Beware the Expert by Charles B. Wendel

We live in a world populated by experts who are confident in providing solutions for many aspects of our lives. It may seem strange for a consultant, a self-proclaimed expert, to say this, but relying on experts to guide or in some cases determine our actions is, at best, a risk and, at worst, a disaster.

No stupider phrase comes out of a manager's mouth than the words I have heard too often: "Consultant x told us to do it." The proliferation of "experts" telling us what to do about our personal and business lives requires us to pull back and pause before accepting what they say. We need to be general contractors who are in control of a project (whether personal or business) and determine what to do after evaluating expert opinions.

One great example involves the recently failed CNN+, a streaming service that was canceled after six months but not before CNN spent millions on McKinsey research. Press reports say that McKinsey projected two million subscribers after year one. But according to CNBC, CNN management "believed that figure was a 'layup' and a conservative estimate."

Well maybe no so conservative: "In the first two weeks after CNN+ launched, 150,000 subscribers paid for CNN+. Yet, as CNBC reported, <u>fewer than 10,000</u> watched on a daily basis. That number was actually closer to 4,000, a source has since told CNBC."

The core problem may have been CNN leadership believing that viewers would pay for a secondary offer when CNN itself was suffering ratings losses. The consulting firm either did poor analysis or simply built findings to support management desires (yes, that happens), but company management happily accepted the findings rather than challenge them.

Away from business, experts on personal matters are everywhere and often conflict with one another. Just contrast MSNBC experts with Fox experts; little of their "expert" opinions overlap on issues like the value of masks and distancing in avoiding covid. Somebody, perhaps everyone, is wrong.

Here's a quick personal experience with experts that offers some real-world lessons:

- I needed an eye checkup. I go to an expert eye doctor who is part of a world-renowned hospital
- Checkup done and prescription in hand, I go to a local store to buy new glasses
- Glasses ready, I try them on. I see woozy images and within five minutes I have a headache
- The sales experts at the optician assure me that this happens with new prescriptions and in a week I will be fine with them
- I reject that bad idea
- The optician, who happened to be there, looks at the glasses, the prescription, and offers to examine me
- The glasses fit the prescription, but the prescription provided by the doctor at the world-famous hospital was wrong. The local optician provided the solution
- The optician knew of the world-famous hospital but commented "People make mistakes."

In this case the eye expert and the sales experts were wrong. If I had believed them I would probably still be suffering from headaches.

The point is we need to question experts. Years ago, when I did not need glasses, the phrase we used was "Question Authority." Many experts provide value; others are cranks or, as the optician noted, simply humans who make mistakes. That's why we need to question and sometimes reject experts.

And if CNN or others who make bad decisions try to put the blame on their consulting firm, they are simply lying to themselves.

FIC works with senior management and Boards on issues that are critical to a bank's sustainability and growth. We emphasize practical solutions that we customize to a company's capabilities and culture. Reach FIC at cwendel@ficinc.com.