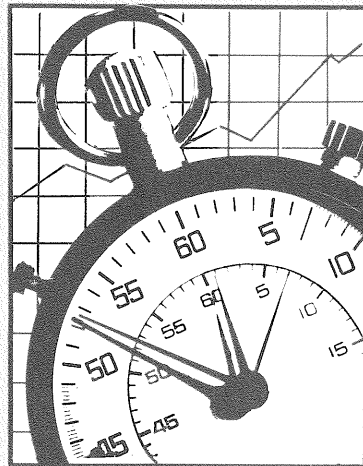


# FROM STOPWATCH TO STRATEGY

*a history of the first  
twenty-five years of  
the Canadian Association  
of Management Consultants*



Edward Bruce Mellett

Published by  
Canadian Association of Management Consultants  
Association canadienne des conseillers en administration  
Suite 303, 45 Charles Street, East  
Toronto, Ontario M4Y 1S2  
1988

ISBN-0-9693569-2-7

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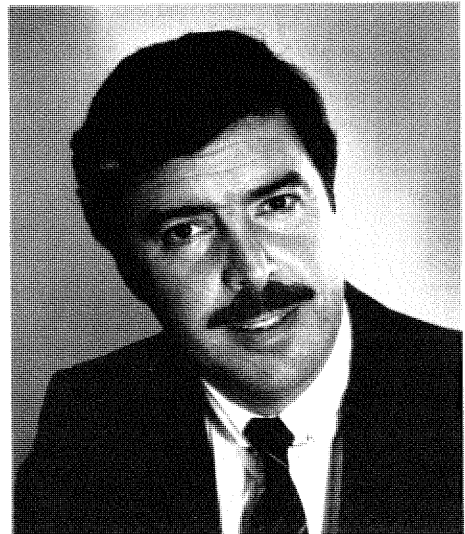
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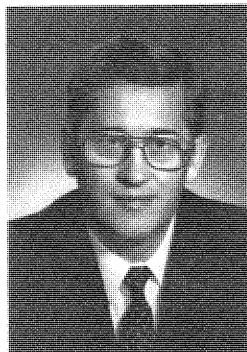
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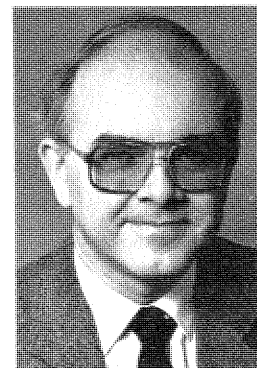
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## FOREWORD

There must be a better way to make a living than being a management consultant, but I can't think of one. Above all, it's an exciting profession where practitioners have the satisfaction of both educating clients and learning from them. Going into the unknown and learning what to do about people's problems brings a variety and stimulation to daily work that can be found in few other callings.

As I read **From Stopwatch to Strategy**, I saw the founders of Canadian management consulting entering the unknown, armed with only their principles. The learning process — and the agonizing periodic re-appraisals — are evident throughout the silver years of the Canadian Association of Management Consultants. We certainly are people who don't remain satisfied for long with the status quo, even our own!

Edward Bruce Mellett has done a good job for CAMC in his history. In the management consulting business, that's high praise, well deserved.

I wonder what we will read about the second quarter-century of our association? I hope it will be more of the same: the diligent pursuit of business, fidelity to professional ethics and a world-class reputation for dependability and competence. Who could ask for anything more?

Toronto  
May 1988

Christopher A.W. Green, FCMC  
President

---

## PREFACE

Unlike most of my professional colleagues and competitors, I have studied neither engineering nor accounting. Rather my degree is in history, more particularly Canadian history.

And ever since graduation from university, history has been a hobby of mine.

Over the years, I have come to understand that those of us in management consulting have had an oral tradition – similar yet different from that of an African tribe. Similar in that we have passed on our history by word of mouth. Different in that we have been less vigorous and disciplined about our tradition.

As I sat and listened to various Founders and Past Presidents of the Association speak at our black-tie dinner in January, 1986, I thought it was time to capture this oral tradition on paper. Especially since we were approaching the end of our first quarter century.

However, I was not sure that I would obtain the necessary support from the Executive.

The reason for my concern is that management consultants are much more interested in the future than in the past. But, fortunately, the Executive recognized the wisdom of Disraeli's dictum that "the more extensive a man's knowledge of what has been done, the greater will be the power of knowing what to do."

We were doubly fortunate in securing the services of Bruce Mellett as I am sure you will agree after you have read the text.

Toronto  
March 1988

Joseph E. Martin, FCMC.  
Immediate Past President

---

## PROLOGUE AND ACKNOWLEDGMENTS

The history of an organization is not written. It is there, in the people, records and spirit of the group. The historian simply aims to make that history more accessible and comprehensible for those who have an interest in it. To do this, I have tapped the memories of CAMC founders, past presidents, and present and former directors. Association records and minutes have also been researched, though many of these are incomplete. Unfortunately, the nature of a voluntary organization often means that paper hoarding is not a priority. Thus, there were gaps in the primary material, particularly that relating to the founding years and the 1960's.

For the association's history to 1976, I allowed myself some degree of interpretation. Themes of professionalism, and the importance of the CA link to consulting, emerge. For subsequent events, the treatment is more perfunctory, since further time is needed to place the experience of the past decade in perspective. The reader may notice a slight change in approach after 1976; the less analytical treatment accounts for this.

I would like to thank a number of people for their assistance and support over the summer of 1987. Di Brown and Bonnie Anderson were always helpful in answering my requests for space, materials, and word processing bookings. Thanks also to Heather Osler and the staff at the CAMC office in Toronto.

Joe Martin's counsel and encouragement were invaluable.

And, there is no way this document would exist without the co-operation of those past and present CAMC directors who took the time to share their experiences with me. It's your story.

Kingston  
September 1987

Edward Bruce Mellett

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# CONTENTS

Foreword	
Preface	
Prologue and Acknowledgments	Page

## 1 ORIGINS

<b>Chapter 1.</b>	<b>THE VERY BEGINNING</b>	<b>2</b>
	A profession born of industrial engineering	2
	Industrial engineering exported to Canada	2
	Early consultants fought for respectability	3
<b>Chapter 2.</b>	<b>THE SECOND WORLD WAR</b>	<b>4</b>
	War brought challenges and opportunities — and accountants	4
	The accountants got involved through J.D. Woods and Gordon	4
<b>Chapter 3.</b>	<b>A CONTINUING STRUGGLE AGAINST CHARLATANS</b>	<b>5</b>
	"Dis-Maying" the business	5
	George S. May as villain	5
	Charlatans challenged the accountants	5
<b>Chapter 4.</b>	<b>EXCITING POSTWAR TIMES CREATED COMMON CONCERNS</b>	<b>6</b>
	"Fairy godmothers"	6
	Issues but no dialogue	6
	ACME and MCA	6
	Canadian leaders began to talk	7
<b>Chapter 5.</b>	<b>THE FOUNDING OF CAMC</b>	<b>7</b>
	J.J. Macdonell's call to order in the name of professionalism	7
	The first steps, in Quebec	8
	CAMC: conceived in 1962	8
	The founders were a diverse group	9
	Founders accepted each other as CAMC members	10
	CAMC: born on July 4, 1963	10
	Professional objectives	11

## 2

### 1963 - 1976: TRIUMPHS AND TROUBLES

<b>Chapter 6.</b>	<b>GETTING DOWN TO BUSINESS</b>	<b>14</b>
	Addressing the media	14
	Commercial or professional?	14
	The institutes as "CAMC professionalism"	14
	CAMC tried to avoid American and British dilemmas	15
	Some CA's were reluctant	15
	J.J. Macdonell powered the drive	16
<b>Chapter 7.</b>	<b>PUBLIC RELATIONS: CONTINUING ISSUE</b>	<b>17</b>
	"Consultant — know thyself!"	17
	Marketing consultants examined CAMC	17
	Annual dinner for clients and friends had limited results	18
	1967: a choice at a PR crossroads	18
	Joan Wallace takes over PR	19
	CA's tended to be reluctant promoters	19
	The CA Institutes fretted about "promotion"	20



	<b>Page</b>
<b>Chapter 8.</b>	
<b>1963-1968: CAMC REPORT CARD</b>	<b>21</b>
First program report indicated growth	21
Information sharing was extended	21
<b>Chapter 9.</b>	
<b>INTO GOVERNMENT WITH GLASSCO</b>	<b>22</b>
Royal commission involved many consultants	22
CAMC had a role in public-sector promotion	22
Tough times in Ottawa after 1971	23
<b>Chapter 10.</b>	
<b>CAMC ENTERS THE 1970's AND A RECESSION</b>	<b>23</b>
The future looked good in retrospect	23
Public relations upgraded with John Fennell	23
Maturity seemed comfortable	24
French Canadian firms joined CAMC	24
Hard times for honest consultants	25
Question about the value of CAMC	25
Problems as a "trade association"	25
Proposed international conference was a fiasco	26
<b>Chapter 11.</b>	
<b>THE CONSULTANTS' CONSULTANT: GEORGE CURRIE'S REPORT</b>	<b>26</b>
A watershed review called for change	26
Hard choices posed by Currie	27

### 3

## 1976 - PRESENT: NEW APPROACHES

<b>Chapter 12.</b>	
<b>AN AGONIZING RE-APPRAISAL FROM THE CURRIE REPORT</b>	<b>32</b>
Members reacted in diverse ways	32
CAMC wound down – a little	32
More support for the institutes	33
Grants to help in Quebec	33
Closer ties with the Institute of Management Consultants of Canada (IMCC)	34
<b>Chapter 13.</b>	
<b>CAMC GEARED UP AGAIN FOR MORE PR IN 1978</b>	<b>34</b>
"A natural unhappiness with the status quo"	34
DMR arrived with fanfare	34
PR extended into media advertising	35
Promoting CAMC for less	36
Belbeck Report recommended focus on governments and an affordable program	36
<b>Chapter 14.</b>	
<b>SUPPORT FOR PROFESSIONALISM: THE INSTITUTES</b>	<b>37</b>
How should CAMC relate to the professional institutes?	37
"CMC" achieved reserved-title status in Ontario	37
A continued commitment to professionalism	38
"A good model for the world"	39
<b>Chapter 15.</b>	
<b>THE OTTAWA COMMITTEE AND GOVERNMENT RELATIONS</b>	<b>39</b>
Beginning of a more co-ordinated approach to the public sector	39
Work on federal guidelines and the political scene	39
"The mills of the governors grind slow"	40
Strategy for dealing with government: uncertain results	40
Increased stature from the Nielsen task force	41

---

	<b>Page</b>
<b>Chapter 16. INTO POLICY WITH THE FREE TRADE SUBMISSION</b>	<b>41</b>
The American invasion inspired the free trade study	41
The platform: equal access	41
The submission was planned, proposed and presented	42
A call for an end to discrimination	43
Canada would benefit	43
Canadians are world-class consultants	43
An encouraging response	43
<b>Chapter 17. RECENT DEVELOPMENTS IN CAMC: REGIONALIZATION AND                   RELATIONSHIPS</b>	<b>44</b>
Quebec	44
Atlantic Canada and the west	44
Ontario	45
Relationships external and internal continue paramount	45
"Getting to know you"	46

## 4 ROOTS

### APPENDICES

A. Founding firms and directors, July 4, 1963	50
B. Past-presidents	51
C. Member firms: 1963-1988	52
D. Code of Ethics, (1963)	53

---

# **1 Origins**

- 1. The very beginning**
- 2. The Second World War**
- 3. A continuing struggle against charlatans**
- 4. Exciting postwar times created common concerns**
- 5. The founding of CAMC**

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Now named Chateau Montebello, the luxuriously rustic Seignior Club is about 80 miles west of Montreal. On a very warm day late in June 1962, a group of men who called themselves management consultants stood by the Ottawa River waiting for the arrival of the final participants in a meeting that had been planned for that day. The group on shore had all arrived by car, but in the distance they could see a float plane readying itself to land on the river. The aircraft touched down safely and ferried its passenger, Gerald Fisch, the flamboyant head of P.S. Ross and Partners, to the dock. As Fisch, "the predominant and domineering character in the profession" came ashore, his alter-ego, Geoff Clarkson of Woods Gordon and the "doyen" of management consulting, remarked to Gordon Cowperthwaite, of Peat Marwick and Partners: "That chap Fisch, do you think we really want him to be part of our group?"

The group consisted of the national heads of the six major management consulting groups associated with chartered accounting firms in Canada. They were meeting under the sponsorship of the Management Consultants Committee of the Quebec Institute of Chartered Accountants, as part of an effort to bring the leaders of management consulting groups together to discuss matters of common interest. The gathering at Montebello was the first time such discussions had taken place at the national level, and the participants were not altogether familiar with one another. Nevertheless, the meeting resulted in a number of significant decisions regarding the management consulting profession in Canada. The participants decided that work toward a national association should be pursued, and that if such a group were to be truly representative, the discussions should include firms that were not affiliated with chartered accounting firms. A year of planning followed, and on July 4, 1963, the Canadian Association of Management Consultants was incorporated under federal charter.

## 1. THE VERY BEGINNING

### **A profession born of industrial engineering**

The involvement of the chartered accounting profession has been a distinguishing feature of management consulting in Canada. To discover the origins of the field, however, one must look to the other discipline from which the profession has developed — industrial engineering. Though one writer has suggested that Niccolò Machiavelli was the first management consultant, most observers look to Frederick W. Taylor as the pioneer, for his approach to the study of work, and for his early contributions to scientific management. According to Peter Drucker, Taylor was the first man in recorded history who deemed work deserving of systematic observation and study. His first study was of workers who shovelled pig iron at Bethlehem Steel. By determining the optimum combination of load and shovel size, Taylor was able to improve productivity nearly fourfold, while raising the wages of his subject, "Schmidt," by only sixty percent. The results of this and other similar experiments obviously had great appeal to industrialists. "Time study" soon became a business service offered by the first industrial engineering consultants.

