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Guidelines for management consultancy services

Lignes directrices relatives aux services de conseil en management

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation on the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT) see the following URL: www.iso.org/iso/foreword.html.

This document was prepared by Project Committee ISO/PC 280, *Management consultancy*.

Introduction

Management consultants use their know-how to support clients in any sector locally, regionally and globally to deal with important issues such as handling complexity, achieving sustainable organizational growth, innovating, achieving change and enhancing productivity. The management consultancy industry makes a substantial contribution to the world economy.

The aim of this document is to improve transparency and understanding between clients and management consultancy service providers (hereinafter referred to as MCSPs), in order to achieve better results from consultancy projects. Appropriate application of this document enables MCSPs to provide better value for clients and reduce risk in management consultancy assignments. By improving quality, professionalism, ethical behaviour and interoperability of management consultancy, this document is intended to enhance the effectiveness of the management consulting industry and accelerate the development of the profession.

This document is based on good practice from the management consultancy industry. It includes recommendations to improve the specification, execution, acceptance of the outcome and closure of management consultancy services, based on research and the experience of a wide range of MCSPs and their clients.

This document takes the form of an easy-to-understand guidance document, written from the perspective of management consultancy. It applies to all MCSPs, whatever their size or specialism, including sole proprietors, partnerships, associations, governmental and non-governmental organizations, internal departments of corporations, etc.

Innovation, differentiation and ethical behaviour are important parts of an MCSP's value proposition. This document focuses only on the deliverables and outcomes of management consulting. MCSPs are free to use their own methods and approaches.

This document:

a)   is written as guidance;

b)   is applicable to all MCSPs;

c)   applies to organizations, not their internal resources;

d)   is based on outcomes;

e)   protects innovation and differentiation;

f)   emphasizes the importance of understanding clients' needs;

g)   is easy to understand.

Guidelines for management consultancy services

1 Scope

This document provides guidelines for the effective delivery of management consultancy services.

NOTE   Refer to Annex A for supplementary information on ISO standards.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at http://www.iso.org/obp

— IEC Electropedia: available at http://www.electropedia.org/

3.1
agreement
formal binding *outcome* (3.15) (preferably documented in writing) from the *contracting* (3.7) phase

3.2
assignment
service to be provided by the *MCSP* (3.12) to the *client* (3.4) and the *recipient* (3.21) as described in the *agreement* (3.1)

Note 1 to entry: An assignment is typically performed as a *project* (3.18) by the *MCSP* (3.12). Other formats of assignment could be encountered, such as the provision of ongoing support.

3.3
capability
staff, contractors, knowledge, methodology, third parties, technology and other relevant *resources* (3.23) or *processes* (3.17)

3.4
client
organization (3.13) that agrees to the *management consultancy services* (3.11) supplied by the *MCSP* (3.12)

3.5
closure
set of activities between the *MCSP* (3.12), the *client* (3.4) and the *recipient* (3.21) aimed at ending the *assignment* (3.2)

3.6
communication
maintenance between the *MCSP* (3.12) and the *client* (3.4) of clear and systematic flow of information

3.7
contracting
set of activities aimed at reaching an *agreement* (3.1) to provide *MCS* (3.11)

3.8
deliverable
tangible item produced by the *MCSP* (3.12) as part of an *assignment* (3.2)

EXAMPLE   A report, a plan, a document.

Note 1 to entry: Output is considered synonymous with deliverable.

3.9
execution
performance of the *management consultancy service* (3.11)

3.10
intellectual property
any identifiable product of the mind attributable to any person(s) or one or more legal entities that can be represented or communicated physically and protectable by copyright or similar laws

[SOURCE: ISO/IEC 21000-19:2010, 3.1.28]

3.11
management consultancy service
MCS
service
set of multidisciplinary activities of intellectual work, within the field of management, which aims to create value or promote changes, by providing advice and proposing solutions, by taking into account actions or by producing *deliverables* (3.8)

3.12
management consultancy service provider
MCSP
organization (3.13) that offers and delivers *management consultancy services* (3.11)

Note 1 to entry: An organization (3.13) acting as a broker or as an introducer (facilitator) of *MCS* (3.11) or providing administrative support (e.g. invoicing, payment of salaries) to MCSPs is not considered an MCSP.

3.13
organization
person or group of people that has its own functions with responsibilities, authorities, relationships and *resources* (3.23) to achieve its objectives

Note 1 to entry: The concept of organization includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, association, charity or institution or part or combination thereof, whether incorporated or not, public or private.

[SOURCE: ISO 9000:2015, 3.2.1]

3.14
organizational governance
system by which an *organization* (3.13) makes and implements decisions in pursuit of its objectives

[SOURCE: ISO 26000:2010, 2.13]

3.15
outcome
impact or result of an action or *process* (3.17)

EXAMPLE   An improvement in profitability or value.

