and oil companies and defend their work with them.

For example, the firm has not committed to disclosing the total carbon emissions of its clients or refusing projects that would increase carbon emissions.

Chapter 9

Given the proliferation of securitization in financial markets exacerbated the financial crisis of 2008,

Thus McKinsey played a pivotal role in forming financial practices that precipitated the global financial crisis.

What McKinsey is known to encourage risk-taking and discourage regulatory oversight in the financial sector.

For example, McKinsey's advice on restructuring to institutions like Continental Illinois promoted decentralization, leading to more hazardous lending behaviors and significant failures within the banking industry.

What McKinsey's contribution to advising banks led to widespread economic instability and ultimately the 2008 financial crisis.

For example, the Securitization Project by Lowell Bryan at McKinsey, which sought to revolutionize banking through securitization, was heavily marketed as a positive financial innovation.

For example, through its publications and advisory services worldwide, McKinsey actively endorsed securitization, persuading banks and financial entities to embrace these methods broadly, neglecting the potential dangers involved.

What McKinsey advised banks to adopt their positive strategies but avoided discussing its potential downsides.

For example, McKinsey persisted in its support for securitization despite mounting evidence of its role in inflating the housing bubble and the ensuing crisis.

For example, in the aftermath of the financial debacle, McKinsey and its advisors primarily shifted blame, pointing to regulatory oversights as the root cause of the catastrophe.

Chapter 10

Given insurance companies make less money if they pay increased compensation.

Thus McKinsey advised Allstate to reduce payout compensation to policyholders.

What McKinsey encourages Allstate to quickly adopt strategies to minimize payouts.

For example, McKinsey's suggested Allstate expedite and economically resolve 90% of claims.

What McKinsey advised Allstate to vigorously contest the remaining 10% of claims to decrease disbursements.

For example, McKinsey proposed that Allstate apply a "boxing gloves" approach to policyholders or claimants resisting initial low offers, leading to extended and expensive legal confrontations for the claimants.

What McKinsey strategies primarily benefited top executives at Allstate and neglected policyholders.

What McKinsey advises Allstate to use the judicial system to avoid responsibility.

Chapter 5

Given McKinsey provided consulting to Chinese state-owned enterprises.

Given McKinsey's goal of increasing international influence led it to work with China

Given The consultancy's work facilitated projects with strategic purposes, notably in the South China Sea.

Given China is an authoritarian, communist government, which opposes the democratic ideals of the United States.

Given McKinsey is an American company.

Thus McKinsey's consulting for China has allowed the Communist Party to amass more control and influence.

What McKinsey's advice directly supported China's geopolitical strategies.

For Example Advising on the transformation of the Fiery Cross Reef into a militarized island.

For Example Strategic planning for China Communications Construction Company, enabling the execution of projects with military implications.

For Example Championing China's Made In China 2025 plan, which aimed to increase Chinese production to compete globally.

For Example McKinsey simultaneously consults for the Pentagon and Chinese companies involved in strategy.

How McKinsey's consultations enhanced the expansion and efficiency of Chinese state-owned enterprises.

For Example Restructuring advice that improved the global competitiveness of state-owned enterprises.

For Example They consulted for 26 companies within China's *zhongyang qiye*, a group of powerful state-owned enterprises.

What McKinsey's work consolidated the power of the CCP, letting China get away with human rights violations to maintain control.

For Example McKinsey advocated smart cities projects in China that expanded CCP's surveillance capabilities.

For Example McKinsey did not make any statements during protests for freedom in Hong Kong, despite their large business dealings there.

For Example McKinsey consulted for the CCP even when Xi Jing Ping came into power and proceeded to crack down on Uyghur Muslims to reassert party dominance.

Chapter 12

Given McKinsey has experience in working with securing government contracts.

Given State capture occurs when private companies influence a state's decision-making processes for their own benefit.

Given McKinsey's practices in South Africa were questioned for ethical standards, corruption, and legal compliance.

Given Corrupt practices result from unethical decisions being made that can avoid or bypass legal compliance such as money-related scandals.

Thus McKinsey's work with South Africa led to profits from corrupt government contracts.

What McKinsey's consultancy facilitated projects entwined with corrupt activities or firms.

For Example Advisory roles that led to controversial contracts with Eskom, contributing to financial mismanagement.

For Example McKinsey worked with Trillian, even when their leaders were implicated in corrupt government scandals.

For Example South African Airways hired McKinsey after they bribed the airline's treasurer to get the work.

For Example Thuli Madonsela revealed that there were unethical government contracts.