Taylor's work represented a great step forward because of the serious way he approached it. His study was scholarly and thorough. The project with the shovellers lasted more than three years from 1889. It also demonstrated the advantage of an objective, detached viewpoint on an industrial problem.

By the time Taylor died in 1915, his experiments had inspired many others to expand on his work. Frank and Lillian Gilbreth were two of Taylor's successors. Frank Gilbreth broke work into elements of motion, called "therbligs," convinced there was a best way to do every job. His wife, a psychologist, carried on Gilbreth's work after his death in 1924. So committed to the study of work were the Gilbreths that two of their twelve children recalled in the book, *Cheaper by the Dozen*, that their parents photographed and studied their motions as they did the dishes. The children were even required to submit sealed bids to their parents for other household chores.

Time study and motion study were placed in a larger context by industrial researchers such as Henry Gantt. He saw the value in synthesizing various individual operations in an overall process, analyzing the steps of production backward from the end product. And Frenchman Henri Fayol is credited by Drucker as having first taken a rational approach toward the overall organization of an enterprise. Such structure was to be built on a "functional principle."

It was in this sort of environment — work study and ideas of scientific management — that the work of industrial engineers in the United States began to flourish in the 1920's. Much of the activity was aimed simply at establishing higher productivity standards for workers, standards which had seldom existed before. Such endeavours did not endear time-study men to labour. The image of the "efficiency expert," stopwatch in hand, emerged as part of American mythology.

### **Industrial engineering exported to Canada**

By the end of the decade, American industrial engineers were making forays into Canada. One of the firms was the Charles E. Bedeaux Company. Bedeaux was a French-born American who had implemented his system of wage incentives based on time study at companies in America, Britain and Europe. In 1927, a Bedeaux salesman

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approached J. Douglas Woods, president of York Knitting Mills and convinced him that substantial savings could be achieved by adopting the Bedeaux techniques. As the system was being implemented at the York Mills, a young foreman named Ralph Presgrave and a number of other employees became well-versed in time study. They soon took charge of the system, which eventually was dubbed the "York Plan" in Canada. By 1932, Presgrave and his colleagues considered their knowledge of work-study techniques to be as good as that of the American consultants working in Canada. During a convivial evening at Hamilton's Connaught Hotel, they decided to market their expertise beyond York Knitting Mills. According to Ralph Presgrave:

Four or five of us went to Doug Woods and said, "We think we've got this far enough along that we could start a company..." Doug Woods said that was a pretty good idea and "if you let me in, I'll join you."

The budding consultants were glad to have Woods aboard, as he had an excellent reputation in the textile industry. J.D. Woods and Co. Ltd. was born.

The formation of Canada's first real management consulting firm did not result in an immediate rush of clients. Most of the early jobs were in York Knitting Mills plants in Toronto, Hamilton and Woodstock. The Depression meant that companies were very reluctant to spend scarce dollars on what was still a rather unproven service. The benefits had to appear obvious. One former Woods consultant, David Turnbull, recalled that:

In those days most company presidents were very careful about hiring consultants...We had to prove that the use of an incentive plan would save more per month than it would cost them to retain consultants.

Of course, once you had sold the president, you were in. No one worried about how the employees felt. If they didn't like it, there was always a lineup at the gate waiting to take over their jobs. (*Globe and Mail*, December 29, 1967).

The staff of J.D. Woods and Co. never exceeded twelve members prior to the Second World War. And while their first outside assignments were primarily for textile firms, the new consultants began to work with other businesses, particularly in the metal-working industry. Areas of practice began to broaden to include systems and procedures, sales and merchandising. This was a natural outgrowth of their work, as Presgrave told *Saturday Night*: "There's nobody who knows as much about what can go wrong in a factory as the time-study man. If any department — sales, purchasing, whatever — is not keeping up its end, the time-study man should know it."

This expansion of focus, from strictly technical aspects of industrial consulting to a broader, more integrated approach, reflected a parallel trend in England and the United States. There, consultants were beginning to deal with concerns that might more clearly be seen as management issues.

In the U.K. for example, Lyndall Urwick, who founded Urwick Orr in 1934, was more interested in broader administrative problems than production concerns. Urwick saw management as a worthy vocation, with responsibilities to society as well as to purely commercial results.

Similarly in the United States, James O. McKinsey — whose consulting practice was formed in 1925 — saw business organization in holistic terms. He realized that management must deal with its environment. While his original work dealt with quantitative techniques to guide managers in their tasks, he became "more interested in general management...than the specialized fields and functional areas such as marketing and industrial engineering." By the late 1930's, management consulting was beginning to emerge in a more modern form.

### **Early consultants fought for respectability**

Like many other pioneers, the early J.D. Woods and Co. staff worked under primitive conditions. Their offices were located in an old church, which doubled as a warehouse for York Knitting Mills. They worked on kitchen tables and chairs surrounded by bales of cotton. While Ralph Presgrave notes in retrospect that such facilities were "perfectly satisfactory," they seem a world away from the offices that now house the larger Canadian firms. However, one aspect of consulting in the early years has not changed. "It was a tough job," says Presgrave. "You were at the beck and call of people all over the country. You'd think you had a nice quiet Sunday and the phone would ring because somebody in Vancouver was in some kind of predicament."

Yet office conditions were a mere inconvenience compared with the difficulties encountered in overcoming the negative attitudes that prevailed toward management consultants. Back in the thirties it was considered a disgrace for a company president to hire a consultant. It was an admission that he didn't know how to run his own business. Furthermore, J.D. Woods consultants had to deal with the bad reputation the industry had begun to earn because of incompetent or fraudulent practitioners. "There were more racketeers in the game than you

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could shake a stick at," says Presgrave. "There were some dreadful characters in consulting, and that was one of the obstacles we had to overcome, as we went out to do jobs." In the eyes of some company executives, the management consultant was "little better than a medicine man with a satchel of nostrums."

Stevenson and Kellogg, Ltd. was the other major consulting firm to date from the Depression. It was formed as a result of an assignment carried out in 1934 for the Canadian newsprint industry by Stevenson, Jordan & Harrison, Inc. of New York. Producers were hit hard by the economic crisis, and the Newsprint Association of Canada (NAC) called in the American firm to help its members. Paul Kellogg was the senior consultant for the project. His report recommended a means of co-ordinating and equalizing output for producers in Ontario and Quebec. NAC was satisfied with Kellogg's work and decided to retain his expertise to administer the plan.

The American firm set up a Canadian office in Montreal called Stevenson & Kellogg, Ltd. While the firm originally had the NAC as its only client, by the time it received its federal charter in 1936, it had broadened its base. Management controls based on Standard Costs and Flexible Budgets became a core of its business outside the newsprint industry. When Paul Kellogg became a Canadian citizen prior to the Second World War, it was clear that Stevenson and Kellogg was determined to establish a broad presence in Canadian industry.

## **2. THE SECOND WORLD WAR**

### **War brought challenges and opportunities — and accountants**

Notwithstanding the establishment of Stevenson & Kellogg and J.D. Woods and Co. in the 1930's, Canada did not offer a substantial market for management consulting services. A business employing them appeared weak or sick in the eyes of its competitors, shareholders and customers.

The Second World War changed that image. It provided a spur for the development of the struggling practitioners. The requirements of both government and industry during the war and afterwards provided great opportunities for Canadian consulting to develop and apply new techniques.

Among the assignments that Stevenson & Kellogg carried out for the federal government was a study of organization and planning for the Royal Canadian Air Force. The firm also studied the employment of women in industry for the National Selective Service. "Crash programs" in organization and control were organized for industry converting to wartime production. This work resulted in a growing body of skills available to Canadian consultants. Wage and salary controls involved work in job classification and evaluation. In 1943, Stevenson & Kellogg began to practice industrial psychology and do personnel appraisals. By 1945, the company was performing work measurement by time study and designing incentive plans, which would be at the core of its industrial engineering work for several years.

J.D. Woods and Co. was also involved in government work during the war. In 1942 and 1943, the firm had been placed at the disposal of the Canadian government on a non-profit basis. The staff grew to more than thirty and worked on a wide range of projects. These included assignments to transfer manpower from non-military to wartime industries, and studies to eliminate overlap in industry and in services, so that excess resources, human and otherwise, might be made available to the war effort.

### **The accountants got involved through J.D. Woods and Gordon**

The Woods consultants had been placed at the government's service by Walter Gordon, of the accounting firm Clarkson, Gordon & Co. That firm had become associated with J.D. Woods and Co. in 1939, in what signified the beginning of a vital feature of management consulting in Canada. For the first time, chartered accountants recognized that a formal consulting practice would be a valuable addition to the services offered by their firm. Consulting groups with close ties to CA firms would come to dominate the Canadian management consulting business after the end of the war in 1946.

J.D. Woods and Gordon Ltd., as it was known after 1943, came about after a series of initiatives in the 1930's. Apparently, J.D. Woods and Co. first approached Clarkson Gordon around 1935 with the idea of affiliation. Both firms would benefit, and the consultants looked fondly on the auditors' client list. However, this highly reputable firm of chartered accountants shared the popular feeling about management consultants — that they were a bunch of not-too-reputable characters, and declined the invitation to affiliate.

A few years later, the Clarkson auditors had reconsidered their view in light of the fact that an increasing amount of their work for clients was only indirectly related to accounting and financial matters. To deal with the variety of new business problems, the auditor saw that "sooner or later it would be necessary to obtain staff with a wide range of skills or join forces with an existing organization that had such skills." When Clarkson, which had been the York Knitting Mills auditors, raised the matter with the Woods group, the consultants backed off, unsure of the desirability of associating with the strict regime of Walter Gordon. Finally, Clarkson Gordon proposed an association whereby the Woods name would be retained. The consultants, according to Ralph Presgrave, "began to realize we'd be pretty silly if we didn't go into it because they'd supply clients." Thus,

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the relationship — not always a clearly-defined one — between consulting and chartered accounting in Canada was begun in 1939. It is a connection, we shall see, that has differentiated Canadian management consulting from its counterparts in the United States and Britain.

Chartered accountants became involved in consulting because, to many auditors and their clients, their own position was becoming less that of an intruder or "snoop" in the operations of a company, and more the role of an adviser. This trend became notable following the Second World War, as new management techniques such as cost controls, budget planning and other financial methods started to appear. Such functions seemed more appropriately the territory of the accountant than the industrial engineer.

Canadian management was at this time "very primitive" according to Gordon H. Cowperthwaite. This implied a large potential market for business and management advisory services. Yet with the exception of Woods Gordon, the pre-eminent firm in the field, the number and scope of Canadian firms involved in consulting was quite small. Price Waterhouse moved to take advantage of the situation by creating a Systems and Methods Department in 1945. P.S. Ross experimented with a Cost and Methods Department in 1946. But by and large, the CA firms' first ventures into consulting were informal and tentative in the immediate postwar period. Usually the service was performed for audit clients and was not defined as separate from the accounting work. Guy Chabot recalls providing informal consulting in Quebec with the firm Raymond Chabot from 1948, even though a formal and separate division was not established until 1966. Peat Marwick's consulting work was also just a small part of its accounting business until a separate practice was formed in 1954. The reason for these rather tentative steps was the reluctance of the accounting profession, like Clarkson Gordon prior to 1939, to become associated with an activity that continued to carry with it a tarnished reputation. The negative image was also an incentive to the accountants to get into the consulting business. By the mid-1950's they were becoming active in the new field.

### 3. A CONTINUING STRUGGLE AGAINST CHARLATANS

#### "Dis-Maying" the business

The reputation of management services continued to suffer from the activities of a small number of unqualified and even unscrupulous practitioners. "The field was, unfortunately, attractive to charlatans and quacks who preyed upon the gullible," wrote the founder of Price Waterhouse's consulting division, James J. Macdonell. The "charlatans," whom Canadian consultants agreed were mostly Americans, used high-pressure sales pitches that were seldom backed by the consulting skills needed to fulfill their grand promises:

Their standard method...was to hire fast-talking businessmen who knew nothing about consulting but could deliver an impressive spiel. They talked their way into a lot of companies but then were unable to deliver the goods. (*Globe and Mail*, December 28, 1967)

#### George S. May as villain

The name most widely associated with unprofessional conduct was the George S. May Company, of Chicago. A 1953 *Fortune* article said that May salesmen were paid on a commission basis and made blind calls on potential customers. It also reported that the firm's engineers were "undertrained" and that "the company encourages its men to overstate the size of the savings possible by its methods and to overstate the time really needed to accomplish such savings." Yet despite negative attitudes toward the company, very few legal actions against it were ever successful. And, to be fair, there were some satisfied clients. However, as one American consultant remarked, even a broken clock is right twice a day.

#### Charlatans challenged the accountants

Some Canadian firms that had purchased George S. May-type services were very disappointed to find that no real improvement had resulted from the money invested. "The businessman (then) took his frustration out on the auditor," according to Gordon Cowperthwaite, "saying 'surely you should know how to do these things.'" It began to appear that way to the auditor, too. Furthermore, when incompetent advisers had not implemented certain systems or controls correctly, auditors were sometimes unable to certify a company's financial statements. It was this problem that led Price Waterhouse to form its consulting division under James Macdonell. Thus, whether a company's cost control methods or accounting systems were faulty or simply non-existent, they were logical areas for the chartered accountants to deal with, especially since many auditors were already consulting in these fields on an informal basis.