3.16
policy
intentions and direction of an *organization* (3.13) as formally expressed by its top management

[SOURCE: ISO 9000:2015, 3.5.8]

3.17
process
set of interrelated or interacting activities that use inputs to deliver an intended result

Note 1 to entry: Whether the "intended result" of a process is called output ([3.8](#)), product, or service ([3.11](#)) depends on the context of the reference.

Note 2 to entry: Processes in an *organization* ([3.13](#)) are generally planned and carried out under controlled conditions to add value.

[SOURCE: ISO 9000:2015, 3.4.1]

3.18
project
unique *process* ([3.17](#)), consisting of a set of coordinated and controlled activities with start and finish dates, undertaken to achieve an objective conforming to specific *requirements* ([3.22](#)), including the constraints of time, cost and *resources* ([3.23](#))

[SOURCE: ISO 9000:2015, 3.4.2]

3.19
project governance
system by which an *organization* ([3.13](#)) makes and implements decisions in relation to projects

3.20
project management
direction of the *project* ([3.18](#)) under the authority of *project governance* ([3.19](#))

Note 1 to entry: Project management is the application of methods, tools, techniques and resources to the management of a project and includes the integration of the various phases of the project life cycle. Project management is accomplished through processes.

3.21
recipient
organization ([3.13](#)) receiving the *MCS* ([3.11](#)) agreed by the *client* ([3.4](#))

Note 1 to entry: Often the recipient is the client.

3.22
requirement
need or expectation that is stated, generally implied or obligatory

Note 1 to entry: "Generally implied" means that it is custom or common practice for the *organization* ([3.13](#)), its customers and other interested parties, that the need or expectation under consideration is implied.

[SOURCE: ISO 9000:2015, 3.6.4]

3.23
resources
assets, people, skills, information, technology (including plant and equipment), premises, supplies and information (whether electronic or not) that an *organization* ([3.13](#)) has available to use, when needed, in order to operate and meet its objectives

[SOURCE: ISO 22301:2012, 3.47]

3.24
risk
effect of uncertainty on objectives

Note 1 to entry: An effect is a deviation from the expected — positive or negative.

Note 2 to entry: Objectives can have different aspects (such as finance, health and safety, security and environment) and can apply at different levels (such as strategic, organization-wide, project, product, and process).

Note 3 to entry: Risk is often characterized by reference to potential events and consequences, or a combination of these.

Note 4 to entry: Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.

Note 5 to entry: Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequence, or likelihood.

[SOURCE: ISO Guide 73:2009, 1.1]

3.25
stakeholder
person, group or *organization* ([3.13](#)) that has interests in, or can affect, be affected by, or perceive itself to be affected by, any aspect of the *assignment* ([3.2](#))

Note 1 to entry: Refer to [Annex B](#) for examples of typical stakeholders.

[SOURCE: ISO 21500:2012, 2.14, modified]

4   Principles

4.1   General

4.1.1   Scope

During a typical assignment, the MCSP, the client and recipient jointly undertake three activities described below as the "typical consulting process".

This document applies to those activities.

This consulting process has a beginning and an end as described below.

4.1.2   Typical consulting process

The consulting process includes three typical activities: contracting, execution and closure, which are described in d), e) and f) in the basic structure of consulting outlined in [Annex C](#).

— **Contracting**

The client and MCSP reach a clear agreement on the scope and approach of the service to be provided and commit to working together.

This activity starts once the client and the MCSP have reached an understanding of the other party.

[Clause 5](#) offers guidance for contracting.

— **Execution**

Once agreement has been reached, the next part of the assignment is execution.

The MCSP provides the service in accordance with the agreed approach and plan. The MCSP and the client need to collaborate with confidence, fairness and mutual respect to achieve a mutually positive outcome.

[Clause 6](#) offers guidance for execution.

— **Closure**

The final stage of the assignment is closure.

After completion of the assignment, including the delivery of all deliverables and assessment of the results, the assignment is "closed" by resolving any unfinished items and meeting all contractual and legal obligations.

It is critical that the MCSP gains acceptance from the client that the assignment is complete.

Clause 7 offers guidance for closure.

NOTE   Refer to Annex C for basic structure of consulting activities.

4.1.3   Responsibilities

The MCSP is responsible for its resources and work, however the ultimate accountability for decisions, outcomes, deliverables and the impacts on stakeholders lies with the client.

NOTE   If specified in the agreement, the MCSP might also be responsible and held accountable for outcomes, deliverables or impacts on stakeholders other than the client and the recipient of the MCS.

4.2   Other standards

To deliver management consultancy services effectively, the MCSP should consider guidance provided by other national and international norms and standards relevant to the stakeholders in the assignment. Some standards of relevance include those on project management, ethical behaviour, risk management, business continuity, quality management, safety, and sustainability.

4.3   Ongoing evaluation and improvement

The purpose of evaluation is for the MCSP to assess and determine the effectiveness of the assignment.

