

McKinsey & Company - Perspectives and Opportunities in Romania

Romanian Conference at Columbia University
April 2008

Who is McKinsey?

MCKINSEY IS THE LEADING GLOBAL MANAGEMENT CONSULTANCY FIRM

Management consulting

McKinsey & Company

Booz Allen Hamilton

Bain & Company

The Boston Consulting Group

Investment bank

The Goldman Sachs Group

Credit Suisse First Boston

J.P. Morgan Chase & Co.

Morgan Stanley

Accounting and Business Advisory

PriceWaterhouseCoopers

Ernst & Young International

KPMG International

Deloitte & Touche

IT and Business Advisory

Electronic Data Systems Corporation

Accenture Ltd

IBM Business Consulting Services

Hewlett Packard Services

Legal

White & Case LLP

Baker & McKenzie

Freshfields Bruckhaus Deringer

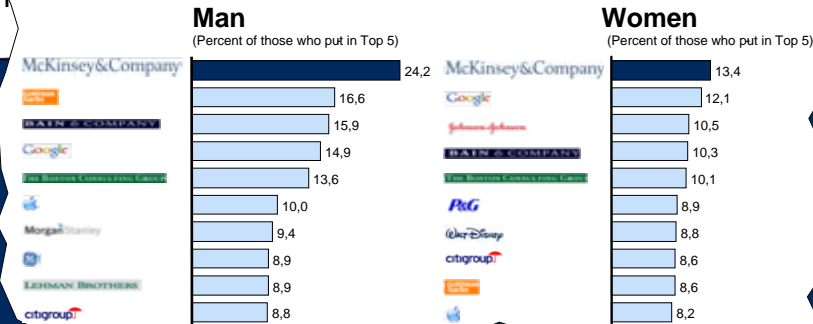
Clifford Chance LLP

1) WE ATTRACT THE BEST AND THE BRIGHTEST

DREAM EMPLOYER FOR MBA STUDENTS ACCORDING TO UNIVERSUM GRADUATE SURVEY

1998	2000	2002	2004	2005
1. McKinsey	1. McKinsey	1. McKinsey	1. McKinsey	1. McKinsey
2. Goldman Sachs	2. Amazon.com	2. BCG	2. City Group	2. BCG
3. BCG	3. Goldman Sachs	3. Goldman Sachs	3. IBM	3. Bain
4. Bain	4. BCG	4. General Electric	4. Johnson&Johnson	4. BMW
5. Morgan Stanley	5. Bain	5. BCG	5. BCG	5. Apple
6. J.P. Morgan	6. Yahoo	6. BCG	6. BCG	6. Goldman Sachs

Fortune – CNN analysis: dream employer in 2006



Top 20 ideal employers, 2004

June 3rd 2004 – From The Economist print edition

Economist.com

McKinsey is reckoned in a recent survey to be European MBA students' most desirable employer. The firm maintained its top ranking from last year. Other consultancies, some of which have fallen out of students' favor in recent years, have rebounded. For example, Booz Allen Hamilton returned to the top 20 from 91st place last year, and Bain took third place. L'Oréal and Nestlé slipped slightly in the rankings

