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Annual Report 1971

CAMC

MANAGEMENT
LIBRARY

JUL 7 1971

CANADIAN ASSOCIATION OF MANAGEMENT CONSULTANTS

MCGILL UNIVERSITY



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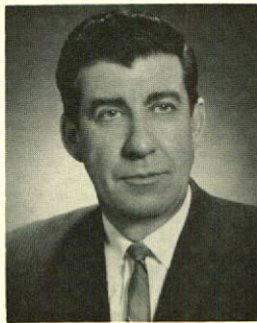
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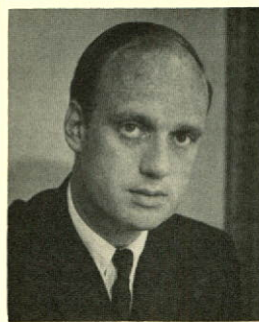


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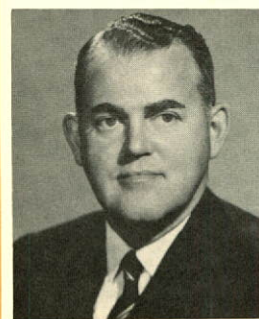
G. N. M. Currie



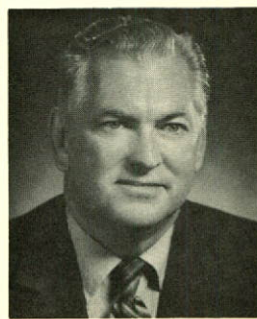
J. R. Hearn



R. W. Johnston



J. J. Macdonell

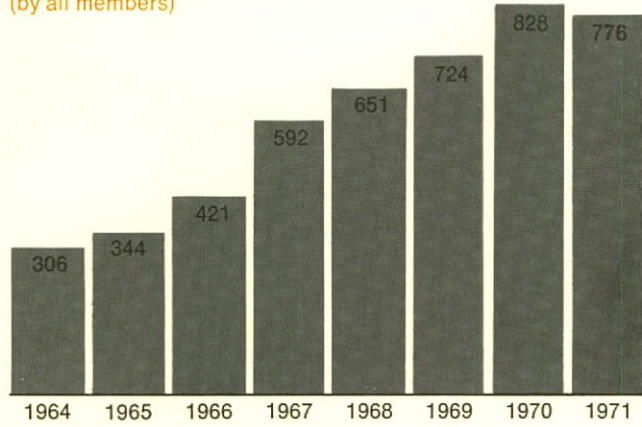


K. D. Jenner

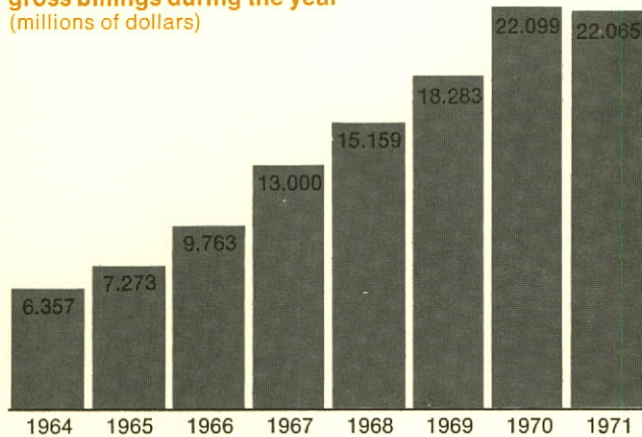
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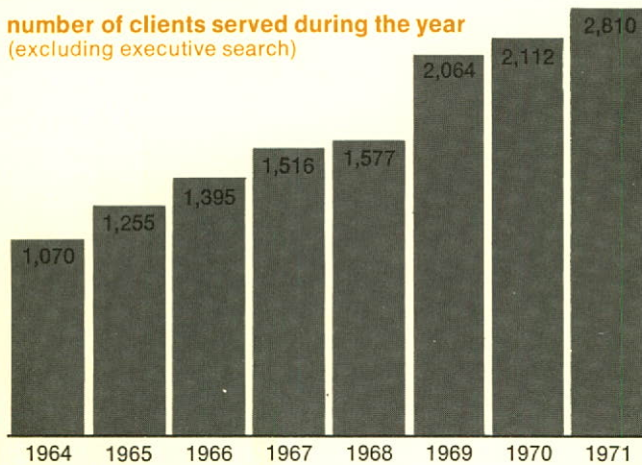
total professional staff employed at april 30
(by all members)



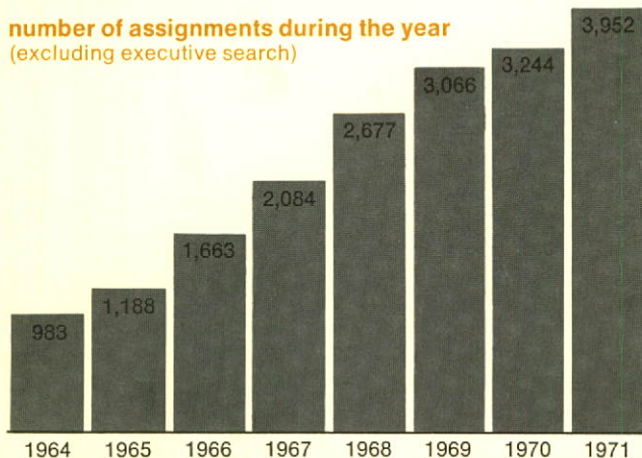
gross billings during the year
(millions of dollars)



number of clients served during the year
(excluding executive search)



number of assignments during the year
(excluding executive search)



THE GROWTH OF MANAGEMENT CONSULTING IN CANADA 1964-1971

PRESIDENT'S REPORT

Management consulting continues to be a vigorous, expanding profession in Canada. During the year ending April 30, 1971 the member firms of the Canadian Association of Management Consultants served 2,810 clients, as compared to 2,112 in the previous year.