Evaluation also allows the client and the MCSP to:

— diagnose the effectiveness of the assignment;

— make recommendations for corrective action;

— implement new processes and methods;

— provide and receive feedback from each other;

— evaluate added value.

The MCSP and client should agree on a suitable methodology for ongoing evaluation and feedback throughout the assignment.

The MCSP should establish a structured process for ongoing evaluation for the duration of the relationship between the client and the MCSP. The effectiveness of the assignment should be assessed based on the evaluation criteria, the policies and strategies included in the agreement.

Even if no evaluation is included in the agreement, the MCSP should have a process to learn from the work it undertakes.

If evaluation is required for contractual reasons to determine the fees paid, the MCSP and the client should agree the most appropriate method of evaluation.

4.4 Policies

Policies as written in 4.4.1 to 4.4.12 are to guide the MCSP in the delivery of the assignment and apply during the assignment.

4.4.1 Regulatory framework

The MCSP should maintain an appropriate level of awareness of the relevant laws, policies, rules, regulations and standards that govern their services and those of the client.

The MCSP should:

— engage in dialogue with the client to determine the relevant laws and regulations for the assignment;

— manage any conflict between laws and regulations relevant to its general activities and those relevant to the specific assignment.

If conflicts exist, to ensure clarity the relevant laws and regulations for the assignment should be identified in the agreement.

NOTE   In case of multiple jurisdictions, the aim of this subclause is to select and specify which laws are relevant to the assignment depending where the MCSP operates and where the recipient operates. This also creates awareness of potential conflict between laws for cross border assignments.

4.4.2 Stakeholder engagement and commitment

The MCSP should engage in dialogue with the client to identify the relevant stakeholders and agree on their involvement.

The MCSP together with the client should then engage with those relevant stakeholders to agree on their involvement.

The role of stakeholders and their relationship with the MCSP should be described in the agreement.

The agreement should include:

— access to information;

— consultation;

— communication;

— roles and responsibilities.

An effective strategy and policy should exist for communicating with stakeholders for the duration of the assignment.

4.4.3 Code of ethical and professional conduct

A code of conduct should be observed in order to guide the ethical and professional conduct of the MCSP during the assignment.

This code of conduct should include major topics such as:

— professional behaviour;

— sustainability;

— social responsibility;

— conflict of interest;

— integrity.

The MCSP should engage in dialogue with the client on the standards of conduct that will apply during the assignment. They should evaluate the available codes of conduct to ensure that their contents are aligned or that any inconsistencies are resolved by agreeing on the applicable elements. The MCSP should take care not to compromise its ethical and professional standards.

The resulting code may be specific to the assignment, or any existing code of conduct, such as those of any stakeholder, MCSP or client, or a code from a relevant professional body or trade association.

The applicable code of conduct should be recorded in the agreement.

NOTE 1   Refer to Annex D for examples of guidelines for MCSPs for a code of conduct.

NOTE 2   Refer to Annex E for examples of guidelines to manage conflicts of interest.

4.4.4   Project governance

An appropriate system for project governance should be agreed.

Governance systems vary, depending on the size and type of assignment and the environmental, economic, political, cultural and social context.

The project governance system should include:

— scope of work and deliverables;

— management structure (including client representatives);

— policies, processes and methodologies to be used;

— limits of authority for decision making;

— stakeholder responsibilities and accountabilities;

— interactions such as reporting;

— process for escalation of issues;

— process for identification and management of risks;

— mechanisms and controls to monitor, support and enforce ethical behaviour;

— mechanisms to facilitate the reporting of unethical behaviour without fear of reprisal.

The governance of the project should be carried out jointly by the MCSP, the client and the recipient.

If an MCSP has reason to believe that the agreed outcomes of the assignment will not be met within the terms of the agreement, the MCSP should inform the client of its findings and renegotiate the agreement.

4.4.5   Capability

The MCSP is responsible for developing and maintaining appropriate capability throughout the assignment.

The MSCP should only seek and accept those assignments that it is capable of fulfilling.

Capability includes:

— managed staff, including contractors (expertise, consulting and personal skills);

— other resources, including access to specialized knowledge, methodologies, tools and technology and other relevant non-staff resources.

NOTE   Refer to Annex F for examples of criteria to evaluate capability.

4.4.6 Communication

Clear understanding between the client and the recipient and the MCSP is critical for the success of the assignment.

Effective communication maximizes understanding, creates confidence and minimizes risks.

An effective strategy and policy should exist for communicating with relevant stakeholders for the duration of the assignment.

4.4.7 Data protection and confidentiality

The communication policy should encompass confidential data and information as well as intellectual property rights, such as benchmarks, for all stakeholders.

The MCSP should safeguard the rights of privacy of all stakeholders by limiting the types of information gathered and the ways in which such information is obtained, stored, used, reported and secured.

The MSCP should not use stakeholders' data or information without permission for any reason, particularly to demonstrate the capacity of the MCSP to execute an assignment.

The MCSP should maintain their credibility and the confidence of the clients. The MCSP is responsible for the confidentiality of data and information received from clients.