As quoted by the *Financial Post*, Macdonell placed the relationship between the two fields in a very clear context in 1957. "The simple fact is that every chartered accountant is, *per se*, a management consultant. That

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clients seek them out for advice not directly related to the audit," he wrote, "is the very essence of our professional relationships." This was a viewpoint that most audit firms, however reluctantly, would come to share. They had little choice. With Clarkson Gordon and Price Waterhouse offering associated management services, other CA firms would eventually discover that consulting services were necessary to protect their audit base.

That did not mean that senior auditors were pleased to be adding the additional service. Accounting is an old and revered profession, with long-standing traditions of ethical conduct. Consulting at the time shared none of these characteristics. Gordon Cowperthwaite had emigrated from England in 1954 to begin the management consulting practice of Peat, Marwick, Mitchell and Co. Although a CA himself, he received a cool welcome from some senior colleagues:

I was given an office in a building well removed from the main office. Management consulting was still looked upon as being not quite respectable in those days. One of our firm's clients even ordered me out of his office when I called on him.

The association with the chartered accounting profession was bound to improve the image of what was, in the 1950's, a disorderly, exciting field. The dominant CA presence in management consulting, beginning in 1939 when Clarkson Gordon and J.D. Woods were first affiliated, has distinguished the Canadian industry from its American, and to a lesser extent, British, counterparts. With the exception of Stevenson & Kellogg, which became owned by its Canadian employees in 1951, the major consulting firms in Canada had ties to audit firms.

In England, industrial engineering companies, in particular P-E, AIC, Urwick Orr and PA, were the major force in consulting until the late 1950's. Similarly in the United States, industrial engineering firms were dominant until at least 1960, even though public accounting firms were beginning to organize management divisions. The U.S. also experienced a significant degree of antagonism between the two elements of the industry. "I take a dim view of the entry of accountants into consulting," remarked the president of one American consulting engineering outfit. "They're acting as both judge and jury. I don't think these activities go together. They say it's paperwork, that they're experts in paperwork. Bullshit! They do market studies and executive recruiting and get into a lot of other areas too." This sort of hostility did not exist in Canada. The impact of the audit profession on the emerging field of management consulting, however, remained to be fully realized.

#### **4. EXCITING POSTWAR TIMES CREATED COMMON CONCERNS**

##### **"Fairy godmothers"**

The two decades of prosperity that followed the war produced a buoyant, though unsophisticated, market for the developing management consultants. This in turn created a number of conditions that were of common concern to Canadian firms. The market had attracted American and other foreign firms to work here. Well-known names such as Booz Allen, or McKinsey, were deemed by some potential Canadian clients to be more capable of handling large assignments than Canadian firms. At the same time, the confidentiality of consultants' work led to a great deal of mystery about what they did, and what they could do for Canadian companies. The *Financial Post* called management consultants the "fairy godmothers of industry and business" in 1954. Finally, the reputation of the few charlatans and fly-by-night operators lingered. It burdened practitioners — who were also asked on occasion to repair the damage.

##### **Issues but no dialogue**

Clearly, a wide range of issues affected Canadian management consultants. Yet with few exceptions, they were rarely discussed by leading representatives of the Canadian firms. Part of the problem was that these leaders, in many cases, did not know one another. George Currie, who became president of Urwick Currie Ltd. in 1960, and had practiced for many years previously, says that before 1962 he had never really met, except for a "perfunctory greeting," the heads of Stevenson & Kellogg or Woods Gordon. He attributes a portion of this unfamiliarity to the confidentiality and the still fairly small size of the industry. It was apparent that "this was a sad situation." Unlike the professionals in law or medicine, the leaders of the field never got together to promote its welfare, to become acquainted with colleagues and competitors, to share information, and to represent it to government, business and the press.

##### **ACME and MCA**

Organizations of consulting firms had been formed long before the 1960's in the United States and Britain. Since 1929, the Association of Consulting Management Engineers (ACME) had represented the interests of large primarily industrial-engineering firms in the U.S. Often referred to as an "elite," or "blue ribbon group," ACME was originally founded as a means of distinguishing its member firms, including Booz, Allen and



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Hamilton Inc. and McKinsey and Company Inc., from the growing number of incompetent and unscrupulous firms that were giving scientific management a bad name. To this end, a strict code of ethics was instituted to deal with issues of confidentiality, business ethics, conflict of interest and publicity. ACME noted its commitment "to the development and better understanding of the art and science, practice and role of management in the economic and social systems of the free-world."

In Britain, the four predominant industrial engineering firms formed the Management Consultants Association (MCA) in 1956. Its objective was the promotion of a greater identity for management consulting, and the establishment of standards of ethical practice for member firms. Significantly, neither the British or American association admitted the consulting practices of audit firms to membership at founding. MCA first admitted CA-related firms in 1962. The animosity between ACME firms and accounting-based consultants in the United States meant that the latter were not admitted until 1982.

### **Canadian leaders began to talk**

Although there was no Canadian organization of management consultants, the issues that concerned them were being discussed by some prominent figures, either informally or in certain forums. For example, Gordon Cowperthwaite recalls several discussions with Price Waterhouse's Macdonell regarding a shared concern over the unqualified or incompetent consultants that were working in Canada. "Jim and I used to meet fairly frequently," he notes. "We had a certain affinity for one another...what we were mainly concerned about were some of the less professional practitioners, really charlatans...and other groups that were coming to Canada."

The men's background in chartered accounting influenced their concern with the problem of disreputable practice. There began to be an increasing reference to "professionalism" in management consulting, and to the development of the industry into a "profession." It was not surprising. Management consulting in Canada was to a large degree the hybrid of two long-standing professions: accounting and industrial engineering. By 1960 it had evolved considerably from, but not abandoned, its shop-floor, time-study beginnings to embrace activities and disciplines as diverse as economic forecasting and psychology.

## **5. THE FOUNDING OF CAMC**

### **J.J. Macdonell's call to order in the name of professionalism**

James J. Macdonell was the man who most embodied the growing spirit of professionalism. He was convinced that consulting was destined to enjoy the professional status accorded to auditing — and to law and medicine. Macdonell was aware that such status would have to be earned through a commitment to ethical conduct in practice. In a December 1957 article entitled, "The Professional Practice of Management Advisory Services," in *Canadian Chartered Accountant*, Macdonell stated that the best way to raise the awareness of the competence of the work was "the development and maintenance of the highest possible standards for the application of our skills in this art." This was a call to build stature for the infant profession from within.

Beyond merely appealing for the development of such standards, Macdonell proposed in the 1957 article a means of making progress toward his vision of true professional status for management consulting. In what is certainly a milestone for the vocation, Macdonell suggested that:

There may be merit in considering the formation of some organization which would, in the field of management consulting in Canada, perform some of the same functions, in a sense, as those undertaken by the Canadian Tax Foundation, and by the Association of Consulting Management Engineers in the United States. There does not today exist in Canada any form of recognized professional association to which management consultants as a group may belong and which would form the medium for establishing professional standards of competence and ethics. Our profession, in collaboration with the engineering profession, might well set up a joint committee to study the entire problem, with a view to eventually forming an association in which we as chartered accountants can play our rightful part, without prejudice to our own professional interests and responsibilities or to those of others.

This appears to have been the first explicit call for a Canadian organization of management consultants. And while the Canadian Association of Management Consultants was not founded until nearly six years later, Macdonell put forth a number of important ideas that were very much a part of CAMC. One of these was the notion that any organization must be concerned with "professional standards of competence and ethics." The other important element of his proposal was that an association should involve both the chartered accountants

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and professional engineers. It would therefore avoid the negative situation developing with ACME, and accurately reflect the structure of the business in Canada.

### **The first steps, in Quebec**

At the time of his suggestion, James Macdonell was serving as chairman of a small sub-committee of a special committee of the Quebec Institute of Chartered Accountants. The special committee had been formed in February 1956, to study "ethical and other considerations relating to management consulting practices" conducted by CA's. The smaller group was formed to draw up recommendations after an intensive study. When the study was completed in February 1958, the institute adopted rules that allowed CA's to carry on a management consulting practice under a separate name, "providing that they conformed in all respects to the established rules of professional conduct for institute members."

The sub-committee was maintained to advise the Quebec institute on ethical questions relating to management consulting. In 1960 the group was expanded to include representatives of all CA firms in Quebec that also practiced management consulting. They met several times in 1961 to discuss matters of common interest. Early in 1962, the meetings were again broadened, as the committee felt that the heads of these consulting groups, whether they were chartered accountants or not, should be brought together. Finally, on May 23, 1962, at the University Club in Montreal, all six CA firms with consulting divisions in Quebec were represented, and they addressed the following question:

Are there matters or areas which could be discussed by a group of individuals engaged in management consulting in different firms or organizations which render such a discussion profitable?

The answer was affirmative. It was decided that any further planning should be at the national level, and the June 25, 1962 meeting at the Seignior Club was organized.

Much of this activity was occurring under the sponsorship of the Quebec Institute of Chartered Accountants' Management Consultants Committee. Its members included some of Canadian auditing's most distinguished figures. P.S. Ross's Howard Ross was a member; and in 1962 the chairman was H.C. Hayes of McDonald Currie Ltd. Gordon Cowperthwaite recalls that these senior accountants had an interest in the developing profession. They encouraged consultants to take the responsibility for the orderly and disciplined growth of their field. "They began in a very nice sort of way to say 'the time has come when you should really consider what you're going to do.'"

Consultants themselves had taken a first, tentative step in November 1959. At the Montreal Engineers Club, six of the ten founding firms were represented at a meeting organized by Gerald Fisch of Payne-Ross Ltd. and James W. Simpson of Leatham Simpson. Simpson concedes that the meeting was not a huge success. However, he suggests that it may have instilled in the minds of participants that the idea might take hold in the future.

The lack of commitment that year reflected the growth of the industry. With the exception of Woods Gordon, Stevenson & Kellogg and Price Waterhouse, most consulting firms were less than a decade old. Payne Ross Ltd., which was the result of an association between P.S. Ross and the American firm Bruce Payne and Associates, had been established in January 1958. It would become P.S. Ross and Partners, under Fisch, in 1962 to serve as Touche Ross's consulting division. Clearly, time was needed to allow these embryonic consulting groups to get on their feet. Once such internal stability was gained, it might be possible for the firms to devote some attention to external issues, such as the incompetent practitioners and the profile of the Canadian profession.

As we have seen, the meeting at Montebello established the strong national base on which an association, if formed, would be built. It also affirmed the importance of including those firms that were independent of any audit connections. To the six firms that met at the Seignior club — Woods Gordon, P.S. Ross, Peat Marwick and Mitchell, Urwick Currie, Riddell Stead and Price Waterhouse — were added four more. The leaders of Stevenson & Kellogg, Leatham Simpson, AIC, and PA Management Consultants were invited to attend a meeting scheduled for October 27, 1962 in Montreal. It was a move consistent with J.J. Macdonell's call five years earlier for the two primary groups in Canadian consulting to unite in a common association. The development would avoid the creation of factions within consulting, as had occurred with the accounting and industrial engineering consultants in the United States.

### **CAMC: conceived in 1962**

The October 1962 meeting was crucial. The leaders of all ten firms were in attendance. It was formally "agreed that an association of management consultants in Canada was necessary and should be formed." The group, having made this decision, also agreed on a number of other key issues. Basic admission requirements were

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agreed upon, for example. And a name was chosen. The new group would be called the Canadian Association of Management Consultants. Patrick Vernon, a lawyer in the Toronto firm, McCarthy & McCarthy, advised the group from these first meetings and says that the name was chosen with consideration to the French version: *Association Canadienne des Conseillers en Administration*. Vernon recalls that the earliest legal decisions made by the group involved incorporation. "It was decided to incorporate partly to give formality to the structure and partly to protect the name." The association, to reflect its national character, would be incorporated under federal statute.

The leaders of the ten founding firms also agreed unanimously that while the new group, in the short run, was an association of firms, it would eventually develop a means for individual membership. Macdonell considered this decision to be of paramount importance. Speaking in 1964, he noted that:

The choice was open at the meeting of October 27 to take the path towards what, at its best, could be an honourable trade association, as against taking a much bolder, more challenging, more difficult, but by a wide margin, a more desirable path towards an eventual professional association of qualified personnel engaged in the practice of management consulting in Canada.

Thus, from its earliest meetings, the founders' group envisioned a professional membership for individuals engaged in management consulting.

#### **The founders were a diverse group**

While a substantial consensus was apparent in these early meetings, that did not mean that the leaders of the firms were not fierce competitors. Indeed, the toasts at the early meetings were reportedly "barbed." According to Gordon Cowperthwaite, "we were all very much at the beginning of our careers." They "were very exciting times," and these factors produced a healthy rivalry among the heads of the consulting firms. This spirit was accentuated by the personalities of the individuals involved. The wide range of character represented by these directors was displayed by the two men we met at Montebello, at the beginning of this story. Gerald Fisch's arrival at the Seignior Club by float plane simply reflected his penchant for flamboyance and the unconventional. The head of P.S. Ross & Partners, Fisch was a Canadian who attended the Massachusetts Institute of Technology, and trained with U.S. consultants. Returning home, "he was probably the first...Americanized professional management consultant," according to P.S. Ross's Alexander (Sandy) Aird, "of any status that came here, interestingly to run a practice that was tied into a very traditional accounting firm." Fisch was innovative and was one of the early "strategists" in Canadian consulting. He also involved P.S. Ross heavily in Executive Search practices early, not so much to make a great deal of money, but because he recognized it as a way to get around the restrictions on advertising, due to the firm's accounting ties. Executive Search would be an effective means of getting the P.S. Ross name known through advertisements. And if the consultants treated candidates well, every executive they dealt with "became a friend of the firm."