Despite the recent economic recession in Canada, total billings for CAMC member firms remained steady at \$22 million. A few firms had somewhat lower billings than last year, while most had the same or higher billings.

As clients gain experience in using management consulting services, they look to management consultants for help in applying more advanced and elaborate techniques to the management of their organizations. For example, there is now a definite trend towards the use of management consulting firms as project managers on large construction projects. It has become evident that effective project management involves much more than technical skill alone. It also requires managerial skill and the ability to coordinate a wide variety of specialized functions. Member firms of CAMC are in the forefront of this new development in Canada.

Another trend is the growing use of CAMC member firms in industrial relations activities. Clients are recognizing that management consultants are particularly well-qualified to provide assistance in developing new concepts that can improve the effectiveness of industrial negotiations.

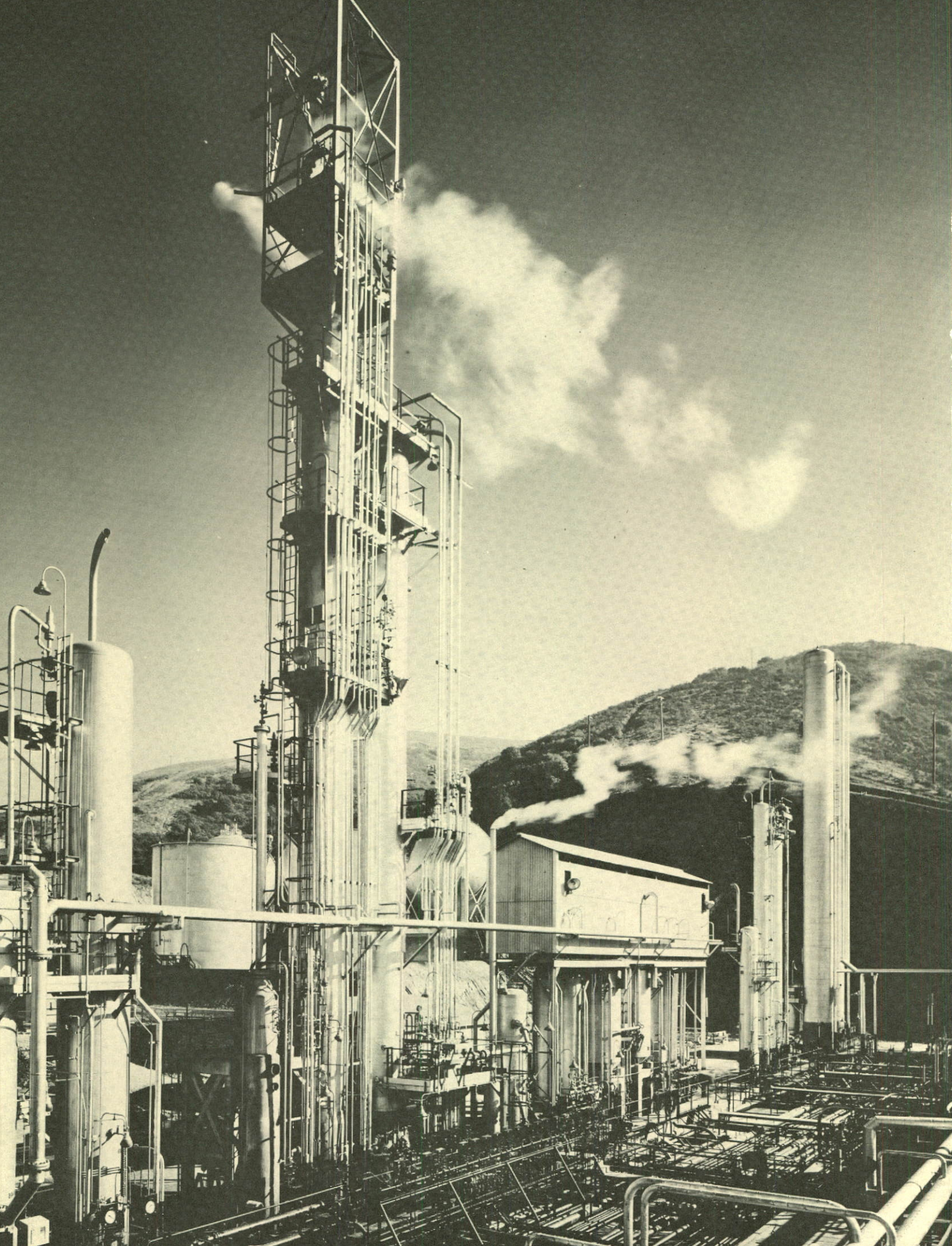
The Canadian Association of Management Consultants represents the 13 leading management consulting firms in Canada. CAMC firms have been able, because of their size and breadth of experience and skills, to provide an innovative impetus in developing new services to help managers cope with continuing rapid changes. For example, CAMC member firms have been active in helping managers adjust their organizational structures to meet the growing demand by personnel at all levels for more democratic and less autocratic management. Another important function of CAMC members has been the provision of counselling services to client personnel who have lost their jobs as a result of the recent economic recession.

