



CMC - GLOBAL

# Guidelines for management consultancy services

## *ISO Standard 20700*

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CMC - GLOBAL

INTERNATIONAL  
STANDARD

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20700

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**Guidelines for management  
consultancy services**

*Lignes directrices relatives aux services de conseil en management*

# What is the idea behind ISO 20700

This standard, written from the perspective of management consultancy, applies to all MCSPs, whatever their size or specialism, including sole proprietors, partnerships, associations, governmental and non-governmental organizations, internal departments of corporations, etc.

In summary, the guiding principles of this Standard are that it:

- 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 importance of understanding clients' needs;
- g) is easy to understand;
- h) is easy to use.

Development of the ISO Standard started in Milano 2014 and finished in Beijing 2016.





- 48 countries were actively involved in developing this standard on Management Consultancy Services.
- In 4 plenary Meetings in Milano, London, two times in Toronto and once in Beijing and editing meetings in Milano, Paris, Vienna
- a lot of telephone / skype calls

- TG 1 Countries issues
- TG 2 Guiding principles EN 16114
- TG 3 Missing issues to be considered for improvement
- TG 4 Other standards to be considered
- TG 5 Professions to be considered
- TG 6 Stakeholders Approach**
- TG 7 Stakeholders Engagement

## A list of Terms and definitions

### Principle:

The standard consulting process is the base of the standard i.e.

- Contracting
- Execution
- Closure

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## **Policies / processes:**

- Awareness of regulatory framework
- Stakeholder engagement and commitment
- Code of ethical and professional conduct
- Project governance
- Capability
- Communication
- Data protection and confidentiality
- Protection of intellectual property
- Social responsibility
- Health and safety
- Risk and quality management

## **Ongoing evaluation and improvement**

## **Claims and dispute**

# §5.5.4 Approach and work plan

## 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.

# Structure of the standard

After listing the basic principles, the phases of the consulting process are described in detail:

<b>Offering</b>		<b>Execution</b>		<b>Closure</b>
• General		• General		• General
• Purpose		• Purpose		• Purpose
• Input		• Input		• Input
• Outcome		• Outcome		• Outcome
• Contents		• Contents		• Contents

## Informative Annexes A to G are added

- Typical stakeholders
- Examples of guidelines for MCSPs for a code of conduct
- Conflict of Interest
- Examples of criteria to evaluate capability
- Examples of guidelines for MCSPs for typical risk management
- Examples of typical understanding activities “pre-project”

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# Annex B

## *Examples of typical stakeholders*

## 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 D

## *Examples of guidelines for MCSPs for a code of conduct*

## 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
<i>Responsibility to the public</i>	
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.
<i>Responsibility to the profession</i>	
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

## *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;

# Annex F

## *Examples of criteria to evaluate capability*

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

# Annex G

## *Examples of guidelines for MCSPs for typical risk management*

## Examples of guidelines for MCSPs for typical risk management

Table G.1 — Typical risks for MCSPs

Principal sources of risk	Factors to consider	Mitigation
<b>Client:</b> Does the client or its management team pose issues that could affect the successful completion of the assignment?	<ul style="list-style-type: none"> <li>— Past dealings with the organization and/or its principles.</li> <li>— Any reputational or integrity concerns related to the prospective client, its principles or the industry in which it operates.</li> <li>— Any financial considerations which could impair the client's ability to pay the consultant.</li> </ul>	<ul style="list-style-type: none"> <li>— The MCSP should be prepared to decline to work for a prospective client if the MCSP has serious concerns.</li> <li>— Financial concerns can be reduced by negotiating payment arrangements, such as advances or milestone payments.</li> </ul>
<b>Nature of engagement:</b> Does the nature of the particular assignment pose addition risks to successful completion?	<ul style="list-style-type: none"> <li>— Public profile, sensitivity, controversy around issues to be examined.</li> <li>— Significant changes at the client in the recent past.</li> <li>— Any requirements to deviate from the MCSP's usual policies and procedures.</li> <li>— Client's project governance and availability of client data.</li> </ul>	<ul style="list-style-type: none"> <li>— Seek clarity of project governance and data sources in advance.</li> <li>— The MCSP should be prepared to decline a particular assignment, if the MCSP has serious concerns.</li> </ul>
<b>Quality of delivery:</b> 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?	<ul style="list-style-type: none"> <li>— Existence of, and MCSP experience with, methodologies to be deployed in the assignment.</li> <li>— Availability of MCSP staff with the skills and experience to conduct the engagement.</li> <li>— Sufficient budget to execute the project to a high standard.</li> </ul>	<ul style="list-style-type: none"> <li>— A functioning quality management program.</li> <li>— Analysis and recommendations supervised and approved by a more senior experienced management consultant.</li> <li>— Independent internal review.</li> <li>— Care taken in the precise wording of MCSP's findings and recommendations.</li> <li>— Restrictions on the distribution or reliance upon the MCSP's report.</li> </ul>
<p>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.</p> <p><b>NOTE</b> Conflict of interest can also pose risks related to the client, assignment or staffing. Consideration of conflict of interest is outlined separately in <a href="#">Annex E</a>.</p>		

# Annex H

*Examples of typical understanding activities  
“pre-assignment”*

## 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.

- [1] ISO 9001:2015, *Quality management systems — Requirements*
- [2] ISO 10019, *Guidelines for the selection of quality management system consultants and use of their services*
- [3] ISO 14001, *Environmental management systems — Requirements with guidance for use*
- [4] ISO 21000-19:2010, *Information technology — Multimedia framework (MPEG-21) — Part 19: Media Value Chain Ontology*
- [5] ISO 21500:2012, *Guidance on project management*
- [6] ISO 22301:2012, *Societal security — Business continuity management systems — Requirements*
- [7] ISO 26000:2010, *Guidance on social responsibility*
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- [16] THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT GUIDELINES. [http://siteresources.worldbank.org/INTPROCUREMENT/Resources/278019-1308067833011/Consultant\\_GLs\\_English\\_Final\\_Jan2011.pdf](http://siteresources.worldbank.org/INTPROCUREMENT/Resources/278019-1308067833011/Consultant_GLs_English_Final_Jan2011.pdf)
- [17] GRI Guidelines. References Not Available about Management Consulting

## **The aim of this standard is to improve**

- transparency and understanding
- between clients and management consultancy service providers
- in order to achieve better results from consultancy projects.
- By improving
- quality,
- professionalism,
- ethical behaviour
- and interoperability of management consultancy,
- this standard is intended to enhance
- the effectiveness of the management consulting industry
- and accelerate the development of the profession.

- Appropriate application of the standard enables MCSPs to:
  - ✓ provide better value for clients and
  - ✓ reduce risk in management consultancy assignments
- The standard focuses only on the:
  - deliverables and
  - Outcomes

MCSPs are free to use their own methods and approaches.

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Thank you for attention.