The most desirable MBA employers, 2005 50 Most popular firms with Woman

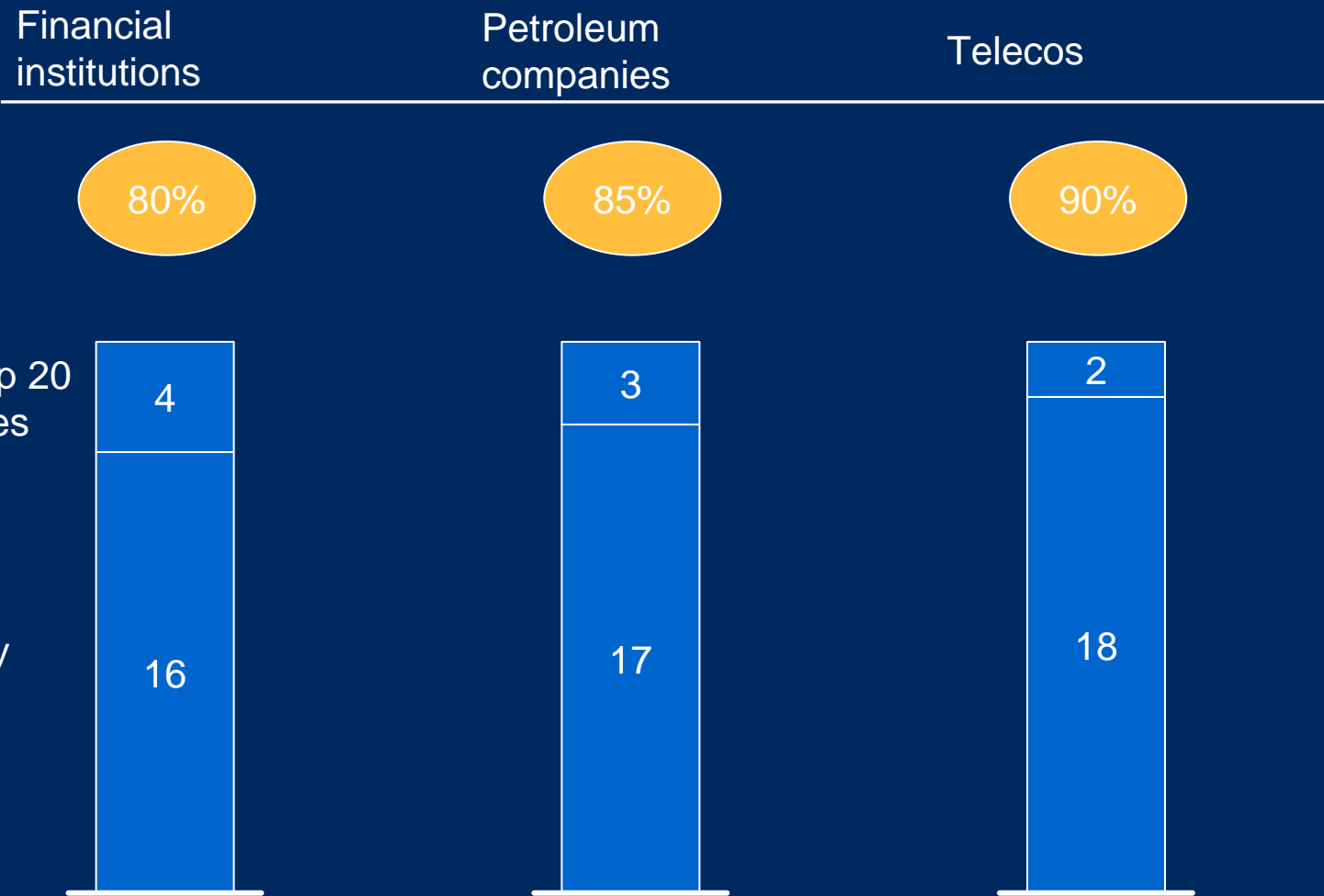
FORTUNE

Not only does **McKinsey & Co.** rank as the most desirable employer among MBA students, it also tops the individual wish lists of both male and female MBA candidates