The continued demand for more efficient government administration is also contributing to the growth of Canadian management consulting. For example, the Ontario Committee on Government Productivity is currently making extensive use of personnel from CAMC firms as key members of the task forces involved in the work of the Committee.

In the future, rapid changes will likely continue and the manager's problems will become more complex. These conditions will offer scope for continued expansion of the essential services provided by Canada's management consulting profession.



H. S. Gellman,
President 1970-1971



WHO USES CONSULTANTS?

The clients of consulting firms can be almost evenly divided into three main groups — large companies, small companies and governments and institutions.

Governments and institutions have this year taken the lead as the largest client group served by CAMC member firms. Last year they accounted for 40% of fees. Small and medium-sized companies, with sales under \$30 million, account for 31% of revenue, while large companies, in the \$30 million to over \$100 million category, account for 29% of fees.

Biggest growth in the past four years has been in governmental and institutional assignments which increased from 11% of fee revenue in 1968 to 40% in 1971. Large companies also increased from 20% of fees earned in 1968 to 29% in 1971, while small companies declined from 69% in 1968 to 31% in 1971.

Major Canadian Companies

Large companies which most frequently use Canadian consulting firms range from railways, oil companies, department stores and banks to primary manufacturing industries such as mining, forestry, pulp and paper, and secondary manufacturers as widely diversified as electronics, furniture and aircraft.

They are using management consultants to help them plan for the future, to introduce complex new business techniques and to help solve problems that have already arisen. They realize that to maintain a top position in today's competitive world requires continual improvement. It is impossible to stand still.

One of the most interesting of last year's assignments was the study for a large urban development company, of an information system to plan and control the development of a new multi-million dollar urban community. Another project, for a major steel manufacturer, involved the improvement of the efficiency and productivity of many areas of the company.

Last year, 530 large companies accounted for nearly 29% of the fees of CAMC firms and for 19% of their clients.

Medium and Small Companies

In today's highly competitive market the position of the small and medium-sized company is becoming more difficult. They are often faced with problems that inhibit their

future growth or perhaps even threaten their very existence. Because they find it costly to retain their own staff of permanent specialists, they turn more often to the management consultant for help.

Acquisitions and mergers are also becoming a more frequent solution to their problems and many management consulting firms have set up special departments to assist in this area. Last year, for example, management consultants assisted in the merger of three geographically dispersed distributors into one national organization and then helped the new company to plan its organization structure and operating system.

Consultants are also being used by small and medium-sized companies to conduct market research, to plan product diversification, or to undertake industrial engineering projects on temporary, but more economical bases than retaining permanent specialists.

Last year, 1,670 small and medium-sized companies made up 31% of CAMC firms' fees and composed 59% of their clients.

Governments and Institutions

Government agencies—federal, provincial and municipal—constitute the largest client group using the services of Canadian management consulting firms. CAMC member firms have handled assignments for federal government departments, for every provincial government in Canada and for every major city as well as many smaller cities and municipalities. Their advice is also sought by institutions such as universities, school boards, hospitals and charitable organizations.

Among the provincial government assignments of the past year have been the implementation of medical care plans for two provinces, completion of a two-year survey of the administrative organization of a provincial government, a long-range study of data processing needs, a program to improve the efficiency of welfare aid granting, and the design of a new management information system for a provincial department of education.

One of the most interesting institutional assignments was the development of a new organization plan for one of the largest university libraries in Canada.

Governmental and institutional assignments last year accounted for 40% of consultants' fees and 22% of their total clients.

STRATEGIES FOR THE SEVENTIES

Peter Drucker in his book "The Age of Discontinuity" describes the changing characteristics of the majority of workers from agricultural workers in 1900 to industrial workers in 1940 and knowledge workers in 1980. Elsewhere in this report we have commented on the relative decline in services offered by consultants in production management in response to increased client demands for new services in other areas. From about 25% in the mid-sixties production services, although still a significant part of consultants' work, last year accounted for a smaller portion of total fees. When it is recalled that management consulting is generally regarded as having its genesis on the shop floor in the work measurement studies of F. W. Taylor early in this century, it is apparent that the consulting professional has changed radically in response to client needs. The traditional skills of the consultant in production management, suited to the industrial problems of the past, are giving way to new skills demanded by an economy based on knowledge workers.

One of these new skills is strategic planning. Faced with the bewildering speed of technological change, increased competition, rapid communication, new products and markets and intensified social and political pressures, the need to plan has taken on new significance. Formal long range planning was first introduced on a significant scale by large corporations in the early sixties. Ten years have elapsed and, despite the enthusiasm of planners, there has been much disillusionment; planning has not proved as effective as had been hoped or expected.

Similar developments are taking place in government where greater emphasis is being placed on planning. The growth in size and in power of the Prime Minister's Office in the federal government is a clear manifestation of the establishment of an elite group within the government bureaucracy concerned with the development of long range strategies to "manage" our resources—human, financial and material. The current efforts to develop clear cut government policy on such crucial matters as Canadian ownership of resource-based companies suggests that in government, as in industry, it has been recognized that planning has not been fully effective.

Consultants active in the field of planning have pointed out that one reason for the failure of strategic planning to live up to its expectations is the tendency to concentrate too heavily on internal factors. In other words, plans have been made with too little heed to the changing outside environment and have been based too heavily on analysis and extrapolation of internal historical data.