Although Fisch was fiercely competitive, he was also committed to the advancement of management consulting in Canada. A forceful speaker, he never turned down an opportunity to promote his calling. There was no question of his belief in consulting's importance to the economy and potential for growth. George Currie likes to relate a story about a flight to Saint John in the mid-1960's. He was speaking to Fisch's senior audit colleague, Howard Ross, on the plane — which was rerouted to Fredericton because of inclement winter weather. Ross told Currie that "Gerry is absolutely convinced that the consulting profession is going to take over the audit profession, and that within a very few years, the audit side would be a relatively less important branch of the firm." Currie adds that Fisch was sincere. "He actually believed that this was going to happen."

The counterpoise to Fisch's exuberant, brash approach was provided by the representative in the Montebello group from Woods Gordon and Co. Geoff Clarkson is given much of the credit for getting the heads of firms together, convincing them to put aside their differences, reconciling their personality clashes and promoting the virtues of co-operation. George Currie recalls, "Geoff was a very soft-spoken, mild-mannered individual, and a thoroughly decent, likeable professional. Geoff brought that professional demeanour, a low-key approach, that attracted us. We realized that we weren't dealing with someone who was out trying to put one over on us. He was genuinely prepared to share the knowledge that he and his firm had of management consulting, which was substantially more than any of the rest of us had."

Like Jim Macdonell, Clarkson appreciated that for consulting to become recognized as a "profession," knowledge and experience must be shared. A profession cannot advance through spotty achievements by individuals who guard their expertise as "secrets" of their own. Clarkson's willingness to share what Woods Gordon had learned was leadership by example.

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Furthermore, he had not the aggressive, bold stance of a grasping emperor, but rather, the quiet and assured bearing of a statesman, according to Ken Belbeck of Stevenson & Kellogg. This approach had an impact on his peers. "Consulting firms tend to be headed by egomaniacs," claims Currie, "individuals who like to dominate situations and enjoy the leadership job. But Geoff was much lower-key."

Despite a growing acquaintanceship among some of the individuals involved, Stevenson & Kellogg's Belbeck says that, "in the formative stages, there was suspicion all the way around the table." Ken Belbeck must have been particularly aware of any tension, because he represented his firm in lieu of its president, B.D. McAuley. McAuley was a management consultant of the American industrial engineering school, and did not consider it appropriate to be sitting at a table with a bunch of accountants. Nevertheless, Stevenson & Kellogg had in Ken Belbeck a strong director, and the association was able to count among its member firms one of the country's most important consulting practices.

Founders agree that the meetings in 1962, whether sponsored by the Quebec Institute of Chartered Accountants, or held under the auspices of the developing CAMC, were important: the leaders of the firms were provided with a forum not only to discuss issues of common interest, but to build relationships with individuals who had much in common with them. Richard Mineau of Price Waterhouse maintains that the fact that they had rarely talked in the past was "not because they necessarily hated each other's guts, but that they had no reason to talk to one another except out of courtesy, if they met on the street."

The new group would also serve as an informal means of dealing with any conflicts between firms. James Simpson, for example, says that he "was ready to physically assault Macdonell" at one point in the late 1950's, as Price Waterhouse was attempting to "raid" Leetham Simpson and recruit two of its top people, B. Lloyd and future CAMC president J.D. Pawling. The association, however, "put everything in perspective," and instilled in all members a greater sense of professionalism and respect for competitors.

#### **Founders accepted each other as CAMC members**

The sense of professionalism and commitment was perhaps best expressed by the remarkable process by which the ten firms approved the membership of one another at the founding meeting, May 27 and 28, 1963. Each founder submitted an application, containing detailed information about his firm to the other nine representatives. The ensuing process was aptly described by J.J. Macdonell in 1964:

At the meeting of May 27, the head of each firm was required to address the other representatives present on certain agreed topics such as the history, background and objectives of his firm, its organization and staff, its engagement policies, and its promotional practices. He was also required to present verbally five representative case histories of engagements that would serve to demonstrate the nature and range of his firm's services.

Thereafter each representative was to subject himself to such questions...as might be directed to him by the others present. As an active participant in these proceedings may I assure you that literally hundreds of questions were asked during that day. Every question was answered frankly and fully. By 10:45p.m. when the meeting adjourned, there probably was never before a more physically and mentally exhausted group of management consultants gathered together in one room in the whole history of management consulting anywhere.

On the following day, May 28, the meeting re-convened and . . . elections took place, each member voting 'yes' or 'no' on the eligibility of the nine other firms represented. It was an exceedingly tense moment when the independent scrutineer knocked three times on the door of the meeting room and reported to the chairman that all ten firms had been admitted to membership.

The level of information disclosure evident at this meeting demonstrated the degree of seriousness with which the founders treated the formation of CAMC. George Currie says that it was clear "that we probably had much more in common to share than there was of a competitive nature to keep us apart."

#### **CAMC: born on July 4, 1963**

The signing of the letters patent by the ten firms at the founding meeting was the culmination of four other organizational meetings since the June 1962 gathering at Montebello. The association had dealt with a number of important issues, including appropriate membership requirements, a code of ethics and basic by-laws and

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structure. While there was debate on some questions, such as how much in terms of discipline procedures should be formalized in the by-laws or left to discretion of the group, Patrick Vernon recalls a good deal of consensus: "I don't remember going through an unusual number of drafts." Through the efforts of all the founders, and specifically, J.J. Macdonell and G.P. Clarkson, the group filed its petition for incorporation in Toronto, on July 4, 1963, thereby creating "a body corporate and politic without share capital under the name of CANADIAN ASSOCIATION OF MANAGEMENT CONSULTANTS - ASSOCIATION CANADIENNE DES CONSEILLERS EN ADMINISTRATION."

**Professional objectives**

The professional objectives of the new association, as outlined in its first brochure were:

- 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 undertake development, research and training programs which will advance and disseminate among members the common body of knowledge of professional management.
- 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.
- To provide, in due time, a set of standards to be met by individuals desiring to be recognized as Professional Management Consultants.

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### **1963-1976: Triumphs and Troubles**

- 6. Getting down to business**
- 7. Public relations: continuing issue**
- 8. 1963-68: CAMC report card**
- 9. Into government with Glassco**
- 10. CAMC enters the 1970's and a recession**
- 11. The consultants' consultant: George Currie's report**

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## 6. GETTING DOWN TO BUSINESS

Once CAMC had been established in a legal sense, the greatest challenges remained to be dealt with. The directors had to consider what they wished to do in order to begin to realize the association's objectives. Above all, it was important to achieve a level of public recognition for the group. As is often the case with a new organization, there was plenty of enthusiasm and agreement about general, optimistic goals. Gordon Cowperthwaite recalls the founding mood as having been very positive.

When we established the thing we were pretty gung-ho. We thought 'What are we going to do?' We thought we would push out and throw back the Americans, really establish ourselves and be very, very big.

### Addressing the media

To accomplish any of this, of course, required public exposure. Thus CAMC organized press conferences in Toronto and Montreal on October 15, 1963. In his address to the media, CAMC president Geoff Clarkson spoke of a "frighteningly complex" business world that had grown in terms of size and competitiveness. Management consultants worked within this world to provide executives with up-to-date data and procedures. Specialized knowledge combined with an objective viewpoint assisted managers who could no longer run a business on intuition.

For management consulting itself, Clarkson stated that leadership was needed at this stage of its development to ensure the public of orderly growth, and competent and ethical service:

We would not be meeting here today if we did not honestly believe — as other professionals obviously believe — that a professional association is invaluable to the development of a profession and the protection of the public it serves.

We hope membership in CAMC will become accepted as the mark of excellence in the consulting field. We intend to do everything in our power to bring this about."

### Commercial or professional?

Within the president's remarks was a reflection of the characteristics of CAMC. Obviously the concerns over ethical standards and conduct remained prevalent. Out of this, however, came the unique structure of the group. CAMC was formed as a professional association of *firms*, not individuals. In most professions, the body concerned with standards and discipline has *individual* members, not member firms. The many examples include provincial law societies, medical associations, and institutes of chartered accountants. These bodies are charged by government with regulating their professions. CAMC in 1963 had no such mandate, nor did it want it. However, its unusual construction has continually caused a certain amount of conflict and confusion over its role. As a group of firms whose ultimate goals are commercial, CAMC has continually questioned whether its purpose should be professional or commercial, and whether or not these two aims could co-exist.

Even Geoff Clarkson's founding remarks contain a hint of the dual purpose. The professional concerns that were so important to Jim Macdonell dominate the remarks. But the stated desire that membership in CAMC become the "mark of excellence" points to its commercial aspect.

CAMC membership, it was hoped, would provide a marketing advantage. It would differentiate the firms from the many other individuals and companies that called themselves management consultants.

Some smaller practitioners were upset by the formation of CAMC. Their view was that CAMC membership requirements made the group "discriminatory." They made it clear that their problem was not with the code of ethics, but the fact that to qualify, a firm must have had eight full-time consultants working for the past five years. It did not make their work any less professional, these consultants argued, just because they might have only three or four staff in their practices. These protests also expressed the fear that the new association might eventually seek legislation restricting entry and work in the profession to people that CAMC considered qualified. Such dissent was a challenge to president Clarkson's assertion that "the association is no exclusive club."

### The institutes as "CAMC professionalism"

CAMC was ready to accept the challenge. One of its stated founding objectives was "to provide, in due time, a set of standards to be met by individuals desiring to be recognized as Professional Management Consultants." From its founding, the association had been concerned with promoting the profession on an "individual" basis.

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According to George Currie, the founders had the formation of an institute to which individuals could belong, as a major goal from their very first meeting. They understood that its realization was a number of years in the future, "but the first step was to get the firms talking to one another. When we'd achieved that, we might be able to get individuals talking together."

It was not long before work on formation of an institute of management consultants was under way. Among the four committees set up by CAMC was the Professional Affairs Committee (PAC). (The other committees were Admissions, Public Relations, and Ethics and Discipline.) Its mandate was clear: "The Professional Affairs Committee should at all times emphasize the needs of the individual. Its program should be directed toward the individual, not the member firm." While that program included such elements as staff meetings to acquaint consultants of different firms, the overriding concern of PAC was the question of individual membership.

### **CAMC tried to avoid American and British dilemmas**

The Professional Affairs Committee met five times within CAMC's first year. The committee's report at the first annual meeting in June 1964, called it "a year characterized by much discussion, some disagreement, but a willingness to face what has proven to be a difficult task." A paper on the problem of individual membership was prepared, and it examined the experiences of groups in other countries, and the many issues facing the PAC. ACME had been grappling with the problem since 1940, and was unable to agree on a means of individual certification. A 1955 proposal for an American "Institute of Certified Management Consultants" was rejected. One writer has noted that:

Opposition among ACME members was vocal and bitter, and in turn, the proposal threatened to destroy the parent organization with the withdrawal of nearly a dozen members. Arguments were raised against the proposal, centering on lack of agreement within the profession on a fundamental common body of knowledge in the field, fear of licensing or registering of management consultants by states if professional standards were set...and lack of interest of management consultants in seeking professional status.

Part of the American problem stemmed from the inability of American engineering and accounting-based consultants to resolve their differences.

In England, an Institute of Management Consultants had been created in 1961, with requirements of age, education and experience, and knowledge of consulting. However, the institute had been formed by the Management Consultants Association (MCA) in response to a threat by two young accountants who were prepared to start the IMC themselves, in competition with MCA. MCA members were concerned about "the danger in the situation insofar as MCA can be embarrassed by the creation of such an Institute if MCA itself were not responsible for the formation."

In Canada the circumstances were more favourable. CAMC was taking the initiative with regard to an institute, and the differences between various aspects of the new profession had been reconciled. The Professional Affairs Committee outlined the obstacles clearly in its submission to the 1964 CAMC annual meeting:

The problem...when certification comes into the picture, is what degree of these skills and attributes would justify certification, and how can they be measured. Qualifications of age, education, and experience may sound simple, but are each great fields of argument. Written examinations for candidates present some monumental policy and administrative problems...proof of competent work has also been suggested as part of the certification process for candidates. This also is easier said than done.

There is also the problem of what to do about those people already in the profession. Would they all be automatically certified? Would only a part be certified, and which part?

These are but a few of the underlying undercurrents and problems.

### **Some CA's were reluctant**

These considerations however, were not the only problems facing the founders of an institute. In both Ontario and Quebec, the two provinces where work was under way on individual certification, certain elements within



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the provincial Institutes of Chartered Accountants were opposed.. Some accountants did not see the need for this idea; after all, most consultants had professional affiliations already. In Quebec, Richard Mineau of Price Waterhouse, who was to become the first president of the Quebec institute, recalled that some portions of the leadership of the Institute of Chartered Accountants in Quebec "were not very enthusiastic about seeing what they considered a parallel institute of professionals operating within, generally speaking, but not exclusively, firms of Chartered Accountants." They feared a substantial overlapping of rules and regulations and questioned whether the objectives could not be realized within the CA institute.

The organizers of an Ontario institute of management consultants also experienced resistance to the idea of the separate body. Certain elements in the audit profession let it be known that the organizational attempts were not welcome. Like the Quebec opponents, a minority of Ontario CA's believed that consulting was not separate enough to need its own professional entity. They also feared that it could lead to a further splintering of their profession. That is, after the consultants, perhaps the tax practitioners would decide that they needed their own institute, and so on. Thus the "odd hothead," as Desmond Morin (then with Deloitte, Plender, Haskins & Sells) termed them, became alarmed that this was "the beginning of the end" for the orderly CA profession in Ontario.

The resistance was more discreet than overt in both provinces, and was not the official position of the CA institute. Supporters of a management consulting institute impressed upon their opponents that it was really in the profession's best interests, and that the factional situation in the U.S. should be avoided. The episode was one of a series where auditors and management consultants disagreed during the early years of the new profession.