FINANCIAL NEWS

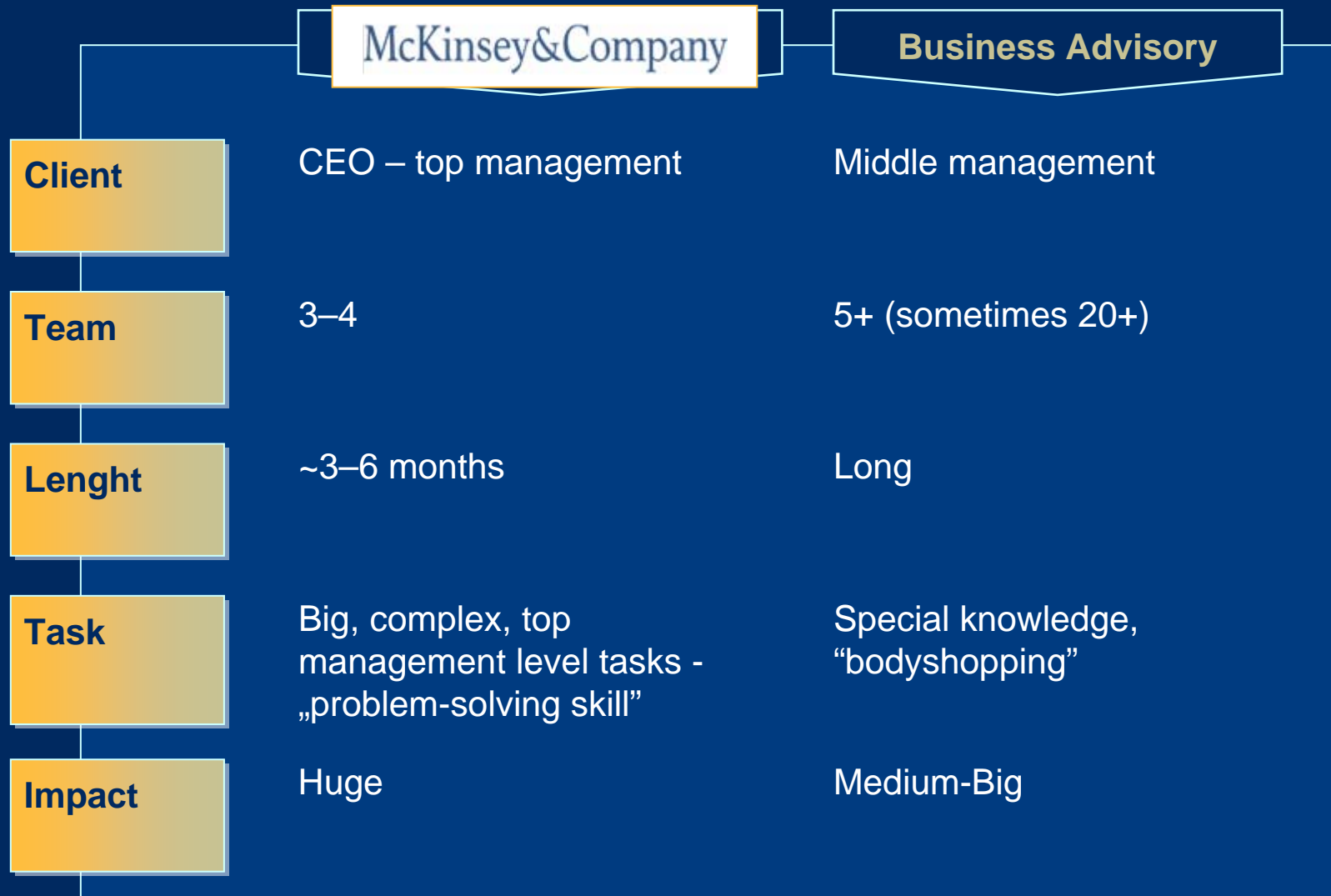
2) WE HAVE AN UNPARALLELED CLIENT FRANCHISE

McKinsey clients out of the Top 20* companies in the industries, 2006



* Size based on market capitalization
Source: McKinsey

3) WE SHAPE TOP MANAGEMENT AGENDA AND DRIVE MASSIVE CHANGE



4) WE ARE HIGHLY INTERNATIONAL



What is going on in Romania?

Romania – lots of hope but quite confusing headlines

The great...