This weakness in the planning process can be observed both in the private and public sectors. For example, on the question of Canadian ownership, the businessman has generally adopted the view that money is an international exchange medium; that investment should be directed where it can earn the best return in relation to risk; that the country of ownership of a company is unimportant; that employment, economic growth and profits are what matter. This international perspective has much to commend it. However, it is too narrow a view in today's circumstances because it fails to take into account the social and political

pressures which are demanding repatriation of Canadian companies. The businessman must understand external forces in society and he must be prepared to respond appropriately. Effective planning must take into account the realities of a new awareness on the part of the public of such issues as Canadian ownership, particularly in resource-based companies such as Denison Mines and Home Oil.

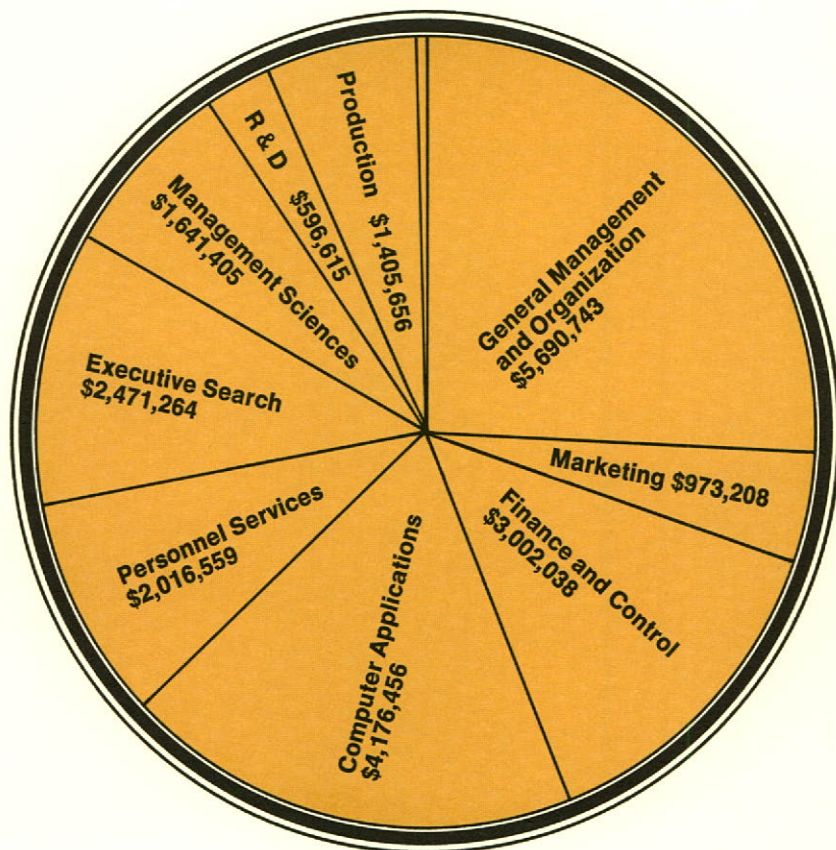
Other examples in the private sector include the pressures being exerted on industry to control pollution; to adopt personnel policies which, in the event of lay-off, will not create undue hardship by terminating employment without warning; to provide employment for our youth. The impact of social and political demands on business are reported almost daily in the press. Clearly these forces are being felt and enlightened businessmen are responding. Nearly every annual report contains some reference to the steps being taken by companies to adopt policies in the public interest. In the seventies these external forces can be expected to intensify and it will require intelligent strategic planning to understand the environment, to overcome the problems which will arise and to take advantage of the opportunities which will be provided.

Planning which fails to give adequate recognition to environmental or external influences is not confined to the private sector. We have recently experienced excellent examples in government where plans have been made which, in the opinion of the businessman, seem to take little account of the powerful incentives and reward systems of industry: tax reform proposals which may discourage savings and curtail investment during a period when large amounts of capital are required; monetary and fiscal restraints which, applied too vigorously or extended too long, may aggravate unemployment; large increases in government spending during a period when industry has been calling for tax reduction to stimulate the economy.

Only after the passage of time will we be able to assess the results of these government initiatives. Whatever they may be it is clear that the present situation is unsatisfactory in that there has been inadequate communication and a lack of understanding between government and business. As perceived by the businessman, government planning has been done without sufficient regard for the economic realities and needs of our country. As perceived by government, business has been too slow to respond to the legitimate demands of society.

Consultants whose work requires frequent contact with both government and industry can attest to the failure of each to understand and appreciate the point of view of the other. In this decade, which has been aptly described by a leading economist as the "socially sensitive seventies", it will be more important than ever that the strategic plans of government and industry be formulated taking into account the interests of all elements of society. This represents a challenge to all Canadians with management responsibilities to adopt a broad point of view, to demonstrate an awareness of external forces and to apply new skills to develop their strategies for the seventies.

A LOOK AT CONSULTANTS— THE SERVICES THEY OFFER



The relative popularity of the various services offered by management consultants is often an indicator of the business concerns of a particular year. General management and organization services have always been the most popular, but as consultants have increased their other services, the relative importance of this area of consulting has gradually declined. During the mid-Sixties general management and organization services accounted for 44% of the revenue of CAMC firms, while for the past two years they have accounted for 26%.

One of the fastest growing areas is computer applications and management sciences which have grown from almost nothing ten years ago to account for 26% of revenue last year.

