



**BOOK
REVIEWS**

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**The Philosophical Consultant:
Revolutionizing Organizations
with Ideas**

*Peter Koestenbaum (Jossey-Bass,
San Francisco; 2003; ISBN 0-7879-6248-1)
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This was a curious, indeed frustrating, book, so indulge me for a moment while I segment the consulting industry and try to make some sense out of Koestenbaum's writing.

Let's imagine a two-by-two matrix (we're consultants after all). On the vertical axis is the role a consultant plays, a continuum from the direct ("we tell you what to do") to the facilitative ("we help you help yourselves"). On the horizontal axis is the intended scope of the consultant's impact, which may be anything from a specific individual or small team, to an entire organization.

Strategy firms have traditionally worked in the direct/small-team quadrant. For them, that ubiquitous phrase "making a difference" translates into presenting fact-heavy recommendations to the highest echelons of an organization. What they don't do is involve themselves with the everyday minutiae of how that organization works.

The opposite corner, facilitating change across people and processes, was where more operational firms—the antecedents of the Big Four and their immediate competitors—saw themselves working in the early 1990s. Their role was to provide a road map, a process foil to their clients' content. The history of these firms in the last ten years has almost exclusively been one of strategic withdrawal from this space. Eschewing the often-intractable problems of middle managers, their preferred "solution" is outsourcing by some other name. "Give us your problems," they say to clients. "Neither of us can solve them within your organization. We can, but only if we take them off your hands and into our organization, where our superior skills and our more businesslike culture will enable us to drive out new efficiencies." Such firms undoubtedly make a difference, but only as long as they are around to provide the service. Back at the client's, nothing has changed.

Of course consultants continue to facilitate change. But, by and large, these are independent or niche consultants, whose strength lies in mentoring individuals or coaching small teams. Individual consultants can have enormous impact—you only have to think about the executive recruiter who snags

a top talent for the CEO spot, or the guru whose ideas become catalysts for change. But these people all work through others; it's the new CEO who brings in a new broom; it's the manager who grasps the idea and makes it work.

All of which means that a gap—a vacuum, a yawning chasm—has opened up. Where are the consulting firms that are prepared to take on changing organizations as a whole? Or is this—as the operational-now-outsourcing firms must suspect—something that consultants cannot do? It's hard enough for organizations to create the momentum for change internally. What chance do external consultants, equipped with rationale processes for managing linear projects, have?

It's into this context that Peter Koestenbaum's book should be very welcome. Koestenbaum is the founder and chairman of PiB and the Koestenbaum Institute, and much of his work has centered on developing leadership philosophy in a business context. His "Leadership Diamond" focuses on four imperatives—ethics, vision, courage, and reality—the relationship among which determines the nature of what Koestenbaum terms "greatness." Heroic leadership, he argues, blends business (competence) and character (authenticity).

The Leadership Diamond features again in *The Philosophical Consultant*, where it represents “an image of your client—an atlas of where your client wants to be.” “There is a second figure,” argues Koestenbaum, “the coal, the shadow, the deficit. That’s where your customer is currently. Central to this change management intervention and support is to move people from shadow to leadership, from coal to diamond, from deficit to fulfilment, from needy to satisfied. This is the key business application of the Diamond.” Typically, the behavior of people—clients—is dominated by one side of the diamond. Thus, a manager unwilling to make difficult decisions in a time of crisis may have too much in the way of “ethics” and too little “courage.”

Aware of the numerous theories of change, Koestenbaum suggests philosophy as an alternative approach—a Platonic, occasionally spiritual, framework that links together individuals’ inner and outer worlds. “Deep inside me,” he writes, “I discover free will, self-chosen energy, initiative, power, ethics and self-authentication. I make that work in my business, far in the outer world. I cannot use these truths without access to the inner world. Change in business occurs in the outer world. I can succeed as an executive only if I reach the values of the inner world.”

Such language might well alienate the rationalist manager; and rightly so, Koestenbaum would probably say. Most business education focuses on the visible world, and we need a different language if we’re to go beyond it. He’s undoubtedly right that much business literature ignores some of the fundamental concepts that govern how individuals interact with the organizations they inhabit—especially free will, responsibility, and accountability. And much of what he says is refreshing; few business writers today would have the

courage to put Emily Brontë and Otto von Bismarck on the same page.

But what role can the consultant play in this journey of self-discovery? Despite all the wealth of tools Koestenbaum offers, this is much less clear. That the book constantly switches between direct exhortations to managers (“Are you ready?” “You are your courage.”) and guidance to internal/external consultants (“Get into the habit of being prepared to give reasons for everything.” “Your business needs your freedom.”) suggests that even the author is not convinced. Indeed, it’s not easy to see what role, if any, intermediaries have in Koestenbaum’s world. His book, he says, offers a “theory that can be understood and a technique that can be learned.” Yet, many of the concepts he presents seem simplistic once they are translated into easy-to-digest management scenarios. Take, for example, his “standard process to cope with stubborn reality,” which is to “stand firm; join the opposition; dialogue; [and] learn the hidden message.” This is philosophy as a Post-it Note.

In a sense, the problem is not one of Koestenbaum’s making, but one that takes us back to the rational, visible matrix with which we began. While people and organizations change, setting out to change them is never easy; in many cases, it’s impossible. When ideas that work well with small groups end up being applied on a larger scale, they acquire the rational, linear attributes of, say, a systems development project. Thus, while *The Philosophical Consultant* offers many discrete, thought-provoking tools for the mentors and coaches of management teams, it’s at its least successful when it seeks to establish these as a methodology with more mainstream appeal. Facilitation at an organizationwide level remains a square on the matrix that the consulting industry has barely begun to approach.

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