How McKinsey's contract works with South Africa lacked proper due diligence.

For Example Inadequate vetting of partners like Trillian.

For Example Failure to foresee the ethical implications of engaging in high-stakes contracts without competitive bidding.

For Example McKinsey engaged in high-stakes contracts without competitive bidding, leading to possible ethical dilemmas.

Chapter 13

Given McKinsey advises on significant national projects that go against Western democratic interests.

Given Saudi Arabia has a poor track record of geopolitical actions from a Western point of view.

Given There are international concerns over Saudi Arabia's human rights practices from a Western point of view.

Given McKinsey consultations with Saudi Arabia because of the nation's lucrative oil wealth boom and their desire to modernize their economy entangled them with their political dynamics and controversies

Thus McKinsey consultations with Saudi Arabia revealed the ethical dilemmas of consulting work in authoritarian regimes.

What McKinsey's strategic advisory services supported initiatives central to Saudi Arabia's authoritarian regime, which goes against their values.

For Example McKinsey's production of a report identifying key influencers in the Saudi public sphere who were skeptical of the government's Vision 2030 reforms became a tool for the government to monitor and suppress dissent.

For Example McKinsey's involvement in projects that directly supported the Vision 2030 initiative indirectly granted legitimacy to a regime frequently criticized for human rights abuses. For Example Advising on NEOM, a project with implications for consolidating the regime's vision.

For Example Sentiment analysis projects that could be used for suppressing dissent.

What McKinsey's work on public sentiment analysis helped support the suppression of free speech, which goes against their values.

For Example McKinsey's report led to arrests, mysterious disappearances, and executions.

How McKinsey's consultancy aided in the regime's international and domestic image management.

For Example Involvement in projects like the Vision 2030 aimed at modernizing Saudi Arabia's image while repression continued.

For Example Assisting in the Saudi government's international outreach, potentially influencing U.S. perceptions.

On-Demand Writing 1

This is a great starting point, Joshua, Elyssia, and Lu! Just spoke with the CEO and here are some of our suggestions for improving the graphic for next week's board meeting.

Group the data points by context – split the graphic so one section focuses on the use of AI to analyze consumer response to ads and the other section to focus on generating AI ad content. Provide recommendations to the board with a clear title per section. Based on our initial review, it seems your R&D demonstrates that producing AI ad content is unfavorable to consumers, while analyzing consumer response to ads is becoming adopted by roughly half of our competitors, demonstrating strong potential for cost-savings through this approach.

Try simplifying the graphic – I would begin by removing the last information node and the 5th information node. While there are a lot of valid data points, we believe the visual is too cluttered. Provide sources to the data provided, and identify whether each data supports either AI ad content or AI powered analytics.

To reiterate, this graphic will be sent to the board of directors in strategizing the company's future direction in utilizing AI in our products and services. We understand that AI comes with many pros and cons, and therefore your R&D, and simplifying that down for the board of directors to make recommendations, would be crucial to the future success of Advertise.ly. If you have any questions, email me at EMAIL@EMAIL.com.

Writing Reflection

I wrote this piece in 11th grade AP Lang. The class had to write an opinion/creative essay on their own perspective of what love is. So here is my perspective of love. I always like to begin with an outline of what I want to write, but inevitably, my writing becomes significantly different as I think about new ideas. So, I'm probably a combination of both strategies. I have written papers citing academic sources and newspaper articles. As a researcher, I find and organize my sources using Zotero and Obsidian. I think it's hard to connect different ideas from different papers together, but I try to remedy that with Obsidian. I think a strength of my Love essay is the demonstration of my capability for a unique writing style. A weakness of my submitted work is that I could have fleshed out the writing more, with opposing ideas and more examples, but I would argue that I was under a deadline! I'm sure there are more weaknesses I could fix, like it being too rambling. I like academic writing if I don't have many limitations and I am interested in the topic. This submitted piece was exactly that - the assignment was more on the creative side and I thought it was an interesting topic to write about. I think I have a lot of experience with academic writing. I've primarily written in research journals, and a couple in AP Lang and Lit classes. Yes, I love reading! I spend 1-2 hours reading everyday. Yes, a lot of my research work in Penn and previous research labs have required me to read academic journals. But on my own, I primarily read non-fiction books (biography, history) and articles from WSJ or NYT or the like. I hate poems, sorry! And I find it hard to believe people would read textbooks for fun. I sometimes read fiction books. I think I'm a fast reader. I'm not sure about any challenges that I struggle with. Hopefully I'll discover some during the course of the class to improve upon.

Writing Sample

Attached below.