

Individual Research Project

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As a born and raised Bostonian, it is intriguing that two of the top management - consulting firms are headquartered in my city. Obviously, by name, Boston Consulting Group (BCG) is Boston based, but so is Bain & Company which is located right in the heart of Back Bay. The two are only miles apart, yet they both have developed firms of their own and are both within the top consulting agencies in the world. There are many similarities as well as differences to the firms, and it is interesting to uncover what makes them both key players headquartered in a small city.

Boston Consulting Group

In 1963 Bruce Henderson founded BCG starting out mostly as a publication for executives composed of essays written by Henderson and his affiliates. These were titled *Perspectives* and were “brief and highly provocative essays on strategy...Henderson and his colleagues were delivering their own new ideas [in these essays]—such as the growth share matrix and time-based competition—and these proved far more appealing than what executives were seeing elsewhere” (“The History of Boston Consulting Group”). The growth share matrix is an important concept when it comes to consulting and is commonly used now in most if not all firms. BCG’s website states that “it is still central in business school teachings on strategy” (“The History of Boston Consulting Group”). The growth share matrix essentially figures out what companies should think about when deciding to invest. It looks at both company competitiveness and market attractiveness. Below is what BCG lists as what to do according to where a company falls on the matrix.

- **“Low Growth, High Share.** Companies should milk these “cash cows” for cash to reinvest.
- **High Growth, High Share.** Companies should significantly invest in these “stars” as they have high future potential.
- **High Growth, Low Share.** Companies should invest in or discard these “question marks,” depending on their chances of becoming stars.
- **Low Share, Low Growth.** Companies should liquidate, divest, or reposition these “pets.”” (“What Is the Growth Share Matrix?”).

Figure 1 is a visual of the growth share matrix, displaying the “cash cows,” “stars,” “question marks,” and “pets” / “dogs.” Though the matrix was founded at BCG, it truly has become a consulting essential, and is no longer what is most unique about the firm...

The hiring process at BGC is very different and individual to the company. The interview is 45 minutes, opens with psychological questions for about ten of those minutes, and then goes into a case interview. During this candidates are given a case to work through and talk out with the interviewer. It is highly recommended to have practice with this in order to go through the interview. This is not standard among consulting firms and is definitely a unique way of interviewing done by BCG (Rudolph).

BCG is definitely a desired place to work, and for many reasons. One of which is the demographics. According to Zippia, a career site and agent, “the company is 43.0% female and 51.4% ethnic minorities” (“3 Boston Consulting Group Careers & Jobs”). Leaving it to be a very inclusive and diverse workplace. The one thing BCG lacks in demographics is political diversity with nearly 88% of employees voting blue. Depending on who is talked to though, this could be a major selling point to working there.

Once secured a job and confirmed the want to work at BCG the salaries are quite desirable for fresh out of college. Associates earn an average of \$90,000 and consultants earn around \$165,000. Yet, in order to be promoted to a consultant candidates must have an MBA or a law degree. The best part yet is that if associates are in good standing BCG will pay for them to take study for the GRE, go get their MBA and stipend the living costs (as long as they agree to work for BCG a minimum of two years following) (Rudulph). Interestingly, cited by Cosmopolitan magazine, “The only difference between a new MBA hire and an associate is the salary. It's essentially the same job in the beginning” (Rudulph). Yet right off the bat MBA hires are positioned at full consultants rather than associates.

It makes sense that salaries at BCG are high as the firm's revenue as of a year ago was 8.5 billion. In a press release BCG stated that “global sales of \$8.5 billion for 2019, with underlying revenue growth of 14% at constant exchange rates” (BCG Press Release), and that the firm had tripled in size within the past decade to 21,000 employees.

With so many employees there is a lot to be managed, yet the reputation at BCG is very good. They are looked at as a top company to work for with very happy employees. Thus, the difficulty in getting a job there. Though not necessarily statistically accurate evidence, when looking on my own personal linkedin the only fellow connections I knew working there were top ivy league alumnus. It's not easy to get such a high paying job right out of college!

Bain & Company

Bain and Company was founded by William Bain and Patrick F. Graham in 1973. Bain and Graham had in fact worked at BCG and were waiting for Henderson to step down from his leadership position there. Aggrieved by how long it was taking for Henderson to retire the two left to start their own firm and even stole some of BCG's largest clients at the time (Kiechel). In the 1980's Bain & Company was caught up in a scandal with leading beer company Guinness. The stock market also crashed at this time and it took the new found leadership and guidance of Mitt Romney to bring the company back. According to Business Insider,

“Romney was brought on as CEO in 1991 to save the company from financial collapse.

In 12 months, he completely turned the company around, bringing it back to profitability and avoiding layoffs by fixing the governance structure and creating more transparency” (Groth).

The now well known politician was able to rescue Bain & Company and is often seen as the face of it even to this day. He is also cited as the reason for being rated Glassdoor's number one best place to work (Groth).