Finance and control, the third most popular service, has remained fairly constant, varying between 12% and 16% of revenue over the past four years. Last year it accounted for 14%.

Production assignments, on the other hand, have shown a steady decrease over the past few years. In the mid-Sixties they accounted for 25% of consultants' revenue, but have gradually declined to a low of 6.4% last year.

Personnel services and executive search increased from a previous average of 16% of annual fees to 20% last year, perhaps as a result of the uncertain employment situation.

Resource development grew one percentage point to 3% of fees, while marketing declined one point to 4.4%.

More than 50% of all consulting engagements involve more than one area of business—a clear indication of the interrelation of every aspect of today's business enterprise. One of the best examples of this was the work done last year by a CAMC firm for a municipal utility which was formed through the amalgamation of two smaller units. Consultants provided assistance in five different management areas.

They developed a new organization plan to make the best use of personnel in the merged organization; they helped plan space requirements for new premises; they improved the EDP and management information systems, drew up the necessary changes in accounting procedures, and helped to develop wage and salary policies for the combined staffs.

General management and organization, still the most popular consulting service, often involves many different consultants from a wide range of disciplines. One of the largest assignments of recent years was a two-year survey of the administrative organization and practices of an entire provincial government.

Consultants studied central management and coordinating functions, the budgeting process, other aspects of

financial management, electronic data processing, and management of real estate, equipment and materials. Implementation of the recommendations of the study are now underway and are expected to result in substantial government economies.

Organization studies also include long and short range planning, definition of objectives and policies, profit improvement programs, economic studies and forecasts, merger and acquisition analysis, management controls and reporting systems, and management development programs.

Computer applications, the second most popular service of Canadian management consulting firms, last year accounted for 19% of CAMC firms' revenue. Management sciences, a related service, was responsible for another 7%.

The types of computer services offered ranged from feasibility studies to the planning and programming of new computer systems and their control and evaluation.

One of the most interesting assignments of the past year was the development of a new computer system to handle welfare aid payments for a provincial government. The new system, which uses advanced computer facilities, has speeded up the processing of payments and at the same time decreased administrative costs by approximately 10%. To give some idea of the scope of the project, the system handles the issuance of cheques to over 150,000 people; its data bank requires approximately 80,000 up-datings each month; and each case requires up to 214 pieces of information.

Finance and control ranked third in popularity among clients and accounted for 14% of consultants' revenue last year.

Cost control systems are one of the key services in this area and an assignment for a major steel manufacturer is typical of the assistance consultants are providing. They developed a departmental cost budgeting and cost improvement program which resulted in increased sales volume, improved price structures, and higher production throughput. It also improved the productivity yield, reduced direct production costs and cut the cost of supporting services. Another benefit was that it helped to clarify and emphasize management group responsibility.

Other services include financial analysis and planning, accounting methods and procedures, data processing and clerical work standards.

Personnel services, including **executive recruitment**, are the next most popular services of consultants. They accounted for 9% and 11%, respectively, of last year's revenue.

A major study of the utilization of human resources for a provincial government committee on productivity was one of the most far-reaching studies undertaken last year. Its aim is to adapt modern knowledge about human behavior and motivation to the processes of government. It included a review of all personnel systems in the provincial civil service.

Consultants also provided training and development programs for industrial workers and supervisors in several different industries, including a South American mining company. They also designed a cost reduction program for recruiting and training seasonal workers for a federal government department.

Other personnel services include the planning of profit sharing systems and benefit plans, wage and salary ad-

ministration and surveys, contract negotiation assistance and psychological services.

Management sciences, a highly complex aspect of management, now accounts for 7% of consultants' revenue.

The planning of a new management information system for a large provincial department of education was a good example of what consultants can do with these new management tools. The department had come to the conclusion that its present inefficient and inadequate system was causing an unnecessary waste of resources, a heavy burden on school boards and a bad public image.

Consultants, working with a task force from the department, developed a new management information system to provide information for planning purposes, program management and communication with outside agencies. Cost savings have since become evident throughout the whole education system and the burden on the school boards has been reduced.

Consultants also offer assistance in operations research, including mathematical and statistical analysis and interpretation, PERT/CPM scheduling, mathematical model building and systems engineering.

Production assignments, which accounted for 6% of consultants' fees last year, are gradually decreasing in size and number, but are becoming more complex in nature.

A good example was the program to improve the efficiency of the present system of allocating longshoremen gangs to ship operations in a major Canadian harbour. It involved the development of a computer model to take over this complicated chore.

Other services include production and inventory planning and control, process control systems, materials handling and warehousing, methods improvements, performance standards and incentives, plant layout, quality control, and maintenance planning and control.

Marketing services, which vary from market research studies to promotion programs, last year accounted for 4.4% of CAMC firms' revenue.

One client, the Canadian fishing industry, retained consultants to help them to find ways of profitably increasing the consumption of fish in Canada. Another assignment had consultants assisting a major Canadian food processor to build and implement a marketing strategy and profit improvement program which greatly improved the company's performance in the French-Canadian market.

Consultants also provide marketing assistance in export marketing, forecasts, product diversification, pricing criteria, distribution, sales controls and reporting systems and compensation plans.

Resource development, a relatively new consulting service, has grown from 2% of consultants' revenue to 3% during the past year.

One of the most interesting assignments of this type was the work done for a major urban development company in planning an information system that would effectively plan and control the development of a new multi-million dollar urban community. The system was to include project planning, cost estimates, construction management, property management, cash flow forecasting and various accounting functions.

