



Canadian Association of
Management Consultants

Association canadienne
des conseillers en management

The **Single Voice** of Management Consulting in Canada

Pre-2007 Government of Ontario Budget Session

Thank you, Minister Sorbara for providing this opportunity to speak with you and key members of the Finance Ministry today.

My name is Lynn Bennett and I am here representing the Canadian Association of Management Consultants (CAMC), and currently serving in a voluntary capacity as the President of the Institute of Certified Management Consultants of Ontario (ICMCO). The CAMC is the national body that works in partnership with seven Regional Institutes across Canada and numerous Institutes worldwide to facilitate and promote excellence in management consulting through our internationally recognised designation - Certified Management Consultant or CMC.

The association is made up of both large and small firms, as well as independent practitioners. Here in Ontario, we are seeing seasoned professionals transition from large corporations to independent practice and embarking on their second career. Additionally, we see new immigrants establishing businesses in the field of consulting. At this time approximately 65% of our members are SMEs.

Of the questions posed for today session we will be responding to the first and second - **What can the Ontario government do to continue to foster economic growth and job creation in the province? What should the government's top priority be for this year's budget and how should it be funded?**

While the current provincial government has made a commitment to small business we believe it has not incorporated into its strategy the idea of the sole practitioner or boutique service industry like management consulting and many others like us. We

suspect the visibility of the new programs and services established by the government remains fairly low and yet studies show that this sector continues to be a major creator of jobs for Canadians and Ontarians. Higher visibility and greater ease of access to provincial programs and services for small business as well as greater ease of access to doing business for, or with, the Government of Ontario is being sought by the CAMC and ICMCO on behalf of our members. We encourage the Ontario government to continue to support the engine of Ontario and the Canadian economy small business by helping all sectors of management consulting prosper. Specifically, the Ontario Government can assist this sector while at the same time achieving 'value for money' and ultimately delivering this value to our citizens by ensuring Ontario Government Procurement moves forward and incorporates the recommendations provided to the Ontario Government Procurement Task Force in May 2005 and then again in our comment to the Draft General Management Consulting Services Vendor of Record MGS-GMS-01 in November of 2006. Specifically our key recommendations relating to the agenda today include:

1. The current approach by government to Vendors of Record appears to be focused on 'cost first and value second' as its evaluation process does not call for the quality, or cost-effectiveness, of services rendered to be reflected in cost. For example, a firm whose per diem rates are 25% or more than the average rate is automatically disqualified, even if the value of the firm's services stands head and shoulders above other firms whose pricing falls within the acceptable band. This is particularly problematic given that firms are asked to bid in the abstract, rather than for specific projects during the VOR stage. Additionally, organizations that are highly skilled and qualified and thus able to bring more experienced, specialized services to meet the needs of the Province are often excluded. These organizations include Canada's large consulting firms who deliver immediate value to their clients while also developing tomorrow's leaders and in some cases entrepreneurs.
2. The rigid approach to per diems does not allow proponents sufficient flexibility to mix and match consultant with different per diems to reflect the circumstances and requirements of individual projects for which they may subsequently bid. The per diem formulation in the RFP prohibits the substitution of lower or higher cost consultants during the term of a Master Agreement and therefore, could deprive the proponent and the Client of access to the best resources available at the

time. If the government is uncomfortable about leaving fees entirely out of the VOR qualification process, we suggest that bidders either provide a rate sheet as part of each organization's submission or the rate for each role could be evaluated in such a manner that it does not discriminate against larger consulting firms.

3. The one time opportunity set out in the VOR to qualify 'role by role' and 'by level' does not encourage firms to grow their management consulting staff to meet the future needs of the OPS. Additionally, Management consulting is issue or goal-oriented, not role-oriented. The RFP should not be an exercise in hiring resources. Clients typically express their requirements in problems to be solved vs. a role to be filled or a process to be followed. They expect the vendor to propose the appropriate mix of skill sets and experience, and this could vary considerably from vendor to vendor – there is rarely just one way of doing work. A client might specify certain skill and experience requirements, or it might specify consultant responsibilities, which could include project management – but it would be unusual to frame requirements solely in terms of roles, unless contract resources were being sought to fill specific positions.
4. Under the approach set out in the draft RFP, OPS clients will be required to frame their consulting needs in terms of particular roles. To an extent, this is requiring clients to predefine the solution and method for achieving it in advance. Moreover the client might not know what types of resources are most suited to an assignment. We suggest that this is an unnecessary and undesirable restriction on clients and will limit the innovation and creativity OPS can hope to obtain from the management consulting marketplace and does little to move Canada's productivity index forward.
5. The payment terms within the proposed VOR span 55 business days from the end of the month in which the services were rendered to invoice payment. We ask that you consider a more commercially acceptable timeframe of 'within 30 days of invoice receipt'.
6. Finally, and most important of these, is for the Ontario Government to minimize its risk management by recognising and giving preference to those individuals and firms who have taken additional steps to bring excellence to their profession through the achievement of a recognised designation. The Certified Management Consultant (CMC) was enacted by the Government of Ontario in 1983 through Bill

Pr26, and we would expect that same Government to look to the professions it has deemed worthy to recognize through its own legislation. Your recognition does a number of things. First, it helps to reduce your risk as these individuals abide by a code of ethics and professional conduct supported by a common body of knowledge and are subject to discipline if found to be practicing outside the Code. Second, it encourages Ontarians to be lifelong learners and seek out professional accreditation for the services they provide. Finally, it helps Canada maintain and strengthen its position on the global stage, specifically in the area of global productivity and prosperity indicators.

Again, thank you for providing this opportunity to speak with you today.