

An Ethical Elevator Consultancy – Challenges

*Speech by **TAK Mathews** of **TAK Consulting** at the IAEC Forum 2010, Houston Texas on May 15th, 2010*

Good afternoon.

Excluding last year's "United Meet" at Orlando, this is my 4th forum and I am sure glad to be here with such great professionals. The quality of the sessions and the interactions makes my over 24 hours travel and costs worth it. The annual pilgrimage has become my much required "PIT STOP".

Through the years many of you have provided me with valued encouragement and advice. Thanks a lot - you have made a difference. In particular I would like to mention John Blatt. John intuitively recognized my early doubts and sort of took it upon himself to mentor me. His absence is one aspect of the forum that I miss.

There is another aspect of my trips that remains unchanged – that's the US immigration officer's quizzical smirk. Invariably the interaction goes like this -

Question: Sir, What's the purpose of your visit?

Answer: Attend a Conference

Question: What type of conference?

Answer: Elevator Consultant's Conference?

And then he goes; Elevator Consultant, what is that? Never heard of that one before!

Surprise on how I earn my living is something that I face in India and elsewhere. My daughter at 15 doesn't care as long as she gets her stuff and to my son at 11 I am still okay, hopefully for some more time. Yet, ignorance of the contribution of our trade doesn't auger well for the construction industry. IAEC and its members has its work cut out to educate the world that "Elevator Consultants" are serious professionals involved in pretty serious work.



Coming to the topic of my speech today – An Ethical Elevator Consultancy - Challenges, I never speak from a script, but I have decided against any “from the hip adventurism” on this sensitive subject.

I apologize that my discourse may end up sounding as if they were from the missing sheets from my Pastor’s Sunday sermon. And it is only Saturday. I promise you that I will remain secular and spare you the biblical references.

I also apologize if it were to end up sounding like anything other than my attempt to share the challenges and conflicts I have faced through my six years of being an ethical elevator consultant. Let me assure that it is all about me.

1. **Challenge 1:** Traditionally “consulting ethics” has been viewed with scepticism – to illustrate -

A consultant died and went to heaven. There were thousands of people ahead of him in line to see St. Peter. To his surprise, St. Peter left his desk at the gate and came down the long line to where the consultant was, and greeted him warmly. St. Peter took the consultant up to the front of the line, and into a comfortable chair by his desk. The consultant said, "I like all this attention, but what makes me so special?" St. Peter replied, "Well, I've added up all the hours for which you billed your clients, and by my calculation you're 193 years old!"

When it comes to elevator consulting, there is a view that many of the consultants are agents to a particular company or companies. While I initially thought that this perception was very India centric, it appears that this is a worldwide thought process. Probably a thought process finding roots in the popular approach amongst consultants, particularly “non-specialized” consultants, proposing solutions which are supplier specific or to be more precise have their origins in the design office of “X” supplier. Tenders, Indian and International, that resemble a Supplier’s product brochure is not uncommon.

Having been on the other side of the table as a Supplier, I have been involved in providing such solutions. And worse I have been in the know of pay-offs too.

With this typecasting, I was already up against a perception amongst probable Clientele and Colleagues not to mention Suppliers doubting my intention. A number of major Suppliers did approach me to explore “ways” to work together and committed that they would better the deals they had with other consultants.

I have also had Suppliers accusing me of being the problem and even worse of having accepted commissions – I suspect I lost some business opportunities on this account.

The first challenge was in establishing my credibility not regarding competency but related to ethical intentions!

2. **Challenge 2:** Could I request all of you to pick up a pen and paper and write down the first sentence that comes to your mind that defines “Ethical”? The variation in views illustrates my point.

On deciding that I would be different than the historical norm and that my consultancy would be an independent and ethical consultancy, the second challenge was in establishing a definition for “Ethical”.

I will quote from the paper developed by 4 scholars from the Santa Clara University titled; what is Ethics? The paper says

Quote *“Some years ago, sociologist Raymond Baumhart asked business people, “What does ethics mean to you?” Among their replies were the following:*

- *“Ethics has to do with what my feelings tell me is right or wrong.”*
- *“Ethics has to do with my religious beliefs.”*
- *“Being ethical is doing what the law requires.”*
- *“Ethics consists of the standards of behaviour our society accepts.”*
- *“I don't know what the word means.”*

These replies might be typical of our own. The meaning of “ethics” is hard to pin down, and the views many people have about ethics are shaky.