Largest Foreign Direct Investments in the region

Top 4 hottest emerging market in 2007

Broadband penetration in Bucharest reaching 50%

20 shopping malls opening in Bucharest in coming 3 years

Salaries in largest cities matching or surpassing EE levels

Number of cars increased 10x in top cities since 1995

16'000 individuals earning more than 1m EUR per year

... the not so great

Government has no public or parliamentary support

Healthcare, infrastructure and education with very poor performance

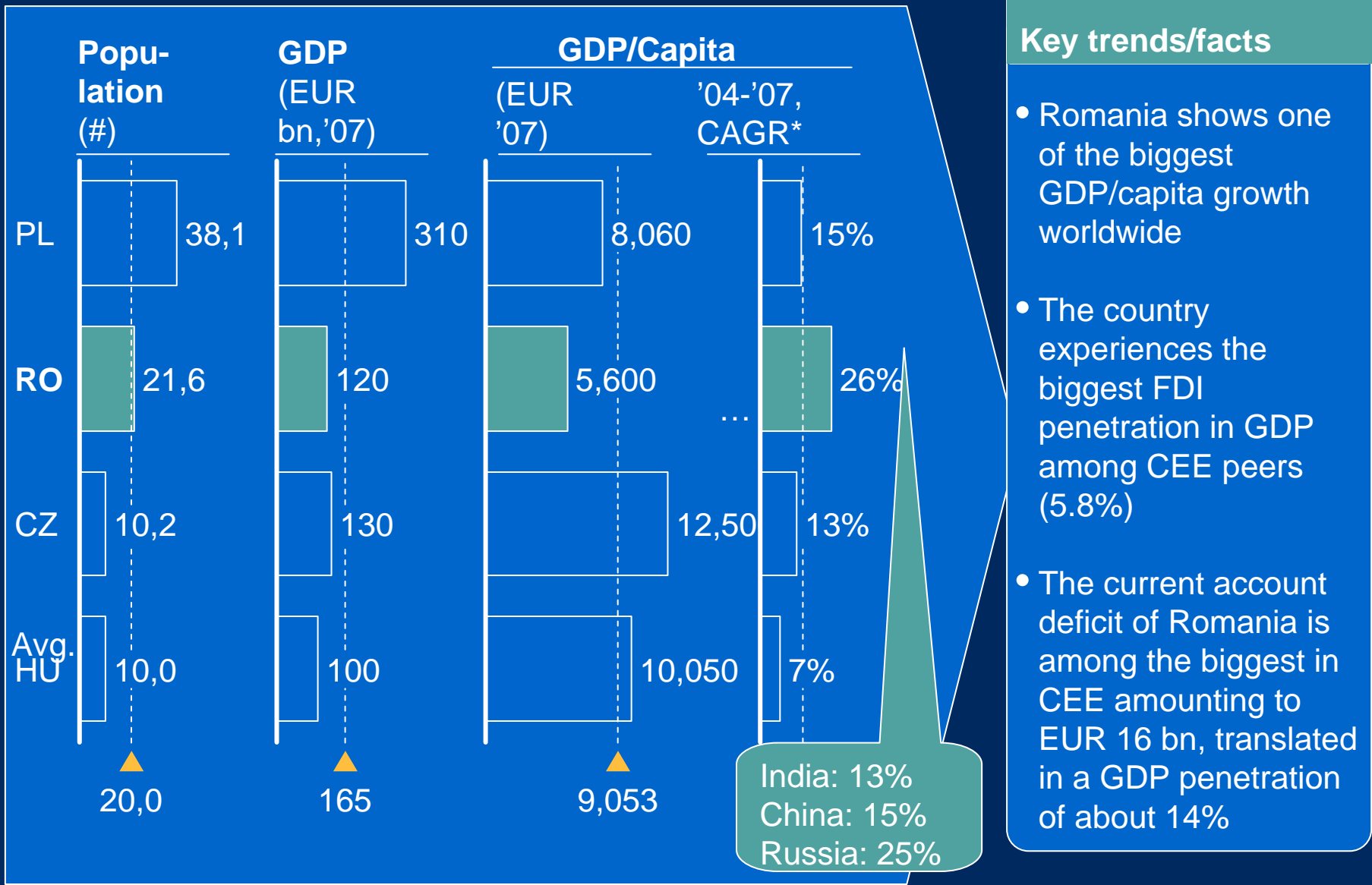
Massive brain and workforce drain: 2 million people left the country to work abroad

Romania becoming excessively expensive for investors (real estate prices, salaries)