By 1965, two subcommittees had been formed by the CAMC Professional Affairs Committee — one to deal with the Ontario institute, the other with the institute in Quebec. Legal work on the proposed charters was again being carried out by Patrick Vernon. Most of the people closely involved at this stage were not directors of CAMC firms. The directors encouraged senior associates to become involved and thus help dispel the notion that these institutes were just CAMC under a different name. The momentum and the bulk of resources, however, were still provided by the association.

### **J.J. Macdonell powered the drive**

Jim Macdonell is widely credited with keeping the commitment to a professional program for individuals a priority. Ken Belbeck says that it was the Price Waterhouse chief's "energy and initiative" that ensured this immediate and rapid work on the institutes. Macdonell, who went on to become the Auditor General of Canada, was committed to promoting professionalism both in the field in which he was trained, chartered accounting, and the one he did so much to create, management consulting. Alan Steiner, a Woods Gordon consultant and the Ontario institute's first president, praised both Macdonell and Geoff Clarkson for being far-sighted in their professional vision. Those who subsequently became involved were the "mechanics to get the damn thing off the ground." Appropriately enough, Steiner recalls that Macdonell drove an old Rolls Royce, a symbolic reflection of his status within the profession.

Founding the institutes required more than just ideas and initiative. It needed money. By the time the two new bodies had received their charters in 1966, CAMC had funded incorporation costs of over four thousand dollars. This total represented a substantial portion of the association's budget in its first few years. For example, the group's total expenditure for the year ending April 31, 1965, was less than \$13,000. Its expenses included \$2,580 for institute support, and resulted in a \$125 deficit. Funding for institute legal fees continued until 1968, when only fifty dollars support was given. According to the founders, long-term funding was not envisioned, nor was it discussed to any extent. Instead, support for the institutes by CAMC was to be more indirect, through encouraging staff to become members. Regardless of what form that support would take, it was clear that the founders did not intend to relinquish responsibility for what they had helped create.

Macdonell, as outgoing CAMC president in 1966, stressed that "it will be the responsibility of all our professional colleagues in the member firms of this association to lend their strong support to the institutes, most especially in their formative years."

The Institute of Management Consultants of Ontario (IMCO), and shortly afterward its Quebec counterpart (IMCQ), were established in 1966. Much of the early activity, says Peat Marwick's Cowperthwaite, revolved around achieving a critical mass for the groups. Requirements for membership were initially a bit informal, and a "grandfather clause" was applied to encourage membership. But while things were a bit slow in the beginning, IMCO was soon to establish itself as a pioneering organization. In 1968, it became the first professional institute of management consultants in the world to introduce membership examinations. CAMC founders admit they never expected the institutes to be formed so quickly. When compared to the experience of other nations' management consulting groups, it is an accomplishment that CAMC can point to with satisfaction.

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## 7. PUBLIC RELATIONS: CONTINUING ISSUE

In establishing the institutes, CAMC was realizing one of its primary objectives. Another major goal was "to disseminate, to the business community and the public, information regarding the services offered by the management consulting profession in Canada." Central to this aim, therefore, was a public relations program.

Management consulting in Canada, as has been stated, was a rather secretive activity. Firms and their clients said little about assignments. As a result, media coverage was extremely limited. When the press did pay attention, it usually focused on the American consultants, including the notorious May company. To raise the profile of the profession in Canada then, was a CAMC objective.

### "Consultant — know thyself!"

Before it could promote consulting to the press, CAMC had to know something about the field itself. Specifically, it needed information on the extent of consulting in Canada, total billings, and what sort of work was being done. Such information was important for the association's first press conference in October 1963. And while most of the firms were co-operative in sharing their data, Stevenson & Kellogg's reluctance to provide information showed that CAMC still had to overcome a degree of suspicion. CAMC president, Geoff Clarkson, wrote to Stevenson & Kellogg's President, B.D. McAuley, to assure him that the information was not desired for any competitive advantage. "We are bound to be asked by the press," wrote Clarkson, "about the size of the group, the approximate volume of billings, etc. and we thought we would look ridiculous if we had to say we had no idea." This need for information-gathering, which also served as the means of calculating membership dues, was the basis of continuing yearly surveys of member firms.

CAMC's first brochure, which contained a brief description of management consulting, the association's objectives, code of ethics and membership requirements, was issued in 1963. It was distributed to members, professional and trade associations, banks and governments. A public relations counsel was retained. Articles that appeared following the founding press conferences were for the most part favourable, if a bit brief. Indeed, for the first three years of the association, media attention was rather perfunctory and clinical. There would be occasional mentions in the *Financial Post* for example, if CAMC elected a new president. Accompanying this might be a note that billings rose. This coverage, while favourable, did little to really broaden the business or add to public knowledge about management consulting and its development as a profession.

### Marketing consultants examined CAMC

Speaking of the public relations efforts, Ken Belbeck wrote in 1965 that "the results to date have been disappointing." The situation caused CAMC to consider an ambitious new project. The association would fund an independent, \$3,000 study by Mel Moyer and John Lowery, members of the University of Toronto's School of Business. The main purpose of the Moyer-Lowery study, as it became known, "was to provide an understanding of the attitudes of Canadian manufacturers towards management consultants as a guide to the public relations activities of CAMC." Further, the study would examine how Canadian manufacturers rated the performance of management consultants, measure the awareness of CAMC, and identify the obstacles to greater use of management consultants.

The findings of the Moyer-Lowery study confirmed many of CAMC's original assumptions about the need for its formation. For example, Canadian consultants had been anxious to show that their competence equalled that of the large U.S. firms. The study found that 32% of users of American consultants did not think Canadians had the necessary expertise. The fact that 87% of respondents felt a consultant "should be retained only when a specific, immediate problem arises" indicated that the "business doctor" image still existed. Most significantly, the survey discovered that among "non-users" of consulting, 44% were unsure what such services could do for them.

On the positive side, 78% of "users" rated the general performance of management consultants as satisfactory or better. This result led the study to state that "CAMC has a favourable climate of opinion in which to operate." And after only two years in existence, more than twice as many manufacturers were aware of CAMC than knew of ACME.

The study concluded that the association could be effective in promoting the profession and its services if it were more specific in addressing the market. It stated that:

A well-conceived public relations program directed at non-users and backed by the proven performance of CAMC members would do much to broaden the market for management consulting services in Canada.

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Such a program must go beyond mere description of what the consultant does to demonstrate that he can deal successfully with individual companies.

The Moyer-Lowery study was valuable to CAMC for a number of reasons. First, it provided the group with direction for its future public relations efforts. It also earned needed publicity for CAMC and the profession when the survey results were incorporated in two major *Business Quarterly* articles in 1966. Finally, the successful study served as an indication that the association was a valuable centre around which efforts, for either professional or commercial reasons, could be organized. The Moyer-Lowery study was a costly gamble. However, it advanced the knowledge about consulting, and attitudes towards the field in Canada, by a significant degree.

#### **Annual dinner for clients and friends had limited results**

Another important PR activity was initiated in 1965. CAMC's first annual dinner for clients and friends was held at Montreal's St. James Club on February 24. The idea was to mix top CAMC firms' staff with significant and potential clients at an event where they would be addressed by a prominent speaker. The first-year crowd of 150 was divided equally between CAMC representatives and "guests comprising senior members of the business and financial community of Montreal, government and of the universities." They heard the chairman of the Economic Council of Canada speak on "Economic Goals for Canada." President Simpson termed the results "gratifying" and believed the guests had been "singularly impressed."

The most memorable annual dinner was held the following year at Toronto's National Club. The speaker was Dr. Marcel Faribault of the *Trust Générale du Canada*. In a speech called "The Silent Confrontation," the emerging issue of growing French Canadian social, political and economic awareness was dealt with. Diplomatically, J.J. Macdonell noted that the talk "aroused considerably more than passing interest" on the part of the establishment guests in Toronto. Ken Oswell of P.S. Ross and a future CAMC president, recalled a "lively debate" revolving around differing views of patriotism and national purpose.

If the dinner was a success, attendance was less heartening. Only 49 of 289 invited guests attended compared with 80 of 193 the previous year. Still, the events were viewed as a useful and interesting means of raising the profile of CAMC.

Another dinner in Montreal in 1967 proved to be the final such venture. The events were not inexpensive — over \$1,000 a year. The combination of this fact, a worsening rate of attendance, and the inability to find a suitable Canadian speaker led to the cancellation of the activity in 1968.

#### **1967: a choice at a PR crossroad**

The year 1967 saw CAMC at a crossroads in terms of public relations priorities. The Moyer-Lowery study had made it clear that a much more co-ordinated approach was needed if CAMC was going to increase the profile of the profession and of itself. In 1966 the association had completed a major stage in its evolution by establishing the institutes. With the fulfillment of one of the association's major objectives, there was even some question of the need for its continued existence. The focus would have to shift to public relations. This was something Gordon Cowperthwaite stated clearly as incoming president in 1967. He said that CAMC was at a "crossroads." "Reluctantly," Cowperthwaite recalls, members "came to the conclusion that CAMC was a trade association, (but) we sure as hell weren't going to call ourselves that."

CAMC gained a new, "unofficial" mission:

An association of suitably qualified firms joined together to further the use of management consulting services by industry and government in Canada."

To underline the necessity of the new focus, Cowperthwaite told directors that "it is my sincere belief that CAMC must go forward if it is not to wither and die."

George Currie told the directors that to remedy their "disjointed, fragmented public relations program would require a more visible media presence, some degree of advertising, and a strong program of speakers and articles. Such a program could communicate CAMC's revised public relations goals. These objectives included more specific description of the services available, demonstration that consultants can serve all industries regardless of technical complexity, and attempts to "persuade our publics to use the services of member firms in preference to the services of U.S.-based firms." To accomplish this meant that CAMC had to build a relationship with the press. A sense of permanency was needed. This could be accomplished only with a full-time staff member to develop such a program.

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### **Joan Wallace takes over PR**

The directors agreed and on January 1, 1967, Joan Wallace assumed the duties as CAMC's first Executive Secretary. Wallace had been an associate editor at *Executive* magazine, and therefore had an established connection with the business media. Over the next two-and-one-half years she developed and implemented the most effective public relations activities in the history of CAMC. A string of major articles in Canadian business publications, a successful series of speaking engagements and the beginning of the CAMC annual report were among the accomplishments of the public relations program under Joan Wallace.

In getting significant articles on management consulting and CAMC published, Wallace knew that the association would have to do some of the media's work for them. "If you hand them research on a platter" she says, "they will print it." Thus, Wallace went about interviewing CAMC firms' staff and preparing significant copy. As Wallace recalls, a major task was translating the jargon of management consulting into ordinary business language. She was successful. By the end of her first year, a major two-part article on management consultants had been published in the *Globe and Mail's* Report on Business. This piece had a very broad scope, including a brief history of Canadian consulting and information about CAMC.

Many articles were about more specific aspects of the field, such as one submission on the growing use of consultants on the prairies, and another about the way productivity could be improved with the help of a CAMC firm. A number of firms and individuals would be mentioned or quoted in an article. CAMC made a conscious attempt to make the information appear more educational than self-serving and promotional. In addition, the executive secretary placed numerous items written by member firms' staff. The visibility of CAMC, and of the consulting profession generally, could only increase with the writing or placement of more than 25 articles in major Canadian business publications during 1967-1968. Then-president Gordon Cowperthwaite described the results as "excellent."

Joan Wallace also organized an extensive program of speakers, strengthening a CAMC activity that had already proven successful. A letter sent to a wide variety of groups offered CAMC's assistance in providing "an experienced speaker on business or management, or any of the technical aspects of these subjects." Engagements were arranged with groups ranging from the Central Toronto Lions Club to the Hotel Association of Canada. One of the CAMC speakers most in demand was Gordon Cowperthwaite, who, in the 1960's, was considered one of the country's foremost authorities on computer systems and their application to business and accounting. He recalls that "we found a very fertile soil in speeches," for planting the awareness of consulting in Canada. "We were very much in demand."

The executive secretary continued to employ her media skills, resulting in articles on the election of a new executive, and interviews with president George Currie, for example.

Yet her dealings with the media were not Wallace's major challenge, but rather her interaction with CAMC directors. Some firms were unfamiliar with the degree of exposure offered by the new public relations focus; others were downright uncomfortable. At the base of these concerns was the relationship of most firms to a CA practice, and the tradition of confidentiality that was a part of management consulting.

### **CA's tended to be reluctant promoters**

The existing rules of the Ontario Institute of Chartered Accountants (the situation was less severe in other provinces) said that personal or firm publicity was to be avoided, although favourable publicity for the profession as a whole was encouraged. The former was not necessarily synonymous with the latter and could be "regarded as objectionable, particularly when inspired or initiated by the practitioner." These rules applied not just to auditors, but also to any practice associated with a CA firm. Acceptable means of publicity were stories that promoted the profession in a "dignified manner," and speaking engagements.

Joan Wallace often found directors and their firms reluctant to discuss their assignments in detail, and particularly to use their firm's name in articles. Fearing repercussions from the CA Institute, J.J. Macdonell was one of the most reluctant to get his or Price Waterhouse's name in the press. The client's identity was also a problem. In a letter to the executive secretary, Macdonell wrote of "the difficulty of giving you worthwhile information with client identification. Unfortunately, the most interesting assignments are usually of the type where the client simply will not permit his name to be used." CAMC had to promote its members' services more effectively, however, as the Moyer-Lowery study had indicated.