Like Baumhart’s first respondent, many people tend to equate ethics with their feelings. But being ethical is clearly not a matter of following one's feelings. A person following his or her feelings may recoil from doing what is right. In fact, feelings frequently deviate from what is ethical.

Nor should one identify ethics with religion. Most religions, of course, advocate high ethical standards. Yet if ethics were confined to religion, then ethics would apply only to religious people. But ethics applies as much to the behaviour of the atheist as to that of the saint.

Being ethical is also not the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. But laws, like feelings, can deviate from what is ethical.

Being ethical is not the same as doing "whatever society accepts." In any society, most people accept standards that are, in fact, ethical. But standards of behaviour in society can deviate from what is ethical. An entire society can become ethically corrupt.

Moreover, if being ethical were doing "whatever society accepts," then to find out what is ethical, one would have to find out what society accepts. If being ethical were doing whatever society accepts, one would have to find an agreement on issues which does not, in fact, exist." Unquote

It boils down to "I know it when I see it". But then am I wearing my glasses? What do I want to see?

3. **Challenge 3:** If it can't be defined explicitly, how do you establish the rules? How do you establish clear communication within your team on the virtues you stand for? While it might not be possible to define "Ethical" explicitly, it is a binary scenario. It is either zero or one – nothing in between – you are either dirty or you are clean.

Though "bribe" and "commission" pay-offs are particularly easy to define and establish as a cardinal sin, the reality was that the dirty money could work out to a handsome amount particularly in comparison to the compensation I could offer. My team would require to be consisting of "Untouchables". I am fortunate that at least two of my colleagues set the bar for me.

On the other hand it is difficult to draw the line on "material" pay offs. How do you differentiate between a cup of tea costing 10 cents versus a wine & dinner worth over a 100 dollars? How do you ensure that the cup of tea was not on account of your position of influence? I can't recollect any instance of me buying a stranger or for that matter even a casual acquaintance a cup of tea without an agenda.

My attitude in this matter is drawn from an incident many years back that left an indelible mark. Diwali or the festival of lights is very important festival in India and particularly in Northern India - a time when gifts are freely given. This particular Diwali was the first after I had been promoted as the Regional Construction Manager in Northern India. Vendors; and I had a lot of them, came and left behind a lot of gifts in my office cabin. One of my elderly supervisors asked for a private meeting and had two questions

- Had these vendors give me such gifts the previous Diwali?
- Were the gifts for me as a person or for the chair that I had just occupied?

Not having received such gifts the previous year, the conclusion was obvious. To my supervisor's credit the 2 questions left a mark on me to this day.

4. **Challenge 4:** An ethical consultancy is a good recipe to losing business

- a. My fee invariably tends to be higher, at times 3 to 4 times more than my nearest competitor. In fact at times, the consultancy contract gets finalized on my competitor at a fee that wouldn't even have covered my gasoline costs. Incidentally that I am still in business must mean that I am probably doing something right.

I could only speculate that variations were on account of –

- i. It is not an apple to apple comparison – the scope of work is different. Yet, once the Client has defined his requirement, how can the scope be too different? Or in case the Client is unsure of what he needs don't you have responsibility to explore?
 - ii. My costs are too high. I don't think so – till last month, I hardly had a salary to speak off nor do I play golf!
 - iii. The project is owned by their father – in – law. Well, how many wives do they have?
 - iv. Others have found a significantly simpler and faster way of doing things. How faster can you do an inspection?
 - v. The solutions or recommendations are probably cut and paste from a previous project or provided by some Supplier requiring limited effort and time. The maths works!
 - vi. There is an alternative source of revenue, ethical or unethical – Again the maths works!
- b. As an “ethical” consultant where do I draw the line when my “Obligation to the Public” and “Responsibility to my Client” is in contradiction? Or when the Client's position with the Supplier is absolutely unfair?
 - i. Safety and quality is slightly easier to address. Threats do tend to work, only thing being that you might not get the next project.
 - ii. The same can't be said of getting the Client to accept and implement the “appropriate” solution.

I have been thrown out of numerous projects on account of my refusal to conform to the Clients or Architects requirements / designs.

One of the first such projects involved a 3000 capacity banquet hall mainly for weddings on the top floor of a multi-storied mall. The solution being proposed by the Architect and the Developer was a flight of escalators and two 1350 kgs elevators - on the face of it, a great proposal. But when you consider that the typical dress code for ladies at an Indian wedding includes flowing garments, the escalator suddenly becomes a high risk proposition. If Halle Berry could get her gown caught, these ladies are definitely at a higher risk. With other consultants willing to okay the proposal, my sane advice had no place. Statistically nothing might ever happen at this building which has now been commissioned. Yet as an ethical consultant I believe my position at the cost of losing the business was the correct action.