This policy may also apply after the closure of the assignment.

4.4.8 Protection of intellectual property

The MCSP has intellectual property rights for its know-how, methodologies, database, benchmarks, business models, tools and other relevant concepts and techniques.

The MCSP normally retains the ownership for intellectual property rights that they bring to a project.

For intellectual property rights arising from the outcome/deliverables of the assignment (ownership, right to use or right to refer to), the ownership should be agreed upon during the contracting phase.

This policy may also apply after the closure of the assignment.

4.4.9 Social responsibility

The MCSP should endeavour to achieve socially responsible outcomes that consider the interests of stakeholders. Considerations could include:

— demonstration of the MCSP's contribution to stakeholders;

— contribution to sustainable development;

— ethical project governance, including transparency;

— alignment with norms and standards that are documented by relevant organizations.

NOTE   Relevant organizations could include CEN, OSCE, ILO, ISO, UN.

4.4.10 Health and safety

The MCSP should engage in dialogue with the client to continually assess and mitigate the assignment-related risks to the health and safety of the consultants and other relevant stakeholders.

The agreement should provide information on the scope, the resources and the facilities relevant to health and safety risk consideration within and with which the MCSP should identify, analyse, assess and prioritize the nature of potential risks, coordinating and applying the required resources to minimize, monitor and control the probability and impact of unforeseen events.

The health and safety management methodology and the scope should be agreed upon in the contracting phase. For large or complex projects, this can be a substantial project activity requiring dedicated resources.

NOTE   Health and safety management is a consulting service.

4.4.11   Risk and quality management

The MCSP should continually anticipate, evaluate, prioritize and manage risks and quality issues associated with the assignment. Both the commercial and project-related risks should be considered.

The MCSP should coordinate and apply the required resources to minimize, monitor and control the probability and impact of unforeseen events.

The risk and quality management methodology and the scope should be agreed upon in the contracting phase. For large or complex projects, this can be a substantial project activity requiring dedicated resources.

All decisions relating to the engagement risks as well as risk identification and mitigation strategies should be approved according to the MCSP's own policies and procedures.

NOTE 1   Management of client risk is a consulting service.

NOTE 2   Refer to Annex G for examples of guidelines for managing risks related to the management of an assignment.

4.4.12   Guarantees

MCSPs should negotiate and agree on the conditions of any guarantee of the services to be provided.

5   Contracting

5.1   General

This clause provides a structure for the contents of an agreement.

Negotiation of the agreement starts from the existence of a mutual understanding of each party. This phase is to be performed by the client and the MCSP together.

5.2   Purpose

The purpose of the contracting phase is to build and reach an agreement between the MCSP and the client on the services to be provided.

The MCSP should only enter into an agreement that protects interests of the client and the MCSP.

Stakeholders whose interest will be considered need to be identified.

5.3   Input

There are many inputs to the contracting phase, including the perceived needs, the expectations and desire of the client and the potential constraints and risks involved in the assignment, and any significant changes that are beyond the scope of the change control process (see 6.5.4.6).

5.4   Outcome

The outcome of the contracting phase is a binding agreement between the MCSP and the client. The agreement determines the services and the deliverables to be provided and establishes rights and obligations for each of the parties.

NOTE   The agreement could be based upon a "request for a proposal", describing a set of requirements and specifications for services, deliverables and evaluation criteria, including the conditions for acceptance.

5.5   Contents

5.5.1   General

The agreement should include:

— context;

— services and deliverables;

— approach and work plan;

— roles and responsibilities;

— acceptance criteria;

— terms and conditions.

The items in 5.5.2 to 5.5.7 are typical contents of an agreement between the MCSP and the client. However, if it is obvious to both parties that some of these contents are inappropriate, they should be excluded. The description of a specific item can be made by the MCSP or by the client, if agreed with the other party.

5.5.2   Context

5.5.2.1   Background information, assumptions, scope and limits

The agreement should contain relevant facts, for example an accurate description of the organization's current situation, the client's objectives, why the work needs to be done, the assumptions and their impact, the scope and the limits of the assignment. It is important to ensure that the client understands the need to share all relevant and significant information.

5.5.2.2   Constraints and risks

The agreement should specify the constraints and risks associated with the assignment, to the extent that they are known and identified, referring to policies (see 4.4).

5.5.2.3   Stakeholders

The agreement should specify any agreement negotiated with the stakeholders.

5.5.3   Services and deliverables

The agreement should contain a description of the services to be provided, the outcomes expected, the deliverables of the assignment and the conditions and process for acceptance. The services should be able to be evaluated with formal evaluation criteria.

