**Consulting Report using the McKinsey Pyramid Approach**

**Kathy Fish at Procter & Gamble**

When Kathy Fish, Procter & Gamble's Chief Research, Development & Innovation Officer, and a 40-year company veteran, stepped into her role in 2014, she was concerned that the world's leading consumer packaged goods company had lost its capability to produce a steady stream of disruptive innovations. This, coupled with intensifying competition from more agile, digitally-savvy direct-to-consumer companies, convinced Fish that P&G needed to renew its value proposition. She believed it was essential that all 100,000 employees see innovation as their job, and that all aspects of the consumer experience-not only the product itself-be "irresistibly superior." But making this change would require wholesale transformation, which was challenging because P&G's business units had decision-making rights for their businesses. Thus, when she launched GrowthWorks, an initiative to bring lean innovation to scale at P&G, Fish designed it to be business unit-led and corporately-supported. Fish and her team tackled challenges as they emerged along the way, such as the need to adapt career systems. Fish took a "pull" versus "push" approach and it caught on like "wildfire," eventually producing a portfolio of over 130 projects, and momentum that led P&G to headline the Consumer Electronics Show for the first time. While progress indicators were strong, the business units still struggled to incubate innovations, and Fish feared that unless P&G's overall innovation performance management and reward systems changed, the new approach to innovation would not take hold in a sustainable way. Fish grapples with whether to take a more "push" approach and add innovation metrics to the business unit presidents' annual scorecards, which typically focused on short term deliverables.

**See Assignment for rubric**

It is expected that you will write a consulting report **using the McKinsey Pyramid Approach** --not simply answers to the focal questions but those questions should be ingrained into your analysis (as a consultant might investigate around questions of a client). Exhibits (visuals) do not count in the page number, and should be an important element of your report.

**Focal Questions**

Focal Questions for Kathy Fish at Procter & Gamble: Navigating Industry Disruption by Disrupting from Within:

1. Prior to Kathy Fish's promotion and efforts to modify P&G's product strategy, P&G was reported to be producing many incremental innovations.
   1. What were key organizational design changes implemented to change the types of innovations being produced by P&G?
      * What challenges do you see still existing within this innovation system? Why?
      * What recommendations would you make? Why?
      * Has this effort improved P&G? Why?
   2. One example of a "successful" innovation, was just a longer roll of toilet paper (Exhibit 8, the Charmin Forever Roll).
      * Does this outcome change the business model for toilet paper? Why?
      * Would you consider this to be an incremental, a Christensen disruptive, or some other form of innovation? Why?
2. Exhibit 7 of the case (P&G's Current Opportunity Spaces) presents four macro trends which P&G considers to be important factors that should impact P&G's future innovation projects.
   1. What advice would you give Kathy Fish regarding how to assist the product innovations and commercialization process for these macro trends?
   2. How might Kathy Fish identify other trends, or possible projects for future P&G efforts?
3. How US-focused is P&G's innovation system?
   1. Would you consider changing the degree of US-focus? Why or why not?
   2. Regardless of your answer to part 3A, how might you recommend increasing P&G's system of producing new products for another country or set of countries?

**Rubric**

* **Style** / 5
* Clarity of the call to action: Use of figures & exhibits, clear problem statement, headings & subheadings, title (interesting & insightful, includes a graphic), executive summary, introduction, conclusion, grammar
* **Breadth of Content** / 15 pts
* Multiple perspectives (analysis/frameworks), volume of ideas considered
* **Depth of Content** / 15 pts
* Level of qualitative and quantitative detail offered. Gone beyond mention of ideas, to discussing them in depth.
* **Creativity** / 5 pts
* Is there something unusual, surprising, cool in the analysis? Highly unlikely to get these points.
* **Alternatives & Recommendations** / 10 pts
* Were there real alternatives evaluated on clear criteria? Was there a timeline? Were there estimates of costs and benefits expected?