I believe my job as the expert my role is to that pre-empt problems, not conform or do something for sake of doing something. How so,

The chickens in a large hen house started to quarrel, wounded each other and many of them died every day. The upset farmer hurried to a consultant, and asked for a solution to his problem.

"Add baking-powder to the chickens' food," said the consultant, "it will calm them down."

After a week the farmer came back to the consultant and said: "My chickens continue to die. What shall I do?"

"Add strawberry juice to their drinking water, which will help for sure".

A week passed, and again the farmer came to the consultant: "My chickens are still quarrelling. Do you have some more advice?"

"I can give you more and more advice," answered the consultant.

"The real question is whether you have more chickens."

This surely is not what Clients expect!

5. **Challenge 5:** An ethical business is an expensive business. Once I had decided on my core values and principles, it had to be consistent with everything I do. It is not enough that I am ethical, I have to constantly

demonstrate it for myself, my colleagues, my Client and Suppliers that I am “Walking the Talk”. This is surely expensive.

More often than not, my colleagues and me pick-up the tabs of the 10 cent cup of tea or more expensive meal with a Supplier. It has become a joke amongst some of the sales and field people that the best way to get a free meal ticket is to ask for a meeting with us around meal time.

6. **Challenge 6:** When one has spent so many years in an industry, you are sure to have developed many friends and foes. How do you ensure that your dealings and interactions remain fair irrespective of the person?

You would also need to ensure confidentiality – not even a slip of the tongue. I believe big time drinking sessions with you old pals will loosen your tongue.

With foes, depending on the background it is sometimes more tricky with the issues being internal and external

A small story,

A man had a cat that howled all night, every night. The sleepless man concluded that the cat has too much testosterone and took him to the vet got him castrated. To the great surprise of the man and all his neighbours, the cat continued howling. "Why are you doing it now?" they asked the cat. The Cat replied, "Now I am a consultant."

My separation from the last elevator company that I worked for was forced on me, and like the cat I was still being heard and worse, now as a consultant. A good ground for biased actions and decisions, I am human after all.

Two years into my consultancy, their Sales Director admitted that they had branded me a business risk and that I had proved them wrong.

7. **Challenge 7:** When you struggle to put bread on the table it so very easy to compromise on your values and just give up! – I believe gurus refer to this as the “Lucifer Effect”.

With mortgages, school fees etc. it has been and continues to be a tough journey.

What have we been doing about it?

1. We constantly discuss the subject and issues to the end that my colleagues comment that we spent more time discussing Ethics than Business.

2. We have set up an internal reporting mechanism that makes it mandatory to report any compromise. For instance, when the circumstances prevent us from picking up the tab it has to be reported in writing – the file is open for public review. The reporting format is included in the handout. It is a no compromise process and at times the cost and effort is more than the violation itself.

Nip it in the bud and there won't be any poison ivy to worry about!

3. We are clear that we will walk out of a project, irrespective of cost or loss, if the direction involves compromise. We address this with our Client upfront.
4. When in doubt, consider it an unacceptable compromise.

Summing up

To sum up, I will continue to quote from the study titled “What is Ethics?”

What, then, is ethics? Ethics is two things. First, ethics refers to well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethical standards also include those that enjoin virtues of honesty, compassion, and loyalty. And, ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury, and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well-founded reasons.

Secondly, ethics refers to the study and development of one's ethical standards. As mentioned above, feelings, laws, and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well-founded. Ethics also means, then, the continuous effort of studying our own moral beliefs and our moral conduct, and striving to ensure that we, and the institutions we help to shape, live up to standards that are reasonable and solidly-based.

And to conclude, my take on the matter -

1. An Ethical Elevator Consultancy is not an easy pursuit. Especially when your bank balance is not that great.
2. There can be only one master driving your business – “Money” or “Virtue”.
3. Virtue is moral excellence. It has to be constantly and actively pursued.
4. There can be no compromise. It is either zero or one!
5. When in doubt, the chances are that the matter involves crossing the line.

6. An Ethical Consultancy is possible. The respect you eventually earn is well worth the struggle.

Now that the sermon is over, could we pass the offering bag around please?
Thank you.