Firms that were less inhibited by the CA rules provided Wallace with information for the articles. By mentioning as many firm names as possible, and providing information on the profession as a whole, the early articles succeeded in appearing as dignified work promoting consulting generally, not specific firms. The CA institutes took no official action as a result of this exposure, and increasingly consultants became less averse to publicity. An example of the changing attitude was a letter in 1969 from a Price Waterhouse consultant, requesting that the firm receive some attention. It read, in part:

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As you know, our firm has not been as aggressive as others in seeking publicity of this kind, and it is a situation I would like to correct. Consequently, I would be most grateful for your expert counsel on how we should proceed in order to obtain the most effective exposure possible.

The best example of how the public relations campaign had progressed since 1966 was the appearance of a major article on management consulting in *The Financial Post* in January 1969. The story was written by an FP writer, and the first time a major article on management consulting had been written by the press itself. It involved interviews with, photographs of, the directors or senior partners of CAMC firms. The FP included additional pieces on the accounting influence, and the "Practices — and Perils of Giving Advice." This "priceless piece of publicity," as Joan Wallace described it, indicated that management consulting had really become a subject of interest to the business press. It also showed that the CAMC directors had overcome most of their reservations about publicity.

### **The CA institutes fretted about "promotion"**

Those reservations had been justified. Though the CA institutes had not complained about the growing number of CAMC articles, they were often concerned about specific activities of some of the audit-associated consulting firms. Many prominent CAMC people, including George Currie, Gordon Cowperthwaite and Ken Oswell, can recall either themselves or their senior audit partners being "called up on the carpet" for alleged indiscretions of the consulting divisions. The Quebec CA institute had criticized Urwick Currie over a recruitment advertisement. It was too "self-laudatory" to say that "due to the expansion of our consulting practice' additional staff was required." Executive Search notices were a constant source of friction. Oswell was called by an Ontario CA institute member who had noticed that a P.S. Ross announcement was one-eighth of an inch larger than rules permitted. If a breach of discipline occurred, the institute would usually deal with the associated audit firm as well, thus creating some conflict within firms and a generally "upsetting" situation.

According to Peat Marwick's Cowperthwaite, "consulting firms really weren't doing anything disgraceful, but they were the leading edge of where the profession itself (CA) would have to go." Indeed, the CA institute would soon change its strict rules on promotion. Nevertheless, the fact was that the two professions were very different in many important respects. In a 1970 article entitled "The CAMC Controversy," Joan Wallace wrote that while management consultants had to deal with American intrusion in the market, and an often negative or even non-existent image in the eyes of potential clients, accountants had none of these obstacles. The revered profession had the statutory audit to ensure an adequate supply of clients. Consulting was a different field and needed a different approach to public relations in order to evolve.

Wallace, who had left her CAMC post by this time, concluded that:

These two problems — the Canadian businessman's lack of knowledge about consulting and the competition from U.S. firms, neither of which is a factor in the accounting profession — are the chief reasons for the misunderstanding between consultants and accountants.

It is possible to view the close relationship of the two professions in Canada as something of a mixed blessing for consultants. But the conflict with the chartered accountants must be placed in perspective. First of all, many of the complaints about certain consulting activities, or about the setting up of the institutes, were not official positions of the CA institutes. Rather, they were the views of individual accountants who, for various reasons, objected to the activities of some firms or of CAMC. Furthermore, no severe disciplinary action appears to have arisen with regard to such activity. Like a cloudy day without rain, the overhanging threat of reprisal dampened the spirit more than the body. Finally, it must be remembered that auditing had shaped consulting in Canada. The capital provided by the audit firms was a key factor in the rapid growth of management consulting divisions in the two decades prior to 1970. More importantly, the professional attitudes brought into the newer profession by accountants like James Macdonell provided Canadian consulting with a unique character and a commitment to competent and responsible practice. The creation of CAMC had been one result of that commitment.

The friction with the accounting profession was an inevitable part of the maturing of management consulting. Consulting was, through various means, including a more aggressive public relations approach, asserting its distinctiveness and even independence from the audit field. Gordon Cowperthwaite makes the interesting observation that the May 1962 meeting at the University Club was a "fateful" event. He believes that when Howard Ross and the other senior CA's suggested that the new management consultants apply some order to their activity themselves, "they had cast adrift management consulting as an integral part of the accounting profession." Ultimately chartered accounting has lost the ability to influence management consulting. Indeed, the relation-

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ship had evolved to such a degree that some found humour in it. One senior partner in the late sixties is said to have remarked that "if he did not receive a call from the (CA) Institute at least once a month about the activities of his people, he was convinced that they were not doing their job."

## **8. 1963-1968: CAMC REPORT CARD**

### **First program report indicated growth**

CAMC released a fifth-year "Progress Report" in 1968. The 12-page brochure was billed by the association as "the first publication in Canada to describe and document facts and case histories of the work management consultants are doing for Canadian business, industry and government." It also provided statistical information on the impressive growth of CAMC firms since the group's founding. For example, total billings by the member firms had risen from \$6 million in 1964 to over \$15 million by 1968. Total professional staff had doubled over the same period to 650. And the number of assignments per year had increased from less than 1,000 in 1964 to over 2,600 four years later. In comparing these figures, one should note that CAMC membership had also grown and now stood at eleven firms. Leatham, Simpson and P.A. Management Consultants had merged and merged again with Riddell Stead. CAMC also had three new members: The Thorne Group; Deloitte, Plender, Haskins and Sells; and DCF Systems. CAMC growth had been very impressive, reflecting the dramatic development of the profession during the 1960's. In 1968, CAMC estimated that the work of its member firms represented 60% of all management consulting work in Canada.

The Progress Report had been produced with the assistance of the executive secretary, on the basis of information obtained by the CAMC's Confidential Surveys of Member Firm Results. These surveys were originally handled from 1964 by the law firm McCarthy & McCarthy and involved data on firm billings and staff. In 1966, the survey was expanded to include more detailed information on staff compensation, fringe benefits, fee arrangements, billing rates and billing practices. The results were compiled by Ralph Presgrave, who was by this time a professor at the University of Toronto. Professor Presgrave would be involved in these annual surveys until 1977.

### **Information-sharing was extended**

Confidential information-gathering was augmented in 1969 under Vice-President Ken Oswell, when the operating results of firms were collected and tabulated. The survey was initiated in response to concerns over "problems in maintaining profitable operations." The fact that these "bottom line" figures were provided in absolute dollars, and not simply percentages, was called "a tribute to the mutual trust that has developed between member firms." That was not how some senior audit partners saw this level of revelation. Howard Ross called the sharing of this crucial information "unprofessional and inappropriate."

The information requested varied over the years and ranged from compensation levels of staff to whether or not firms billed for paper costs. There was some difficulty with regard to definitions in the surveys; the breakdown of service categories often caused confusion. So, evidently, did the geographic breakdown of billings. For example, the 1971 survey showed that 7/10,000ths of one percent of CAMC business came from the geographical category "other." It fit into neither the Canadian, provincial, or international categories. Professor Presgrave commented that rules of confidentiality "do not permit me to reveal which member of CAMC has established a branch office on which planet."

Despite the problems, CAMC information-sharing has been considered one of the associations's most valuable elements. It was originally instituted for dues assessment but has grown to provide valuable information to all firms. As Sandy Aird notes: "It is important to share information because we all need to measure ourselves...it is useful to compare one's own results against those of others — measure one's own efficiency or lack of efficiency. It is one of the strengths of the association."

CAMC considered the Progress Report in 1968 both a promotional and professional success, and decided the idea would be carried over to the next year. A similar 1969 document, now labelled as the "Annual Report," was produced. The name change reflected the nature of the brochure. Directors felt that the term "annual report" would be more familiar to executives, and the report less likely to be tossed aside as solely a publicity piece. The annual report represented a large portion of the CAMC's public relations budget. In 1969, for example, the expenses for promotional material including the press report were \$9,000. The year before, the bill for such material was only \$1,500.

The annual reports did provide valuable information on the progress of the profession. The 1969 report noted that CAMC firms derived 37% of their fees from assignments carried out for governments and other non-profit organizations. This figure represented 23% of total clients. The public sector clearly represented one of management consulting's largest markets. It was one that CAMC tried to reach through its activities in the 1960's.

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## 9. INTO GOVERNMENT WITH GLASSCO

### **Royal commission involved many consultants**

Government consulting assignments became a substantial part of CAMC firms' business in the 1960's. The practice of using external consultants in the public sector was not new: the government had engaged firms during the Second World War. However, the practice was given a significant boost by the Royal Commission on Government Organization (1960-62). The commission, which became widely known as the Glassco Commission after its chairman, J. Grant Glassco, undertook a thorough inquiry into "the organization and methods of operation of the departments and agencies of the Government of Canada." The commissioners were directed "to recommend changes therein which they consider would best promote efficiency, economy and improved service in the dispatch of public business."

Among the 176 specialists from industry, government and the professions who worked on the study were representatives from the major management consulting firms in Canada. For example, Peat Marwick and Mitchell people, including Gordon Cowperthwaite, conducted an investigation of the government's financial management. Staff from Urwick Currie, Payne-Ross, Leatham Simpson, Stevenson & Kellogg, Riddell Stead, the Thorne Group, and others worked on the investigation of Paperwork and Systems management. The lists of specialists working for the commission often resembled directories of Canadian management consulting. That the Glassco study relied heavily on consultants is also evidenced by the fact that Peter Drucker and Lyndall Urwick were both advisers to the project.

The Commission's impact on Canadian consulting was profound. Cowperthwaite considers that:

It was probably the most important development that took place in the early sixties...(the Glassco Commission) gave virtually every management consulting firm an opportunity to work in Ottawa and be schooled in the machinery and mechanisms of the management of the federal government.

Canadian consultants gained more than just valuable experience with the Commission. The report recommended that the federal government increase its use of such external advisers, to assist in updating the administrative and management systems. One example was the call for an "independent, external survey of the entire public service at five- or ten-year intervals." The study also advocated the creation of an Administrative Improvement Division, to "develop broad administrative policy and guidelines relating to organization methods and operating procedures," and to assist departments in staffing and training for administrative change. The proposed division was intended to be small, and the report stated that the new department will need to draw upon resources outside the government, such as universities and consultants," particularly in its early years.

The Glassco Commission helped establish the federal public sector as a major market for CAMC firms. As noted already, over one-third of total CAMC billings were attributable to non-profit enterprises by 1970, as all levels of government and many kinds of public institutions began to purchase consulting services during the 1960's. It was a segment of their market the CAMC members did not ignore.

### **CAMC had a role in public-sector promotion**

The association directed a number of public relations activities toward government purchasers. It made periodic representations to officials of government departments and agencies such as the Treasury Board and the Department of Supply and Services. Discussions with Ottawa during the early years of the association were aimed at "developing a mutual understanding of the problems involved in providing professional services to government." For member firms, these issues included collective concerns about caps on hourly rates, government requests for cost data, and other elements of the tendering and proposal stages.

CAMC firms also wanted to ensure that the government would "buy Canadian" when purchasing consulting services. This concern was consistent with the association's view that Canadian management consulting capabilities were "world class." This particular discussion was considered quite effective, notes George Currie. The federal government rarely contracted with foreign firms to provide consulting services.

Contact with the federal and provincial governments in the sixties was not a sustained and permanent program of CAMC. Thus, while there were a couple of years when significant dinners were held by the association for senior government officials at Ottawa's Rideau Club, other years saw no activity. At the time, business from the public sector was good and appeared to be increasing. Therefore, government received inconsistent levels of attention from CAMC. Ken Oswell suggests that another reason for the fluctuating levels of promotional effort toward Ottawa may have been that some firms did not fully support the contact. Some members were dissatisfied with the representation of consulting to officials, because they "felt that their particular specialization might be

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watered down by going in with a group and only talking about common services that the firms offered." Many firms lobbied informally or had contacts with officials, independent of the association.

Despite the rather unorganized approach, the government relations activities of CAMC indicated that members believed that their association did have a significant role to play in representing their concerns to the public sector.

By the end of the 1960's, public-sector work constituted the largest part of the billings for most firms. In the wake of the Glassco Commission, governments had provided a steady source of billings for CAMC members. As a result, relations with the public sector had not been the association's greatest concern.

### **Tough times in Ottawa after 1971**

The situation began to change for the worse after 1971, when 39% of CAMC total billings were derived from public sector assignments. By 1975 that figure was down to 29%. To some observers, such as Ralph Presgrave, this was a positive sign. Member firms, he said, were moving "out of a position of potential vulnerability." To other CAMC officials it was a very negative trend, which indicated a declining presence in Ottawa for members, and an untapped potential market in uncertain economic times. President Sandy Aird said in 1976 that:

The Association has not done the job with Governments and up to four years ago we did not need to do the job with Governments. However, in recent years Governments have become pervasive in the economy and the consultants' market share is going down. Something has to be done to sell consulting and more people than Directors should be involved.

Aird's comments recognized one major problem. It was impossible to maintain a persistent program directed at Ottawa without support from more people. Without that continued presence, the association's effect would be very limited. Dr. Harvey Gellman, head of DCF systems and president of CAMC in 1970-71, says that the association was not a real force at the federal level. "CAMC as an institution has never been that influential if you're honest about it," he notes. While there were sporadic meetings with government officials to the ministerial level, it "was not a sustained, well-organized program with adequate follow-up," according to George Currie.

## **10. CAMC ENTERS THE 1970'S AND A RECESSION**

### **The future looked good in retrospect**

By 1970, the Canadian Association of Management Consultants could look back on the time since its founding with a good deal of satisfaction. Achievements had been evident in both the professional and commercial areas that the group addressed. The establishment of the Institutes of Management Consultants in Ontario and Quebec, the formation of a national co-ordinating body, the Institute of Management Consultants of Canada in 1969, had been accomplished more quickly than the founders could have envisioned. The strong public relations program, which had been developing since 1967, was highly regarded by member firms and certainly raised the profile of both management consulting and the association. The enthusiasm and commitment of the founders had provided CAMC with a strong start.