Similarly to BCG the demographics at Bain & Company are very good. Zippia states that “the company is 46.5% female and 47.6% ethnic minorities” (“6 Bain & Company Careers & Jobs”) which is great. Also similar to BCG though is a lack in political diversity because 70% are democratic. Interesting and maybe even ironic given that Romney is a well known republican.

Bain & Company is very different to BCG when it comes to the hiring process. They have several interviews rather than just one in order to recruit new hires. Though presented a bit different through all offices there are three major interviews. A case interview, an experience interview and a written case interview. Bain & Companies cite offers tips and video lessons on how to best prepare for these interviews. According to their website, they look for these four things: “Problem solving skills, the ability to lead, results delivery, and passion” (“Prepare for Your Interview”).

The salaries at Bain & Company are relatively the same to BCG. Once a full time consultant hires expect to make around \$165,000 (Salary for consultants with an MBA). Which also makes sense due to their revenue of 4.3 billion dollars according to Forbes. Though less than BCG, this makes sense because they are smaller in size with roughly only 12,000 employees in comparison to almost double at 21,000 employees with BCG.

Bain & Company's reputation is very good. As previously stated they are rated Glassdoors best company to work for. Writer for Business Insider, Chris Weller states that

"I was less than a minute into my first conversation with Danny Hong when I realized I was in the presence of a man who unapologetically loved his job" (Weller).

The interview goes on to display the true amount of love and enjoyment Hong gets from working at Bain. It sounds passionate and thrilling! - not often titles most people would think of in terms of consulting firms. To dive deeper, Glassdoor is a site geared at giving people the place to write reviews on where they have worked. In the years 2012, 2014, and 2017 Bain & Company was awarded best place to work by them. This is quite the honor considering that it is solely the job of the employees to give reviews and "rate" their company, not solicited publicists and publications.

Conclusions

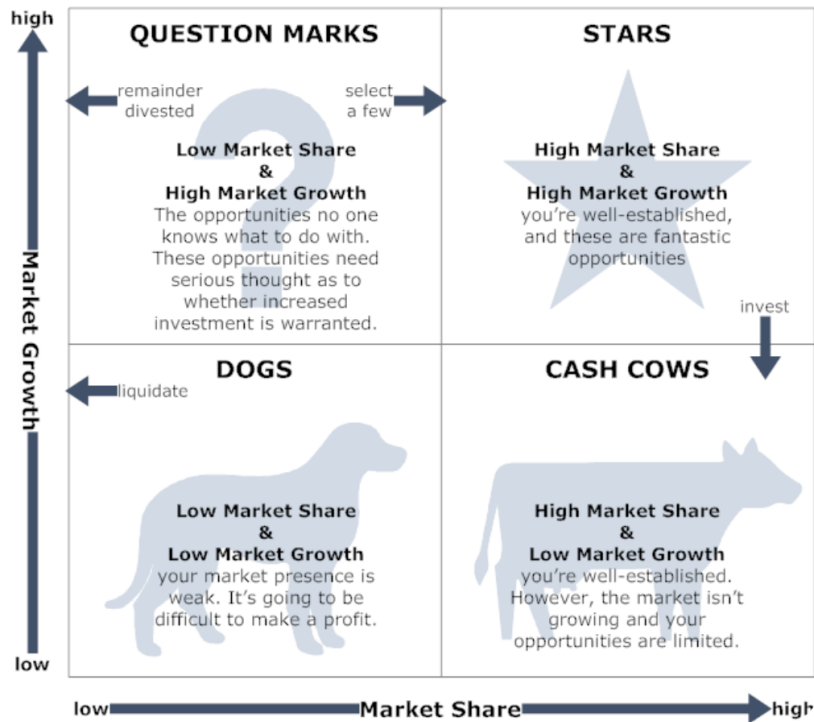
To wrap up the paper, it's important to really think about the fact that Bain & Company essentially came from BCG. This answers the reason why they are both headquartered in Boston Massachusetts. Though they do have many differences, they are both top consulting firms. The last thing to look at is the staffing of projects. Both firms are very similar in regards to how they do this. Both firms

"philosophy is to put consultants in the local markets to serve global clients as locally as possible. As a result, local office culture is vibrant and consultants feel connected with their peers" (Boston Consulting Group).

Essentially, both BCG and Bain & Company have several office locations. One would think they would have to with so many employees. But it is also so that employees are really immersed in the culture and hopefully know it well. They can strive to build lasting one on one relationships with clients. Employees become a part of their local communities, they are not outsiders coming in and telling a business what is best. They know the regions and the people. This, arguably, is why they are such optimal and pleasing places to work. Being able to know the people, resources, and culture well developed an ideal work structure and place.

Figure 1

Growth-Share Matrix



(Growth-Share Matrix Example Boston bcg matrix: Marketing analysis, Business strategy, Business theories)

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