Excessive corruption

Large current account deficit causing macroeconomic instability

Beyond the headlines - Romania is growing tremendously



* in EUR terms

A few themes are shaping its evolution

Increased competition across the economy

- Most sectors fully privatized to large, respected international corporates
 - Some sectors brutally competitive (e.g., telecoms, insurance, refineries); others with substantial new entrant pressure (e.g., banking, retail)
-

Structural shift of workforce towards higher productivity activities

- Large population shift out of small towns and rural areas towards large towns and abroad
 - Massive layoffs in lower-productivity companies (e.g., ex-state monopolists, textile) while higher-productivity sectors are facing workforce shortages (e.g., construction, IT, banking)
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Public struggling to catch up with the private sector

- Infrastructure massively under-developed (road, rail, airports)
- Healthcare mostly unreformed and plagued by cartels and corruption
- Education system falling behind , mainly due to low quality of professors who entered the sector in past 10-15 years

We have a distinctive team on the ground

Examples of profiles



Andrei
Partner
ex-IBanker
U. of Geneva



Ioana
Associate Partner
MBA Chicago
Politehnica
Bucuresti

Ovidiu
Associate
MBA Insead
Ex-Vodafone



Rares
B.A.
ASE Bucuresti

Andi
B.A.
Ex-advisor to Min.
of Finance

Monica
Associate
Ph.D. Columbia
(Nanotechnology)

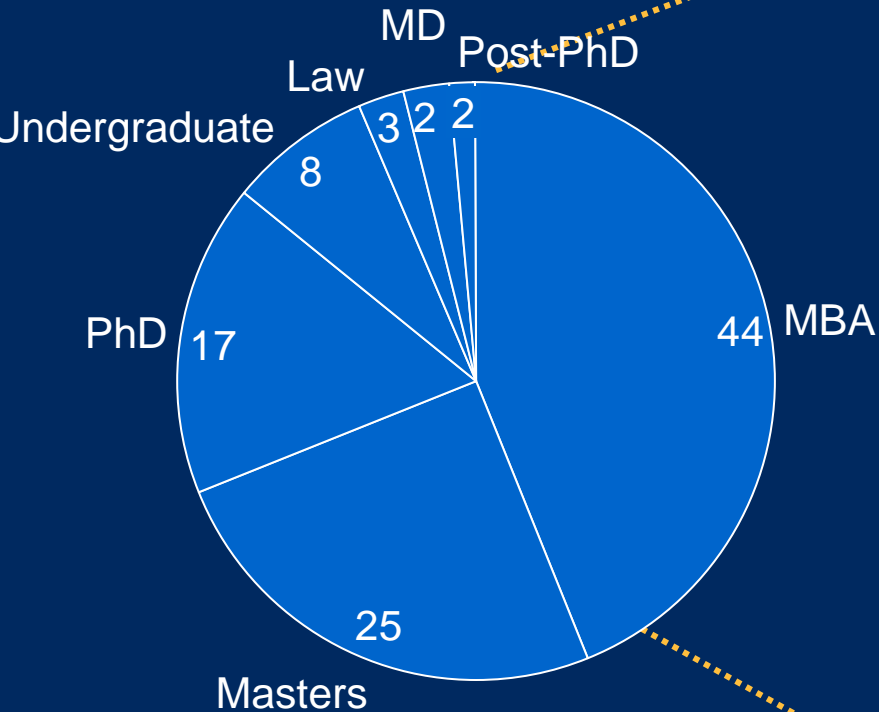


Andrei
Manager
Ph.D. ETH (Zurich)



How can you join the action?

YOU CAN JOIN THE ACTION – WE SEEK TOP TALENT IRRESPECTIVE OF BACKGROUND



MDs and PhDs at McKinsey

- McKinsey pioneered hiring of consultants with advanced professional degrees
- Other degrees perform as well as MBAs throughout their career
- Rate of election to partner is as good as for MBAs

HOW TO CONTACT US

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Application Process

DO YOU HAVE QUESTIONS?

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