Other resource services include transportation planning, traffic engineering and control, airport planning and recreation and tourist studies.

THE CONSULTANT AT WORK

CONSULTANTS DESIGN NATIONAL POSTAL CODE

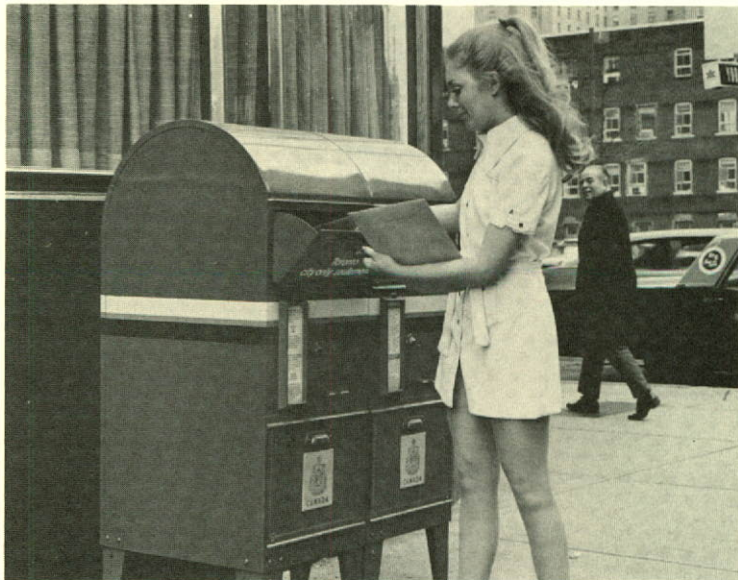
One of the most interesting of the government assignments undertaken by CAMC firms during the past year involved the new postal coding system for the Canada Post Office. Consultants were asked to design a coding system and develop an implementation program for its introduction in 1973 when new sorting equipment will be installed in major post offices across Canada.

The system which was recommended by the consultants is unique in the world and is a considerable improvement over the familiar United States ZIP code. The smallest area which the U.S. code can identify is a city zone, while the Canadian code will identify a single city block, an apartment building, or even one large-volume mailer such as a public utility or a large circulation publication.

Other advantages of the Canadian system are that it will eliminate considerable manual sorting of mail and speed up the remainder of the process.

It will be a great boon to mass mailers whose mail will be entirely machine sorted. The system is designed to be permanent, and yet flexible enough to accommodate both change and growth.

A code length of six characters, combining both letters and numerals, was decided upon as being most acceptable to the public and least susceptible to error.



ADVANCED COMPUTER SYSTEM AIDS INTERNATIONAL MUTUAL FUND MANAGEMENT

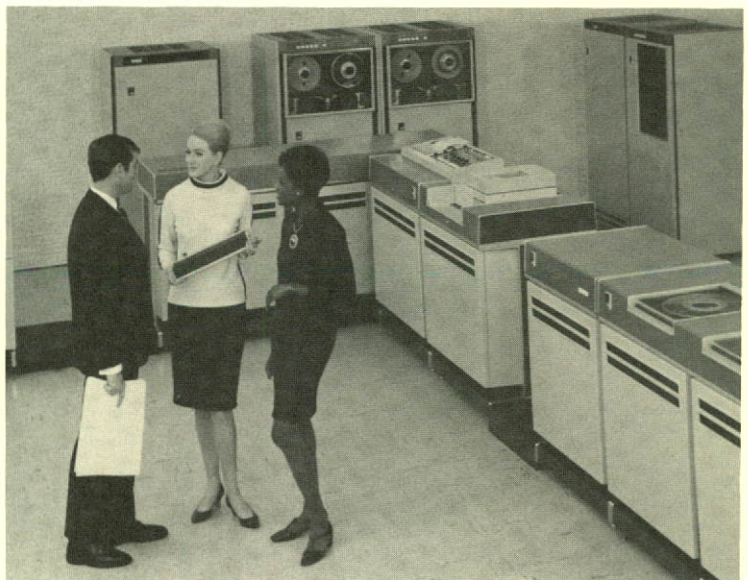
The design of a computer system to handle the administration of mutual funds for an off-shore financial institution turned out to be one of the most unusual international assignments of the year.

The Bank of Bermuda, which operates in a tax-free country, administers mutual funds which not only vary widely in size and in their range of investment plans, but also deal in multiple currencies, are sold all over the world and listed on a number of stock exchanges. The increasing work load and complexity of the paper work involved was seriously affecting the efficiency of the operation.

A fairly elaborate computer system was obviously required but it was also essential that its operation utilize relatively unskilled labour.

In their search for a solution to this problem, consultants found that a basic pattern running through all present funds and those likely to be developed in the near future, could be used to design a basic computer system. The smaller, non-standard options, offered by each of the many different funds, were added to the basic program by coding the rules of each mutual fund and storing them permanently on the computer. The computer follows the basic program for all funds, but when it encounters an option specifically related to one fund, it consults the fund rules and processes accordingly.

The computer system, along with the simplified clerical system which was designed to support it, has greatly increased the efficiency of the operation, with only a slight increase in staff. The bank is now administering many more funds than previously and is able to actively encourage other funds to use its services.