There were signs as the seventies began that CAMC was a maturing organization, even before it had reached its tenth anniversary. For example, when George Currie stepped down as president in 1969, it marked the last time that a founder was to serve in that capacity. The following year, the man who, along with J.J. Macdonell, was most credited with playing a crucial role in the formation of the association, left the Board of Directors. Geoff Clarkson resigned as head of Woods Gordon. Macdonell took leave of CAMC in 1973, when he left Price Waterhouse to become Auditor General of Canada.

During this era of transition the association established its first permanent office, in Toronto. Prior to this time, CAMC had been using services to handle inquiries at its Montreal and Toronto addresses. The new office opened in 1970 with a part-time executive secretary to handle administrative duties.

### **Public relations upgraded with John Fennell**

The public relations program, however, suffered during this time. The main reason was that Joan Wallace had left her position as executive secretary and moved to Vancouver in 1969. Following her departure it was noted that "the number of published articles about our association decreased dramatically." To remedy the situation, former *Financial Post* writer John Fennell was retained as a public relations consultant beginning in 1971. The new arrangement, meant in effect that public relations was a part-time concern of the association. Wallace had worked full-time in this area, and did not carry out administrative tasks.



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Press coverage did improve after Fennell's services were engaged. Articles were appearing reasonably regularly in the *Financial Post*, the *Globe and Mail* and *Executive* magazine. These efforts included a series on management in *Executive*, where representatives from a number of firms would contribute to an article on particular aspects of management. Yet despite the work of the association and its new public relations arrangement, there was a growing feeling that this aspect of the group's activity was much less effective. The number of published articles remained fewer than it had been under Joan Wallace, and their relevance to the promotion of CAMC seemed unclear. Concern and criticism was expressed that the stories were "too general and theoretical."

### **Maturity seemed comfortable**

The maturity of CAMC was reflected in the proficiency with which it was handling a number of other responsibilities. The annual survey of firms' results, for example, was continued through the seventies, and was still considered one of the most important internal functions of the group. In addition, the promotional annual report became an integral, if not central, part of CAMC activity.

In fact, the annual report seemed to symbolize what the association had become. It was clearly the tool of a trade association, with a statement by the president each year, photographs of youthful-looking directors, statistical information, and case histories of some of the work done by Canadian consultants. The brochures were impressive and substantial. The directors seemed so fond of them that in 1972-73 two annual reports were produced!

As CAMC settled into its trade association role, it also expanded its membership. Arthur Andersen and Laventhol and Horwath were two firms that became members in the early 1970's. Perhaps its most significant addition in this period was the admission of Bélanger, Chabot et Associés Inc. in 1973. CAMC had always recognized that as a Canadian group it should attract both francophone members and clients. To that end it had issued its brochures in both French and English. But its member firms, whether based in Toronto or Montreal, were all very English. One exception had been Dufresne, McLaglan and Daignault, a firm founded in Quebec in the mid-forties, and a member of CAMC in the late sixties until it merged with Woods Gordon shortly thereafter. The membership of Bélanger Chabot in 1973, however, would help attract new French Canadian members in the future, and make more credible CAMC's claim to "act as authoritative spokesman for the profession in Canada."

### **French Canadian firms joined CAMC**

The French Canadian management consulting firms, such as Bélanger Chabot, Mallette Major, and Maheu Noiseux, had developed differently than the large firms that founded CAMC. But there were also similarities. Closely linked to francophone audit firms, they developed management advisory services on an informal basis as early as 1946, both because of and despite a field that "was spoiled by the George S. May-type firms," says Guy Chabot. But the market was limited by the presence of many "Big 8" head offices in Montreal. Because of established audit and consulting relationships, work with large English-Canadian companies or American subsidiaries was unlikely. However, their linguistic advantages and close relationships with francophone enterprises meant Quebec consulting firms conducted many assignments for small and medium-sized firms in the province. The problem with such a situation was that a consistently large volume of business could not be expected from "*les moyens entreprises*."

The greatest growth for these consulting groups came from projects done for the Quebec government in the sixties and seventies. Public sector and institutional growth in the province was dramatic at the time. And Richard Mineau says "there was no way you could serve the sector in English." Mineau had joined Price Waterhouse in 1963 and quickly got involved in CAMC and institute activities. The first president of IMCO, he recalls that his early involvement came about because CAMC "wanted to have a French voice in Quebec" and at the time, there were not very many French-speaking management consultants. His view of the Quebec market in the decade of CAMC's founding is revealing:

Government and para-government work played a leading role in making it possible for the French Canadian firms to establish themselves and grow. Twenty-five years ago, Noranda Mines would no more hire Raymond Chabot to do anything for them than *l'université de Montréal* governors would ever approve of retaining Price Waterhouse.

The membership of Bélanger Chabot accomplished a number of things for CAMC. First, it lent more credence to its claim to represent the profession in Canada, not just the anglo firms. Furthermore, the admission of this firm opened the door for increased French Canadian membership later in the decade. This increase would

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come not only from broadly based audit-related consultants, but also from the systems consulting specialists, whose growth would be so dramatic through that decade and the next.

### **Hard times for honest consultants**

Since 1945, Canadian managements consultants had enjoyed virtually unfettered growth, both in billings and the size and number of firms. But at the beginning of the 1970's, the world economy went into a recession. Canada was not exempt from its effects. Nor were CAMC firms.

Ted Netten of Price Waterhouse says that "the steady and sustained growth that had gone on since the fifties came to a crashing halt" in the early part of the 1970's. The association's aggregate statistics reflect the problems. Most firms experienced declines in the growth of assignments and revenues. Some were even forced to cut back staff. For example, in 1971, total firm billings did not rise from the previous year, and the following year billings rose by the smallest amount since 1965. More indicative of the economic troubles were CAMC staff levels. Between 1970 and 1972, total professional staff of member firms fell from 828 to 645. Some practices did not regain their 1970 staff levels for five years.

The impact of these economic difficulties on the association was felt in a number of ways. Tough times for firms meant fewer hours to devote to CAMC. There was also a sense that the association was not returning much benefit to member firms. Stevenson & Kellogg's Belbeck, who served as a director from the founding to 1985, says that the association's activities unfortunately became less of a priority when a practice was battling the bottom line. "Success doesn't get in the way of an active CAMC," he says, "it is lack of success that does. If you are scrambling for business you just don't have time to go to a directors meeting."

The uncertain economic outlook, combined with the growing perception that the group's activity and effectiveness had declined, created a disenchantment among the representatives of member firms. Along with the substantial costs and lack of clarity regarding the group's mission, directors were asking "what is our return on investment?" Geof McKenzie of Coopers and Lybrand, and a past president of IMCO, states strongly of this era that "CAMC was at an all-time low in terms of fundamentals."

### **Questions about the value of CAMC**

CAMC's growth and maturity was positive in terms of internal matters such as its annual report and information exchange. But it was beginning to appear to some directors that the association was becoming less effective in its external functions, and at the same time more expensive. CAMC seemed less dynamic. Members began to grumble about the benefits they were receiving for the time and money they were investing in the association. The 1970's recession didn't help.

Public-relations activities had declined in extent and effectiveness after the 1969 departure of Joan Wallace. The long-standing speakers program was cancelled in January, 1975, when the executive committee decided that it was of "no particular benefit to the group." Even the slick annual report became a subject of debate. A costly document, the yearly brochure consumed up to ten thousand dollars or more of the association's revenue. In 1975, for example, the report cost CAMC over \$12,000, or one-quarter of its total budget that year.

The material in the annual reports was becoming repetitive and of questionable value. While new case histories were provided each year, CAMC's Code of Ethics, membership requirements and professional objectives were printed in each report. It appeared that a one-time brochure, augmented by a modest statistical report, might serve the same purpose as the annual report at less cost. J.M. (Jack) Smith of Woods Gordon, who was president in 1974-75, said that a consultant was much more likely to leave one of his own company's brochures on a client's desk than a CAMC annual report. Indeed, by 1976 a majority of directors favoured the abolition of the annual report.

### **Problems as a "trade association"**

CAMC was not excelling in its role as the trade association envisioned by Gordon Cowperthwaite back in 1967. A number of reasons have been suggested for its troubles. One reason, on which Ken Belbeck and George Currie agree, was that it was very difficult for a group born of primarily professional motivations to suddenly shift priorities and become a bold, commercial organization.

While the association had supposedly made this shift in emphasis, it retained its code of ethics and resisted suggestions that membership be dramatically increased by loosening admission criteria. "It may have been," Currie notes, "that, being professionals, we were probably more comfortable doing that (the professional role) than the trade association, marketing role." CAMC "never emotionally discarded its professional ideas," adds Belbeck. Thus, perhaps CAMC was unable to commit itself to a commercial role to the same degree as it had to a professional one — establishing the institutes — when it was an association priority. Dr. Gellman remarks that with the establishment of the institutes, CAMC "had less of a mandate, less of a mission."

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The low level of business promotion in the early seventies may also have been a function of changing leadership and membership — as well as the weak economy. A new generation of directors was coming onto the Board. They may have had a lower level of enthusiasm than the founders for the association and its potential. Ken Belbeck also suggests that new member firms may not have fully participated because they did not feel a part of the core group. He adds that he did not suppose "that we who were founders felt that we were not being friendly."

#### **Proposed international conference was a fiasco**

The incident that best symbolizes the troubled 1970's in CAMC was the fiasco of the International Conference of Management Consultants that the association had planned to hold in September 1975. Planning for the event had begun in early 1974. It was hoped that the holding of the conference in Canada would boldly mark the arrival of Canadian management consultants onto the world stage.

Evidence of such a trend was increasing. Indeed, CAMC had asserted its international presence for a number of years, having sent delegations to the International and North American conferences since the late 1960's. In 1974, CAMC President Jack Smith travelled to Nigeria, where he had been invited to appear as the keynote speaker for its National Conference of Management Consulting Services. CAMC representation had been arranged through the Canadian International Development Agency, and the association hoped that it would lead to further international exposure. Smith called the trip a "super experience," noting that the Nigerians "made quite a fuss about it."

Canadian firms were increasing the amount of business they were doing in foreign markets. For example, while just under one percent of total CAMC firms' billings came from work outside North America in 1973, that figure had increased to 5 percent by 1975. Three years later, the total was 8 percent. Clearly, the stature of Canadian consulting was rising. CAMC members were beginning to show that they did indeed have the expertise to compete in the international market.

Hosting management consulting's international conference would therefore serve as an excellent indication of Canada's growing sophistication in the field. Originally, plans were made to hold the September 1975 meeting in Vancouver. However, in deference to the travel required for European delegates, the location was changed to Toronto. The event was to be a major international meeting. The association was in contact during the organizational stages with ACME, MCA, and FEACO (the European federation of management consultants) to make arrangements for the four-day program.

CAMC was committed to the conference, both financially and in terms of time and energy. By March it was confirmed that Maurice Strong, the Executive Director of the United Nations Environment Program, would be the keynote speaker. The association saw the event as a grand opportunity in both professional and public relations terms.

Unfortunately, the International Conference had to be cancelled, and CAMC was dealt a major blow. At least 175 participants were needed for the event to "break even." But by the time the conference was aborted, there had been only 78 registrants. Of this total only 8 were from the United States. Many reasons were offered for the failure: the unsettled western economy, and an upcoming North American conference. But the reasons did not matter much. The fact was that a major element of CAMC's program had failed, and the association was left to absorb over \$12,000 in costs. The entire episode reflected CAMC's unfortunate situation. Good ideas and intentions were being frustrated by external conditions and an inability to follow through.

## **11. THE CONSULTANT'S CONSULTANT: GEORGE CURRIE'S REPORT**

### **A watershed review called for change**

What should an organization of professional consulting firms do when it finds itself lacking clarity of purpose, spending too much money, and declining in effectiveness?

It calls in a consultant, of course. That was what CAMC president Sandy Aird did when he commissioned the report on "Canadian Association of Management Consultants: Role and Place," in 1976. The study was carried out by founding director George Currie, who performed a broad review and reappraisal of CAMC. Along with an examination of the group's history, accomplishments and place with regard to other organizations, the Currie Report developed recommendations relating to the future course of the association.

In presenting his critique of CAMC, Currie intended his comments to be bold and somewhat controversial. He hoped that opinions would polarize and that a firm decision would emerge from a group that lacked a sense of urgency and a clear-cut mandate. He did not mince words:

CAMC has not been an effective organization in recent years. In a nutshell, CAMC has been very good at doing the less important things like preparing an annual

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report and attending to its internal administrative affairs, but significantly ineffective at the more important roles of strong representation to government and establishing a quality differentiation for member firms in the minds of potential purchasers of management consulting services.

In looking at the CAMC's professional roles, the report stated that the establishment of the institutes had been accomplished much more quickly than the founders had envisioned. But while it was a great achievement, it also was something of a mixed blessing for the group. That is, the creation of a body for individual membership made CAMC irrelevant to all but the most senior levels of firm staff. It was a situation Currie called "intolerable."

The study also noted that the ethics and discipline function of the association was no longer appropriate. While the maintenance and enforcement of a strict code of professional practice was an original objective, George Currie wrote that in his thirteen years as a director he was "unaware of a single instance in which a formal complaint had been laid against a member." CAMC needed control over its membership, but the competence and "quality of firms is tested in the marketplace, where the sanctions for inferior performance can be real." Ethics and quality control, the report said, were better handled at the level of the individual practitioner, and were therefore the responsibility of the institutes.