**Analysis and Exhibits**

Develop **exhibits**, and talk about those exhibits in the document. Make it look pretty. Use both qualitative and quantitative data in your analysis. Make the recommendations come from the analysis, and be sure to **evaluate alternatives on clear criteria**. **Present costs and benefits of the proposed recommendation (both quants and qualitative), as well as have clear milestones**. Consider uncertainties and risks, rivals' possible responses--and ways to mitigate these.

* **Analysis used and talked about in class. Use the ones that are appropriate for this consulting report. (More than one may apply depending on the question asked)**
* Industry Analysis: Porter’s 5 Forces
* Micro-Environment: PEST-D
* VRIS Analysis
* Financial
* **Exhibits used and talked about in class.**
* Football Field Charts
* Timeline Charts
* Financial Analysis Charts
* Industry Analysis: Porter’s Five Forces
* Micro-Environment: PEST-D
* VRIS Analysis

**Example Table of Contents from previous reports**

* Executive Summary
* Introduction
* Problem Statement
* Recommendations
* Analysis (Use the ones that are appropriate for the consulting report)
  + Porter’s Five Forces
  + Micro-Environment (PEST-D) Analysis
  + VRIS Analysis
  + Challenges and Challenges
* Implementation
* Alternatives
* Conclusion

**Additional information provided for previous reports**

Please see [Consulting Report](https://canvas.vt.edu/courses/127815/pages/consulting-report)for a discussion of the expected format. Please read [Problem Statements](https://canvas.vt.edu/courses/127815/pages/problem-statements)for one important element of the expected analysis.  **I would recommend using the** **McKinsey Pyramid approach to organizing your report.**

**Consulting Report**

A Consulting Report will cover certain key questions which I, as the representative of the company receiving your consulting report, will provide. You should cover these questions in the report such that the report reads as a flowing document. I expect the report (see [https://penandthepad.com/how-5882896-write-consulting-report.html (Links to an external site.) Links to an external site.](https://penandthepad.com/how-5882896-write-consulting-report.html) for some ideas) to have the following elements: (1) an interesting cover page (some graphic and interesting title—both of which might indicate the main message of the report); (2) a table of contents (which has interesting headings, not just the generic “introduction” type headings which could be used for any report—stylize the report); (3) an executive summary (typically written last, but which appears between the cover page and introduction on its own page) which summarizes your key ideas—and is not a promise that “this report will eventually cover things you want to read”; (4) an introduction which outlines the basic issues (perhaps defends why you focus on the problem you focused upon), and the tools used to address the key problem; (5) a conclusion which ties back to the introduction, closing the intellectual loop; (6) analysis which utilizes this class’s tools & cases, other classes’ materials, and your own vast experiences and readings; (7) a set of alternative ways to address the problem (what might be invested in, or what organizational actions might be required to reduce the impact of the problem?) that are evaluated on clear criteria which leads to one of those alternatives being selected as your recommendation; (8) implementation steps for the recommendation (an assessment of the costs/benefits expected, a timeline for key events, a consideration of risks and uncertainties associated with the recommendation—with a possible way to mitigate those risks, and a discussion of how rivals might respond to your recommendation); and (9) exhibits, exhibits, and more exhibits which visually present your story. Document should be double spaced with page numbers.

**Problem Statement**

A good problem statement has five basic elements:

1. it references something the organization cares about and connects the element to a clear and specific goal;
2. it contains a clear articulation of the gap between the current state and the goal;
3. the key variables--the target, the current state, and the gap--are quantifiable;
4. it is as neutral as possible concerning possible diagnoses or solutions;
5. it is sufficiently small in scope that you can tackle it quickly.

**Frameworks discussed for going Global** (If necessary, use appropriate framework to possibly answer any of the questions or use for an exhibit if needed. May not be relevant.)

* Ghemawaat’s Three A’s Framework
* ADDING Value Frameworks
* Basic Global Strategies: DDD
  + Deployment
  + Development
  + Deepening
* CAGE Framework