OFFICE PLANNING INCREASES EFFICIENCY

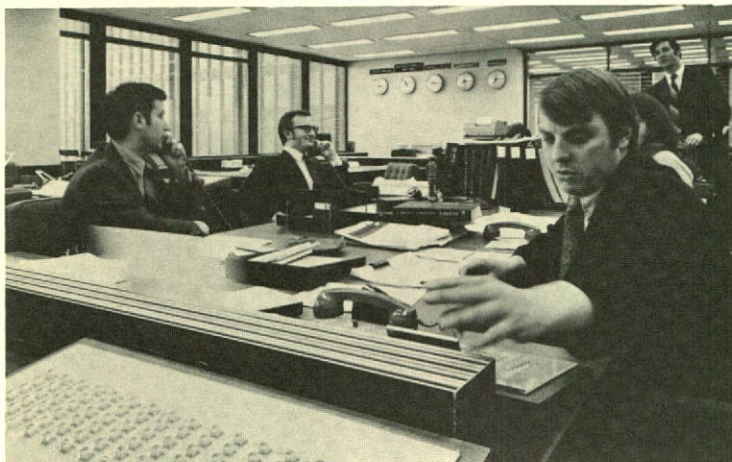
A brokerage office is really a "paper factory" where the speed with which paper is handled is of prime importance. Why not automate the flow of paper the same way that goods are moved in a factory? This was the concept developed by management consultants who assisted one of Canada's largest brokerage firms, Wood Gundy Limited, to plan and execute a move from their old quarters to three floors of space in the new Royal Trust Tower in Toronto.

To speed up the paper-moving function in the new premises, consultants designed a four-channel conveyor belt which moves buy and sell orders rapidly from both the retail sales area and the wire room, where teletype orders come in, to the trading room where orders are filled. The 200-foot conveyor runs along the outside perimeter of the building between the columns and the outside wall so that it causes no waste space or restriction of staff circulation.

In addition to the conveyor, the new office system includes a gravity chute system which links the trading room with the EDP room on the lower floor, and a pneumatic tube system which handles lower-volume paper flow to more dispersed departments on all three floors.

To plan and control the move to new premises, management consultants drew up a critical path network, made a detailed study of space requirements and paper flow for each activity in the firm, prepared floor layouts which provide for future expansion, and designed special traders' desks which speed up their work.

Planning took 16 months, but the actual move was accomplished in one weekend, with the firm in complete operation on Monday morning.



NEW SYSTEM DEVELOPED FOR PROJECT PLANNING

One of the major problems facing a large development company is how to select the most profitable projects from among the many which compete for the company's capital and managerial resources. Conventional methods tend either to be too slow, thus leading to loss of opportunities, or incomplete, thus exposing the company to unacceptable risks.

This was the problem which confronted Bramalea Consolidated Developments Limited. The company had expanded its operations over the last few years to include residential, industrial and commercial properties across Canada, into the Caribbean, the United States and the United Kingdom. Combined with this growth had been the development of a wide variety of corporate arrangements for participating in real estate development. These included subsidiaries, associated companies, joint ventures and partnerships.

Bramalea management realized that their increasingly complex business environment called for computer assistance in decision-making. With the help of specialists from a CAMC member firm, the company developed an advanced project planning and control system which has proved highly successful.

The system operates in two phases. First, the cash flow, discounted rate of return and accounting profit for the proposed project are determined. At this stage, a number of alternative strategies in regard to financing, costs, schedules and so on can be examined to determine the best approach to the project. At the same time, management can identify the areas where negotiations will have a significant impact on return and therefore concentrate their bargaining effort on key issues.

In the second phase, the project under consideration is added to the total portfolio of corporate projects in order to assess its overall impact on corporate results. At this stage, further alternative strategies can be examined to find the best project mix for the company. Once a plan has been selected it is then distributed to operating personnel as the basis for control.

The end result is a system which permits Bramalea to examine more opportunities in greater depth, to adapt strategies quickly to meet changing conditions, to negotiate contract terms more effectively and finally, to do all this in days instead of weeks. The computer system is also highly portable and can be used almost anywhere in the world where a normal Telex connection can be made.



HOW TO CHOOSE A MANAGEMENT CONSULTANT

The careful selection of a management consulting firm is a major factor in assuring the success of a consulting engagement.

In Canada there are many reputable management consulting firms varying in size from small specialist firms to those with large professional staffs providing a wide range of services. Some firms have more experience in one area of management problems, while another firm may be better qualified in other fields. The important thing is to choose the consulting firm best suited to solving the problem at hand. Obviously, careful investigation is necessary.

The following suggestions offer a useful guide for selection of a management consultant.

1. Determine the nature and scope of the project, if possible, before contacting consultants.
2. Secure the names of several consulting firms which have experience in the field in which your problem lies. These names may be obtained from other businessmen, banks, law firms or from the offices of the Canadian Association of Management Consultants listed on page 15 of this report.
3. Make a preliminary reference check on these consulting firms to obtain the following information:
 - a) length of time the firm has been in business
 - b) calibre of its principals and staff
 - c) scale of the firm's operations
 - d) the type of client it has served
 - e) its adherence to a recognized code of professional conduct.
4. From this preliminary survey choose one firm and discuss your problem with it. Management consultants are always pleased to confer with prospective clients, in confidence and without financial obligation. Reputable consultants will recommend their services only if they believe that they can bring real benefits to the client company.
5. Ask the firm you have chosen to submit a detailed proposal. It should contain:
 - a) the objective, scope and nature of the assignment
 - b) a recommended program for accomplishing the work, including a starting date and estimate of time required
 - c) the general methods to be used
 - d) the names of the consultants who will do the actual work and their qualifications
 - e) an estimate of the fees and details of the firm's billing procedure
6. Check the consultant's references. All reputable consultants are willing to supply the names of clients for whom they have worked. The key question to ask is: Would the client be willing to use the same consultants again if he had a similar problem?