5.5.4 Approach and work plan

The agreement should include a work plan. The following elements can be used as a checklist:

a) objectives, scope and expected outcomes;

b) approach and methodology;

c) project governance (changes to the scope, escalation procedures, etc.);

d) contents;

e) documentation;

f) data, information and technological resources;

g) project organization;

h) MCSP's human resources and their responsibilities;

i) client's, recipient's and other stakeholders' human resources and their roles and responsibilities;

j) timetable and milestones;

k) project budget;

l) project management methods;

m) communications (channels, methods, etc.);

n) client and/or recipient capacity building;

o) knowledge transfer;

p) quality and risk methodology;

q) deliverables.

5.5.5 Roles and responsibilities

5.5.5.1 General

This agreement should specify the roles, responsibilities and all the resources (including client's, recipient's and other stakeholders' people, data and documentation) involved in the assignment.

5.5.5.2 Assignment monitoring and control

The agreement should specify the decision-making, direction and control processes for the assignment, including the designation of a project "sponsor" or project "leader" for the project governance role. These should be consistent with the client's organizational governance.

5.5.5.3 Evaluation of the assignment

The agreement should specify how the evaluation will be carried out, for example measurable milestones, how objectives should be evaluated and to whom interim and final evaluation results should be reported.

5.5.6 Acceptance criteria

The agreement should specify the acceptance criteria, such as key performance indicators (KPIs).

5.5.7   Terms and conditions

5.5.7.1   Commercial terms

The agreement should specify terms and conditions relevant to billing, such as fees and charges, payment schedule, expenses, etc.

5.5.7.2   Contracting standard terms and conditions

The agreement should specify any information pertinent to relevant legal and regulatory requirements and statutory obligations, such as ownership of material and deliverables, user rights, licensing, intellectual property rights, liability limits, etc.

This may also include reference to applicable professional standards.

The MCSP should have a process for dealing with claims and disputes. This process should be communicated clearly to the client.

5.5.7.3   Policies to be included in the agreement

The agreement should specify any requirements, responsibilities and activities relating to policies and any other agreed item applicable to the assignment.

MCSPs should assess their responsibilities and activities for all policies and declare if they are not applicable.

6   Execution

6.1   General

Execution is the performance of the services agreed upon in the contracting phase.

Beyond the delivery of the agreed services and the performance of the assignment, the ultimate aim of the execution phase is to fulfil the agreement.

6.2   Purpose

The purpose of this phase is to deliver what has been agreed.

6.3   Input

Execution should not start until there is an agreement.

Significant changes in the context of the assignment that have an impact on the execution may require that the agreement be renegotiated.

6.4   Outcome

The outcomes should be:

— services and deliverables;

— recommendations and approach for the future, if appropriate;

— ongoing evaluation and improvement.

6.5 Contents

6.5.1 General

The components of the execution phase should include:

— refining the agreed work plan;

— implementing the work plan;

— assignment management and monitoring;

— approvals and acceptance.

6.5.2 Refining the agreed work plan

The work plan agreed upon in the contracting phase should be refined in detail to reflect the actual conditions at the start of the execution phase. The MCSP should involve the client and the recipient to gain approval for the refined plan.

6.5.3 Implementing the work plan

The assignment should be carried out in accordance with the refined work plan.

There is no single method of implementation, however a typical assignment may consist of following steps that are performed by the MCSP with the recipient:

— *Prepare*: includes gathering the relevant data, analysing the data with reasonable hypotheses, reviewing business models and listing the issue(s);

— *Analyse options*: includes analysis of different options to address the issues and short-listing the most appropriate option(s);

— *Recommend*: includes recommending appropriate solutions from the existing situation along with an implementation roadmap and expected outcomes;

— *Obtain decision*: includes presentation of recommendations to the client or to the recipient for decision and acceptance;

— *Implement*: includes execution of recommendations, monitoring the progress made and measuring the outcomes (applicable only when implementation is specified in the agreement).

6.5.4 Assignment management and monitoring

6.5.4.1 General

Planning and continuous coordination between the client, the recipient and the MCSP are essential for the success of the assignment.

For the assignment to be delivered successfully, several areas of activity should be considered, including:

— project governance;

— project management approach;

— resources management;

— commitment of resources;

— monitoring of progress and change control;

— risk and quality management;

— communication and reporting;

— evaluation and feedback.

6.5.4.2 Project governance

Final decisions about the assignment should be made by the client. The MCSP should make reasonable efforts to provide relevant information relating to the assignment to the client on an ongoing basis.

Disputes between the client and the MCSP should be handled in accordance with the terms of the agreement.

6.5.4.3 Project management approach

The MCSP should adhere to the agreed project management approach and structure throughout the assignment.

The MCSP should ensure that the assignment is carried out effectively and efficiently.

6.5.4.4 Resource management

All resources involved in the assignment should be made available and managed in accordance with the agreement between the MCSP and the client.

The deployment by the MCSP of suitable human resources is the responsibility of the MCSP. Criteria for suitability could include relevant domain experience, consulting skills and people skills.

NOTE   Refer to Annex F for examples of criteria to evaluate capability.

6.5.4.5 Commitment of resources

The MCSP should foresee the needs and availability of the client's and the recipient's resources and plan resources in accordance with them. This is made in order that all the people involved in the assignment would actually be committed in time.

