

Chapter Ethics Exercise #5

Purpose:

1. Stretch your “consulting with integrity” muscles and build ethical sensitivity
2. Better know you colleagues and appreciate the diversity of their experience and perspectives

Introduction:

The IMC mission is to promote excellence and ethics in management consulting. Because most ethical issues fall into the gray zone, we are not always even aware of the full issues surrounding the attitudes, behaviors and impacts of our comments and actions. This exercise helps us see the blind spots we all have. By discussing these scenarios, we get to know our colleagues, and ourselves, a bit better.

Instructions:

We'll read out loud the scenario below. Discuss among yourselves at each group for **ten minutes** considering the questions at the bottom of this page. We will give a one-minute warning. Identify one or two critical observations and assumptions, and select someone to take 30 seconds to report your conclusions. After all groups report out, we will spend a few minutes on discussion.

Sample Scenario:

You have just started a new project with a new client. This is something new for you, working with the owner of a 230-person Serbian farming and food processing company to help grow the company through restructuring management, marketing and sales for entering export markets, and streamlining operations to reduce costs and increase processing speed. You are new to the country and to agriculture but the Belgrade banker who recommended you and the four long Skype meetings with the owner convinced all three of you that you had the required experience and skills.

Once you started the project, you needed the services of an export marketing and sales expert and a food processing expert, both local consultants recommended jointly by the government and the Serbian association of technical consultancies. The project seems to be going well, there are no language or cultural issues, and the client accepted the project plan.

Two weeks into the project, you feel you are getting conflicting messages from the client. Despite the project plan, based on your initial findings the client now wants to change the scope of activities, to focus more on the management issues that is your specialty. He also has raised some concerns about your team, which he also agreed to in the contract. Specifically, he wants you to fire the local experts and just do the whole project yourself. Finally, he has shared your initial assessment with others in the local food processing association, which is unfortunate because you had wanted to sell your services to them after completing this engagement.

You hear this is not the first consulting team he has worked with and rumors that he ended up not paying them after accepting their initial work. You raise these rumors with him and he pays 50% of your fee immediately and says he wants to proceed with the original scope but without your consultants.

Questions to Discuss:

1. Are there any ethics issues here or is this just the way new consulting engagements sometimes go?
2. Put yourself in the client's position. Are you delivering what you mutually agreed to?
3. What's your obligation to your employees on this project with whom you have a project contract?
4. What sections of the IMC USA Code of Ethics are relevant?
5. Has the client compromised your future opportunities by sharing your work?
6. What do you recommend be done to resolve this issue? To have prevented it?

IMC US Code of Ethics

All IMC USA members pledge in writing to abide by the Institute's Code of Ethics. Their adherence to the Code signifies voluntary assumption of self-discipline. As the professional association and certifying body for management consultants in the United States, IMC USA requires adherence to this Code of Ethics as a condition of membership and certification. The standards of conduct set forth in this Code provide basic principles in the ethical practice of management consulting. The purpose of this Code is to help IMC USA members maintain their professionalism and adhere to high ethical standards in the conduct of providing services to clients and in their dealings with their colleagues and the public. The individual judgment of Members is required to apply these principles. Members are liable to disciplinary action under the IMC USA Rules of Procedure for Enforcement of this Code if their conduct is found by the IMC USA Ethics Committee to be in violation of the Code or to bring discredit to the profession or to IMC USA.

My Commitment to My Clients

- 1.0 I will serve my clients with integrity, competence, independence, objectivity, and professionalism.
- 2.0 I will mutually establish with my clients realistic expectations of the benefits and results of my services.
- 3.0 I will only accept assignments for which I possess the requisite experience and competence to perform and will only assign staff or engage colleagues with the knowledge and expertise needed to serve my clients effectively.
- 4.0 Before accepting any engagement, I will ensure that I have worked with my clients to establish a mutual understanding of the objectives, scope, work plan, and fee arrangements.
- 5.0 I will treat appropriately all confidential client information that is not public knowledge, take reasonable steps to prevent it from access by unauthorized people, and will not take advantage of proprietary or privileged information, either for use by myself, the client's firm, or another client, without the client's permission.
- 6.0 I will avoid conflicts of interest or the appearance of such and will immediately disclose to the client circumstances or interests that I believe may influence my judgment or objectivity.
- 7.0 I will offer to withdraw from a consulting assignment when I believe my objectivity or integrity may be impaired.
- 8.0 I will refrain from inviting an employee of an active or inactive client to consider alternative employment without prior discussion with the client.

My Commitment to Fiscal Integrity

- 9.0 I will agree in advance with a client on the basis for fees and expenses and will charge fees that are reasonable and commensurate with the services delivered and the responsibility accepted.
- 10.0 I will not accept commissions, remuneration, or other benefits from a third party in connection with the recommendations to a client without that client's prior knowledge and consent, and I will disclose in advance any financial interests in goods or services that form part of such recommendations.

My Commitment to the Public and the Profession

- 11.0 If within the scope of my engagement, I will report to appropriate authorities within or external to the client organization any occurrences of malfeasance, dangerous behavior, or illegal activities.
- 12.0 I will respect the rights of consulting colleagues and consulting firms and will not use their proprietary information or methodologies without permission.
- 13.0 I will represent the profession with integrity and professionalism in my relations with my clients, colleagues, and the general public.
- 14.0 I will not advertise my services in a deceptive manner nor misrepresent or denigrate individual consulting practitioners, consulting firms, or the consulting profession.
- 15.0 If I perceive a violation of the Code, I will report it to the Institute of Management Consultants USA and will promote adherence to the Code by other member consultants working on my behalf.

Approved by the IMC USA Board of Directors February 3, 2005