HOW TO GET THE BEST RESULTS FROM MANAGEMENT CONSULTANTS

One of the major fallacies about management consulting is that once the consultant arrives on the scene the client can sit back and relax. His problems are solved. Unfortunately, it is not that easy.

A consulting engagement is a joint undertaking between management and consultants. The findings and recommendations of the consultants are not of much use unless management understands their rationale and is willing to accept them.

To reach this type of understanding, the client must be willing to devote a considerable amount of his time, and that of his staff, to the project. A member of the client staff should be assigned to work with the consultant, sometimes on a full-time basis. This provides the client with some continuity after the assignment is completed and also assists the consultant by giving him access to someone with intimate knowledge of the client organization.

The client should also hold periodic meetings with the consultants to discuss progress and to make certain that anticipated results are being produced. Regular meetings also act as a mutual stimulant to the thinking of both client and consultants. Interim progress reports from the consultants are another important method of keeping management informed and ready to act on recommendations. They also help the consultant to organize his own thinking on the project.

The implementation phase of an assignment is usually the key to its success. In most cases, desired benefits cannot be realized until the consultants' recommendations are working effectively. This part of the assignment is often the longest and most difficult because it involves change. The consultant must work with people, training them in the new techniques and changing the attitudes of management. His ultimate aim is to strengthen the client's ability to analyse and solve his own problems more effectively.

Flexibility and creativity on the part of both consultants and management are essential during this stage, as it is a rare proposal that will not require some modification during implementation.

Most consultants today do not consider their work complete until their recommendations have been introduced and are functioning smoothly. But the client must remember that the consultant alone cannot achieve this goal. He can propose solutions to a client's problems and train his staff in their application, but the ultimate success of the project rests with management.

PROFESSIONAL OBJECTIVES

The Canadian Association of Management Consultants was founded in 1963 by ten of the leading Canadian management consulting firms whose principals believed that the rapid growth in management consulting necessitated a professional association to exercise control over its future as a profession.

The purpose of the association is to maintain standards that will ensure the orderly development of consulting and that will assure the public of competent and ethical practice.

The objectives of the Association are:

To foster among management consultants the highest

standards of quality and competence in their services to their clients.

To establish, maintain and enforce upon all members strict rules of professional conduct and ethical practice in their relations with clients, other members, and the public generally.

To disseminate, to the business community and the public, information regarding the services offered by the management consulting profession in Canada.

To represent fairly, and act as authoritative spokesman for, the management consulting profession in all parts of Canada.

CODE OF ETHICS

Members of the Canadian Association of Management Consultants subscribe to this code:

All information relating to the affairs of a client obtained in the course of a professional engagement shall be treated as confidential.

In arranging professional engagements, all reasonable steps shall be taken by the member to ensure that the client and the member have a mutual and clear understanding of the scope and objectives of the work before it is commenced, and that the client is furnished with an estimate of its cost, desirably before the engagement is commenced,

but in any event as soon as possible thereafter.

No professional services shall be rendered for a fee, the amount of which is contingent upon the results of the work.

Members shall inform clients of any business connections, affiliations or interests of the member, of which clients would have a reasonable expectation to be made aware.

Members shall not adopt any practices in obtaining engagements, nor in any other way so act, as to reflect on the public or professional reputation of the Association or its members.

MEMBERSHIP REQUIREMENTS

Membership in the Canadian Association of Management Consultants is open to any management consulting firm in Canada which has recognized standing in the profession, whose practice conforms with the standards of ethical and professional conduct of the Association and which meets the admission requirements prescribed as follows.

☐ The firm must have been engaged in management consulting in Canada for at least five years. (This period is reduced to three years for firms of known reputation previously established in other countries.)

☐ For a continuous period of three years preceding the application, the firm must have maintained a minimum full-time staff of eight professional consultants.

☐ The firm must serve clients in commerce, industry, government, or other institutions broadly on managerial and related operating and technical problems in two or more of the main areas of management, such as: general management and organization, manufacturing, electronic data processing and information systems, marketing, management science, finance and control, personnel administration and labor relations, and economics. Its primary

concern must be with the managerial, operating, and entrepreneurial problems of the enterprise. The second field of activity must account for a reasonable proportion of the total activity of the firm. Activity in personnel search and selection alone does not constitute activity in the field of personnel administration.

☐ The persons employed in the direction, control and execution of consulting assignments must be recognized by the Association as experienced and competent. At least one of the senior members of the firm must be a member of a provincial Institute of Management Consultants.

☐ The firm must have recognized standing in the field of management consulting, as evidenced by its activities in a number of spheres toward the advancement of the profession.

☐ The firm must provide evidence to the Association of a record of competence, ethical conduct, high standards, independence and stability.

☐ The ownership arrangements of the firm must be such that no undue pressure or hindrance may be brought to bear on the conduct of professional assignments.

INFORMATION SERVICES

CAMC maintains two offices, one in Toronto and one in Montreal, for the purpose of providing information to the business community regarding management consulting and the services offered by member firms. Information is available for businessmen seeking the names of reputable management consulting firms and for members of the press who require information about consulting.

For further information about the Canadian Association of Management Consultants please contact:

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