6.5.4.6 Monitoring of progress and change control

The progress of the assignment against the work plan should be monitored and recorded formally using appropriate analysis and monitoring methods.

There should be a change control system or process, including management of the records, to deal with issues that have impact on the assignment such as:

— deviations from the work plan;

— changed context of the assignment;

— changes in the operating environment of the client or recipient;

— changes in client expectations;

— changes in the MCSP.

There may be significant changes that are beyond the scope of the change control process. These may be considered as new inputs to the contracting and/or execution phase (see 5.3 and 6.3) and may require that the agreement be renegotiated between the client, the recipient and the MCSP.

6.5.4.7   Risk and quality management

The client and the MCSP should follow the agreed risk and quality management methodology to ensure that the agreed service is provided and the outputs are delivered.

NOTE   Refer to Annex G for examples of guidelines for MCSP for typical risk management, which are related to the management of an assignment.

6.5.4.8   Communications and reporting

The principles of communication agreed in the contracting phase should be followed throughout the assignment and should include regular reporting of progress and risks.

6.5.4.9   Evaluation and feedback

The MCSP should follow the agreed ongoing evaluation methodology and feedback approach.

6.5.5   Approvals and acceptance

There should be an agreed process to approve and accept all services delivered during the assignment. The commercial implications of acceptance or rejection should be dealt with in accordance with the agreement.

7   Closure

7.1   General

The assignment is completed when the acceptance process, as defined in the agreement, is completed.

The MCSP should not consider the assignment closed until the final closure topics have been addressed. These include:

— legal and contractual matters;

— final evaluation and improvement;

— administrative matters, including payment of agreed fees where applicable;

— communication;

— intellectual property rights;

— outstanding minor issues.

7.2   Purpose

The purpose of the closure phase is to achieve an orderly end to the assignment, after completion of the delivery of the service in accordance with the agreement.

7.3   Input

The closure process starts when a decision is taken that the assignment is complete, normally when the agreed service has been provided and accepted.

An assignment may be terminated before the originally agreed service has been provided. In this case, the closure process may need to take place based on a revised agreement.

7.4   Outcome

The closure process results in a number of outcomes, including:

— release of all parties from their obligations in the agreement;

— shared understanding of continuing obligations between all the stakeholders, particularly the MCSP and the client (e.g. guarantees, confidentiality, data protection, intellectual rights, outstanding issues, etc.);

— financial settlement of invoices, expenses, etc.

7.5   Contents

7.5.1   Legal and contractual matters

The MCSP should have effective processes to ensure that all legal and contractual matters are dealt with in a timely and efficient manner, in accordance with the agreement. These processes include:

— invoicing and payment;

— reconciliation of expenses of the MCSP;

— formal sign-off and acceptance;

— release of resources (including subcontractors);

— warranties and guarantees;

— third party confidentiality;

— ownership of intellectual property rights;

— obligations that remain after closure (e.g. legal, confidentiality, protection of intellectual property rights, data protection, non-competition, outstanding issues, etc.).

7.5.2   Final evaluation and improvement

Even if no evaluation is included in the agreement, the MCSP should have a process to gather feedback and learn from the work it undertakes so that the MCSP can record the information and knowledge created during the project and apply it for improvement.

Evaluation may be required for contractual reasons to determine the fees paid. If this is the case, the MCSP and the client should agree the most appropriate method of evaluation.

Typical metrics may include:

— innovation (development of new services);

— process effectiveness;

— process improvements;

— new systems and behaviour;

— methodologies;

— team performance;

— utilization of resources;

— sales leads/references;

— client satisfaction.

The MCSP should preferably maintain expertise in evaluation and should have a systematic process for ensuring that strengths and opportunities for improvement are recorded and shared among the staff. The MCSP should have processes to manage improvements such as:

a) knowledge management;

b) knowledge database;

c) technology and methodology improvements;

d) case studies;

e) training, briefing;

f) internal communication.

7.5.3 Administrative matters

The MCSP should have effective processes to ensure that all administrative matters are dealt with in a timely and efficient manner. These processes can include:

— indexing, filing, archiving;

— backing-up data and records;

— return of client property, equipment and facilities (e.g. files, records, data, security passes);

— release/recruitment of subcontractors and internal resources;

— completion of internal quality assurance procedures.

7.5.4 Communication

The MCSP should ensure that any obligations regarding communication about the assignment are fulfilled (e.g. confidentiality agreements, preparation of case studies, articles, requests for references, etc.).

The MCSP should ensure that the client is debriefed at the end of the assignment.

7.5.5 Outstanding minor issues

The MCSP should have a process, agreed upon with the client, for dealing with any outstanding minor issues after the completion of the assignment, so that closure can be achieved.

Annex A
(informative)

Supplementary information on ISO standards

To understand the proper use of ISO standards that are written for guidance, it is highly recommended that users refer to http://www.iso.org/iso/foreword.html, where relevant ISO directives, resolutions and their implications are presented.

