

BIGGEST ATTRITION CHALLENGE

McKinsey Doing a Special Delivery: Of People to Startups

McKinsey's Loss, Etailers' Gain

McKinsey execs who joined ecommerce firms or started their own venture



Saikiran Krishnamurthy
COO, Flipkart
Ashish Goel Co-founder & CEO, UrbanLadder
Ananth Narayanan CEO-designate, Myntra



Praveen Sinha, Manu Kumar Jain Co-founders, Jabong
Mohit Sadani Strategy head, Snapdeal
Deepak Garg Founder, Trucksfirst

Vikram Chopra Founder, FabFurnish

Heavent Malhotra CEO & Founder, Rocket India

Sidharth Gupta & Rahul Chaudhary Founders, Treebo

Saurabh Kocchar CEO India, Foodpanda

Kiren Tanna CEO, Rocket Asia Pacific Group

Naveen Tewari Founder, InMobi

Co lost more than 40 consultants, including 14 of India top team, in the past 18 months

Vinod Mahanta, Sreeradha Basu & Madhav Chanchani

Mumbai: Last week, fashion retailer Myntra snagged McKinsey India director Ananth Narayanan as its new CEO. The hire was yet another successful raid by an ecommerce firm on McKinsey's leadership talent vault. In the past 18 months, McKinsey has lost more than 40 consultants, including 14 of the India leadership team, and two big rainmakers: Saikiran Krishnamurthy who joined Flipkart as COO and Narayanan, who will join Myntra in October. For McKinsey, India's largest and most respected consulting firm, this is its biggest attrition challenge in recent memory.

Companies like Myntra and Snapdeal have so far hired 8-10 McKinsey consultants each, Paytm will have another 8-9, and going by conversations with headhunters, VCs, and dotcom CEOs, more are being targeted.

"No one likes to lose talent, but we celebrate the fact that there are so

many exciting opportunities for our people both within and outside our firm," says Noshir Kaka, McKinsey's India managing director. "McKinsey is a leadership factory and the best validation of our people proposition is that our talent is in so much demand." McKinsey leaders in India, he says, have shaped many industries in their growth stage in India and they continue to do so. The firm, Kaka claims, creates a surplus of leaders—one of the reasons why the firm has grown so fast in India.

Some of the reasons that are making consultants quit McKinsey, a place which they have often worked hard to get at, are the high-pressure deadline-driven work, constant traveling, inability to maintain a work-life balance, wanting to run a business than advise, and a strict up and out policy for consultants who can't keep up with the demands of the job.

"Frankly, quitting McKinsey was not easy. At campus, it was a dream job. At the firm, I was getting slightly frustrated that I couldn't implement and create the impact myself after I had helped deliver high quality advice. So when the ecommerce opportunity came my way, I thought it was a good way to test myself," says an ex-McKinsey executive who turned entrepreneur.

'Leadership Factory'

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But that's just one part of the story. Well-funded startups are targeting McKinsey consultants simply because in the chaos that new ventures are, the ability to put structure to problems, draw patterns from varied sets of data, quickly identify growth drivers, and narrow the decision-making set, all in double-quick time is invaluable.

"One of the first things that you learn at McKinsey is to solve a problem with first principles, which makes McKinsey executives a great generalist talent that these startups need," says Sidharth Gupta of Treebo. Gupta, 30, and Rahul Chaudhary, 30, both ex-McKinsey consultants launched Treebo Hotels this February, after a year-long stint at Myntra after quitting McKinsey.

McKinsey officials contend that the attrition numbers may appear on the higher side to outsiders but the percentages are in sync with their long-term average. "The attrition rate we see is consistent with our long-term average — there are more people in limelight now given a larger base of leadership pool we have in McKinsey due to our rapid growth and opti-

mism in the economy after the slowdown," explains Alok Kshirsagar, Director, McKinsey & Company in India.

WAVES OF ATTRITION

In the last 15 years, McKinsey in India has seen waves of attrition: in 1999-2000, some consultants quit to start dotcoms, early 2000s saw a wave of McKinsey consultants set up BPO businesses, and from 2006 onwards, PE firms setting up offices in India targeted McKinsey talent in a big way, and even today, firms like Warburg Pincus, SAIF and Sequoia have large ex-McKinsey consultants-turned-fund managers (four out of 7 sequoia MDs are ex-McKinsey). "McKinsey encourages you to discover yourself and follow your passion; be it within or outside the firm and that's why there has been a steady flow of entrepreneurs from the firm," says Praveen Sinha, founder and MD, Jabong, an ex-McKinsey alumnus.

For headhunters looking for candidates for internet businesses, McKinsey's tough selection process and then intensive grooming under the apprenticeship model provides the best options for landing the right candidates.