Annex B
(informative)

Examples of typical stakeholders

Examples of stakeholders include

— clients,

— recipients,

— public,

— MCSP organizations,

— management consultants,

— academia,

— not-for profit bodies,

— environment,

— suppliers,

— governments,

— unions,

— management consulting bodies and associations,

— shareholders,

— investors,

— staff within the client,

— third parties,

— future generations.

Annex C
(informative)

Basic structure of consulting activities

Typical activities take place before, during and after a consultancy assignment. Examples may include:

a) **Understanding the business context**

The MCSP invests time and resources to gain an understanding of the business and commercial environment of the client and the client's industry. Often, the MCSP will devote considerable resources to this activity in order to be able to identify potential clients and assignments.

Unless such an activity is part of a specific assignment, it is out of the scope of this document.

b) **Understanding the client's context**

The MCSP, sometimes working with the client, invests time and resources to gain an understanding of the client's context, including situation and expectations. Often, this activity is part of the preparation for an assignment and may result in the submission of a proposal to deliver MCS.

NOTE   Refer to Annex H for examples of typical understanding activities pre-assignment.

Unless such an activity is part of a specific assignment, it is out of the scope of this document.

c) **Selection of MCSP**

The client gains a relationship and a knowledge of the MCSP's capabilities as they relate to the client's issues and selects the MCSP to carry out the assignment, taking into account many factors usually including the proposals submitted, intermediate results from understanding, as shown in a) and b) activities, and references from other clients.

This activity of buying and selling may take place anytime amongst consulting activities. It is out of the scope of this document.

d) **Contracting**

The client and MCSP reach a clear agreement on the scope and approach of the service to be provided and commit to working together.

This activity starts once the client and the MCSP have reached an understanding of the other party. [See a), b) and eventually c) above.]

e) **Execution**

Once agreement has been reached, the next part of the assignment is execution.

The MCSP provides the service in accordance with the agreed approach and plan. The MCSP and the client need to collaborate with confidence, fairness and mutual respect to achieve a mutually positive outcome.

f) **Closure**

The final stage of the assignment is closure.

After completion of the assignment, including the delivery of all outputs and assessment of the results, the assignment is "closed" by resolving any unfinished items and meeting all contractual and legal obligations. It is critical that the MCSP gains acceptance from the client that the assignment is complete.

g) **Follow up**

The MCSP maintains relations with the client.

Unless such an activity is part of a specific assignment, it is out of the scope of this document.

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Annex D
(informative)

Examples of guidelines for MCSPs for a code of conduct

The purpose of a Code of Conduct (the "Code") is to help the MCSPs serve the public in general, the client in particular, the reputation of the profession of management consultancy and comply with the applicable laws. See Table D.1.

Table D.1 — Ethical principles

Ethical principle	Manifestation of principle
Responsibility to the public	
Efficiency	Optimizing personal, client and other resources to complete an assignment.
Sustainability	Recommending solutions that are compatible with the principles of sustainable development.
Responsibility	Representing the interests of the consultancy industry to the wider community.
Legal	Being aware of and complying with applicable laws and regulations relevant to the assignment.
	Not causing any person or persons to contravene any applicable laws and regulations during the assignment.
Public confidence	Conducting their activities at all times in a manner that fosters confidence in the profession.
Responsibility to the profession	
Respect for the profession	Exhibiting conduct that reflects honourably upon and enhances the standing and public regard of the profession.
Integrity and professionalism	Maintaining integrity and professionalism at all times.
	Respecting the rights of other professionals in the consultancy industry by not using proprietary information or methodologies without permission.
	Maintaining disciplinary mechanisms to uphold the code of conduct.

Annex E
(informative)

Examples of guidelines to manage conflicts of interest

Independent, objective consulting advice involves managing a range of potential conflicts.

The MCSP should avoid actual or perceived conflicts of interest to ensure that the advice that they offer is objective and independent.

Conflicts may arise from prior or current client relationships, family relationships, internal consulting organizations, financial interests, legal/regulatory prohibitions and other business relationships. See Table E.1.

Table E.1 — Potential sources of conflict

Source	Explanation
Multiple projects with the same client at different level or different location	Are there parallel or similar contracts in the same group, past or present?
Client is a former client	Where a client is also a former client, has the MCSP provided previous advice or conducted previous analysis that would in any way constrain the MCSP's advice in the new situation?
MCSP has a client or a former client in the same industry	Where the MCSP has a current or former client, perhaps in the same industry as the client that the MCSP now seeks to advise, does the MCSP have proprietary information that could impact its advice?
Staff members have relationship	Do any staff members at the MCSP have family relationships with client staff members, particularly those in management positions?
Internal consulting organizations	Do any staff members at the MCSP have hierarchical relationships with client or recipient staff members, particularly those in management positions?
MCSP or staff have financial interest	Does the MCSP or its staff members have a financial interest in the client or any of its management team members, including an overdue account receivable, loan or equity investment?
MCSP has audit relationship	Where the MCSP also has a financial audit relationship with the client, are the prospective consulting services allowed by the relevant securities regulator? Note that where a client is also an audit client, but not subject to securities regulation, the client's audit committee may choose to restrict the additional services that may be provided by the MCSP, as a matter of policy.
Other	Other business relationships may include situations where the MCSP or its staff have a shared interest with a client in a third party contract (such as software partnership, a leased premises, a subscription to sports tickets, etc.) or where the MCSP or its staff members are "captive" on the staff of the client, as in the case of "contract" or "interim" management or "internal consultants".

Potential remedies include:

— *seek consent*: in certain circumstances, the MCSP may be able to manage conflicts through full disclosure of past or current client relationships, seeking the written approval/consent of the affected parties;

— *isolate areas of potential conflict of interest*: establish confidentiality/non-disclosure agreements with respect to new client information, staffing restrictions, separation of service teams and data, differing client reporting points and other approaches;

— *termination*: an MCSP may not be able to manage/mitigate a conflict and will be required to turn down an assignment.

Annex F
(informative)

Examples of criteria to evaluate capability

The examples in Table F.1 might be helpful to evaluate the MCSP's sustainable capability (see 4.4.5 and 6.5.4.4).

Table F.1 — Capability

Staff competencies	Examples
Domain expertise	Industry knowledge
	Business knowledge
Consulting skills	Knowledge and experience of consultancy processes
	Cognitive skills
	Problem solving skills
	Resourcefulness
People skills	Communication skills
	Conflict management skills
	Relationship management skills
	Collaboration
Other resources	**Examples**
Products	SIX SIGMA improvement of productivity
Information	Market analysis
	Cost databases
	Benchmarks
	Market information
Research	Research report
	Books published
	Primary and secondary research methods for data collection (e.g. interviews, focus groups, surveys, informants, direct observation, literature search, documents, databases, historical records)
Methodologies	Risk management
	Contingency planning
	Business analysis
	Change management
	SWOT analysis
	Force field analysis
	Best management practices
	Quality management
	Benchmarking

Table F.1 *(continued)*

Tools	Software
	Training software
Networks	Market and industry sources
Capability improvement	Training program
	Career development
	Budgets and resources allocated to all these areas
	Ongoing professional development

Annex G
(informative)

Examples of guidelines for MCSPs for typical risk management

Table G.1 — Typical risks for MCSPs

Principal sources of risk	Factors to consider	Mitigation
Client: Does the client or its management team pose issues that could affect the successful completion of the assignment?	— Past dealings with the organization and/or its principles. — Any reputational or integrity concerns related to the prospective client, its principles or the industry in which it operates. — Any financial considerations which could impair the client's ability to pay the consultant.	— The MSCP should be prepared to decline to work for a prospective client if the MCSP has serious concerns. — Financial concerns can be reduced by negotiating payment arrangements, such as advances or milestone payments.
Nature of engagement: Does the nature of the particular assignment pose addition risks to successful completion?	— Public profile, sensitivity, controversy around issues to be examined. — Significant changes at the client in the recent past. — Any requirements to deviate from the MCSP's usual policies and procedures. — Client's project governance and availability of client data.	— Seek clarity of project governance and data sources in advance. — The MSCP should be prepared to decline a particular assignment, if the MCSP has serious concerns.
Quality of delivery: Are there risks in the MCSP ability to oversee and deliver the project to the satisfaction of the client and without risk to MCSP's reputation?	— Existence of, and MCSP experience with, methodologies to be deployed in the assignment. — Availability of MCSP staff with the skills and experience to conduct the engagement. — Sufficient budget to execute the project to a high standard.	— A functioning quality management program. — Analysis and recommendations supervised and approved by a more senior experienced management consultant. — Independent internal review. — Care taken in the precise wording of MCSP's findings and recommendations. — Restrictions on the distribution or reliance upon the MSCP's report.
All decisions relating to client and engagement risks, as well as risk mitigation strategies, should be approved and documented at a senior level according to the MCSP's own policies and procedures.		
NOTE Conflict of interest can also pose risks related to the client, assignment or staffing. Consideration of conflict of interest is outlined separately in Annex E.		

Annex H
(informative)

Examples of typical understanding activities "pre-assignment"

Before agreement, many components may be addressed at any stage with intermediate results to be performed by the client, the MCSP and other relevant stakeholders. These result in "understanding":

— sales and marketing product promotion;

— benchmarks of organizations in an industry;

— regulations relevant to the organization's growth or operation;

— diagnosis of a situation or situation analysis;

— needs, expectations, issues;

— assumptions;

— alert about risk (refer to Annex G);

— constraints;

— requirements definition;

— analysis and conceptualization of the problem to solve, approach to services to be asked for and budget for these activities;

— speculative proposal.

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