Public relations also fell under George Currie's critical eye. His report noted that PR had been successful in the earlier years, particularly under Joan Wallace's direction. But such activities had declined, in both volume and quality. The annual dinners had been abandoned. Conferences had been cancelled. Press coverage was infrequent and disappointing. Currie also found that a majority of directors believed the annual report should be discontinued. Summing up, Currie concluded that the PR program in Ontario was "ineffective...virtually non-existent in Quebec...of little consequence elsewhere." He recommended that the commercial public relations role be abandoned.

Similarly, the report said that the area of institutional relations was also ineffective, and that the institutes should assume a PR role. Any efforts in public-sector relations would simply not be effective because the government "does not view CAMC as being broadly representative of the consulting profession."

The Currie Report did view a number of CAMC functions positively. The information exchange was deemed valuable and an element of the association that should be retained. The importance of the relationships between members was also stressed:

Prior to the formation of CAMC in 1963, the senior partners in member firms did not know one another; they had never met as a group and misconceptions existed, probably coupled with some suspicion and mistrust.

A major benefit of CAMC, then, was that these people got to know one another better and worked together for the good of the profession. "These benefits...are very real in the minds of the directors," the report said. "For this reason alone, it is desirable to retain CAMC, though possibly in a different form."

#### **Hard choices posed by Currie**

One possible form that CAMC might take was laid out in the main recommendation of the Currie Report. It proposed that CAMC continue to exist in a legal sense, with periodic board meetings, to maintain relationships and information exchange, and perhaps initiate special studies, like the Moyer-Lowery report of 1965. Aside from these functions, the association would be wound down, with public relations discontinued and the permanent office closed. There would always remain, however, the possibility of revitalizing CAMC in the future.

Currie also put forth an alternative recommendation. If the association was not to be reduced in scope, it should be strengthened, with a much larger membership and budget, a more effective public relations program, active regional committees, and more commitment of time and effort from member firms. While George Currie favoured retrenchment, his main concern was that a firm decision, one way or the other, should come from the directors.

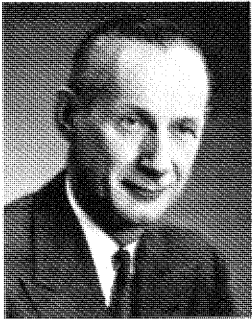
The Currie Report is an important document in the history of CAMC. Not only did it examine both the successes and the failures of the association in its first twelve years; it has been the base of the group's development since 1976. Since the report was completed, both its main and alternate recommendations have been adopted, to varying degrees, by subsequent CAMC leaders.

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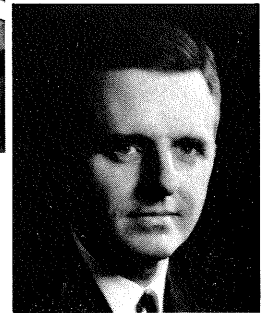
**FOUNDERS and  
PRESIDENTS: past and present 1963-88**



Four of the founding members. From left, Ken Belbeck, Gordon Cowperthwaite, George Currie and Gerald Fisch



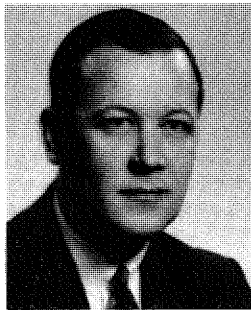
Geoffrey Clarkson  
1963-64



George Currie  
1968-69



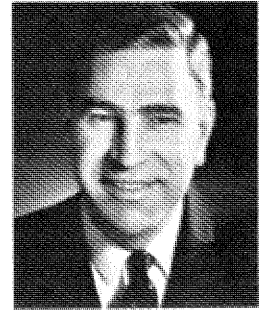
James Simpson  
1964-65



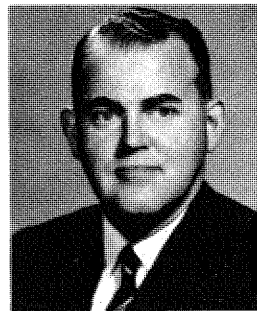
Kenneth Belbeck  
1966-67



Gordon Cowperthwaite  
1967-68



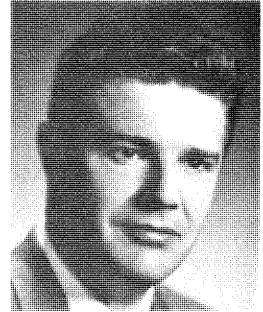
Kenneth Oswell  
1969-70



James Macdonell  
1965-66



Harvey Gellman  
1970-71



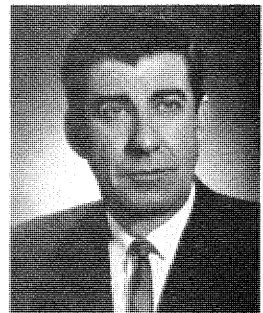
Ian Macdonald  
1971-72



Bob Read  
1972-73



John Pawling  
1973-74



Jack Smith  
1974-75



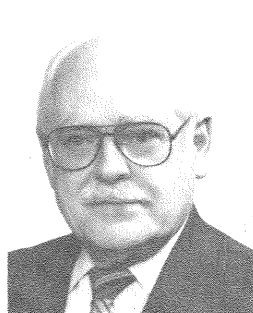
John Hearn  
1975-76



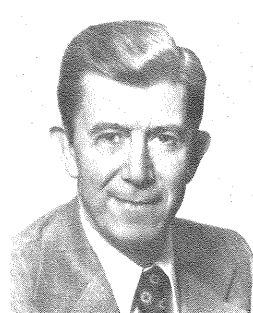
Sandy Aird  
1976-77



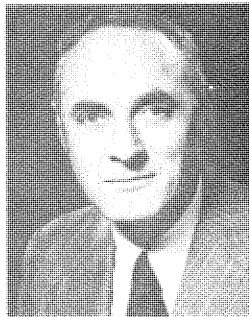
Dick Johnston  
1977-78



Richard Mineau  
1978-79



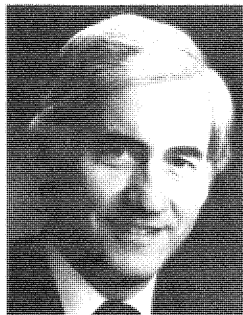
Tom Diggory  
1979-80



Jake Daccord  
1980-81



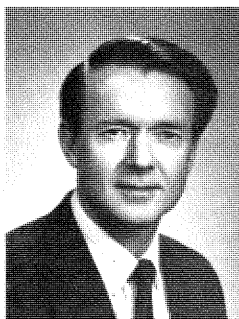
Jack Woodcock  
1981-82



Pierre Ducros  
1982-83



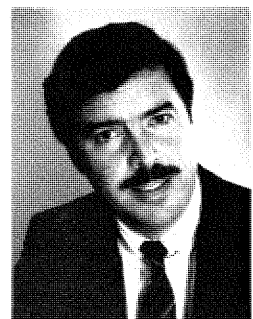
Ted Netten  
1983-84



Richard Higgins  
1984-85



Joe Martin  
1985-86



Chris Green  
1986-87; 1987-88

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## **1976–Present; New Approaches**

- 12. An agonizing re-appraisal from the Currie Report**
- 13. CAMC geared up again for more PR in 1978**
- 14. Support for professionalism: the institutes**
- 15. The Ottawa Committee and government relations**
- 16. Into policy with the free trade submission**
- 17. Recent developments in CAMC: regionalization and relationships**



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## 12. AN AGONIZING RE-APPRAISAL FROM THE CURRIE REPORT

### Members reacted in diverse ways

CAMC president Sandy Aird asked each director to consider the Currie Report and respond, indicating which path CAMC should follow. While the views expressed by directors varied, they indicated that the firms that had been members since the very early years tended to support the recommendation that CAMC lower its level of activity. For example, past President Jack Smith, representing the founding firm Woods, Gordon & Co., advocated "that CAMC continue to exist in a legal sense but on a scale that greatly reduces its scope and visibility." Responding for Peat Marwick and Partners, T.J. Diggory wrote that his firm agreed that CAMC activity be scaled down, "with its activities being limited to periodic board meetings, the information exchange program, special studies as required, and preserving and promoting relationships between member firms."

On behalf of Currie, Coopers & Lybrand, report author George Currie noted that his firm "will accept with reluctance the recommendation to 'wind down' CAMC," recognizing "that most members are simply not prepared to give CAMC the time and effort needed to make it a success." At the same time, he affirmed the importance of helping to strengthen the institutes. And for the founding firm, Price Waterhouse and Associates, Richard Mineau stated that while one of his partners supported an expanded CAMC with a strong public relations function, most of his partners supported the Currie Report recommendation to scale down the association.

Some member firms did not support this course. Al Ronneberger of Arthur Andersen & Co. favoured the alternate Currie recommendation — a substantially strengthened and expanded association. Expressing a desire for less stringent membership requirements, Arthur Andersen also claimed it was "prepared to make a greater commitment of time and effort by the senior resources of the firm." Sors Inc., which had been a member for nine months to this point, supported this view, and said that "the association should become a strong and dynamic organization reporting the business interests of the management consulting industry." Its director André Anctil, urged that "a dynamic rather than a passive attitude towards increasing the membership in the association should be adopted."

Raymond Moore, replying for Bélanger, Chabot et Associés, also supported an enhanced role, noting that the institutes were not established across Canada; and particularly in Quebec, they were not able to carry out activities that might fall to them should CAMC be disbanded. Moore concluded that the main Currie recommendation was deplorable:

It would be unfortunate to see the association disappear or become more or less inactive. In our view, this is not positive thinking and it is rather unfortunate that it has to be considered as an alternative by a group of firms which claim to improve the efficiency of their clients' products and increase their profitability. Such a move would be defeatist and an admission that we cannot do for ourselves what we claim to be able to do for others.

George Currie had wanted his report to prompt directors to take a clear stand about what they wished CAMC to be. It had accomplished that. R.W. Johnston, senior partner of Hickling-Johnston and soon to be association president, though speaking of his partners' views, also expressed the outlook of all firms:

All agree that CAMC has to go one of two ways — that is, it either has to be extremely active or has to be wound down — perhaps even wound down to the point of non-existence...

I think we have discussed this in the past and the only difference today is the report, plus a greater sense of concern and urgency...that things not continue indefinitely as they have in the past.

### CAMC wound down — a little

After several months of discussion, some degree of change did take place. While not as radical a reduction in activity as the Currie Report had advocated, the direction approved early in 1977 indicated that CAMC was, at least for the short term, becoming more inwardly-focused. It would concentrate on information-sharing, relationships between firms, very limited public relations, and continuing support for the institutes. Some measures had already been taken along these lines. The annual report, for example, became a much less substantial yearly summary of CAMC statistics. *Financial Post* advertisements that had been run for many years

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were discontinued. Public relations counsel was to be used only on a project basis, not to co-ordinate an overall program. These changes occurred in 1976.

The 1977 changes included one major administrative revision. The association closed its permanent office and discontinued employment of an executive secretary. Instead, the office of the CAMC association would reside with the incumbent president, at his firm. His personal secretary would thereby become the association's secretary. A cost reduction measure, this move to reduce administrative charges indicated that the directors were indeed serious about reducing CAMC's activity.

As outgoing president in June 1977, Sandy Aird described the revised association as a means for senior officers to communicate on issues of common concern. As leaders of professional firms, stated Aird:

I believe we not only have a need, but we have a responsibility to our profession and to our clients to come together from time to time to talk about and debate matters of concern in the growth and excellence of our firms.

CAMC was a means by which member firms could speak out as one voice on issues of significant business interest. It would also continue to facilitate the formal exchange of information on firms' practices, which most directors continued to see as one of its most valuable roles.

#### **More support for the institutes**

This time of transition introduced another very significant element of CAMC's programs in the years ahead.

Because the group was now an industry association, Aird stressed the importance of recognizing its responsibility to support the institutes of management consulting. It is "a basic fact of life for the future of our institutes," he said, that CAMC directors "are those who are in a position to influence the amount of resources, both human and financial, which can be directed from our organizations into...the institutes."

CAMC had supported the institutes with direct financial support before. When the association established the bodies in Ontario and Quebec in 1966, it had borne the start-up costs, primarily legal fees. In addition, most firms paid their professional staff's membership dues and to varying degrees encouraged staff to become institute members. Direct financial support, however, had been limited to the initial costs in 1966 and 1967.

CAMC was in a position to revive this financial concept of support in 1977. Having decided in the wake of the Currie Report to leave most of its professional responsibilities to the provincial institutes, the association was also prepared to share the expenses of that responsibility. The Quebec institute's attempts to achieve status with *l'Office des Professions du Québec* was CAMC's first attempt to demonstrate its renewed commitment.

#### **Grants to help in Quebec**

Bill 250 was the Quebec government's means of making sense of the many different professional groups, and groups claiming such status, in the province. IMCQ faced three possible routes under the process. The province might: 1) grant it professional status and reserved title; 2) encourage its merger with another professional body, thereby according it second-class status; or 3) maintain the status quo. IMCQ naturally desired the first option, and, failing that, preferred the third alternative to the second. However, *la Corporation des Administrateurs Agréés* wanted to incorporate IMCQ in its group. These chartered administrators, many of whom were civil servants, did not want management consultants to receive reserved title, because many of them considered their work to be very similar. And due to their government presence, it was unlikely that IMCQ was going to have its application for its own professional corporation accepted. "We fought like hell," says Richard Mineau of Price Waterhouse, "but I never thought we had a hope of getting it."

The institute has not gained reserved title status in Quebec, but it was able to resist the overtures of the chartered administrators. Representations to the Province regarding Bill 250 threatened to cost IMCQ substantial amounts of money; the institute was not strong at the time and would need assistance. It therefore requested financial support from CAMC. It asked further that CAMC "accept in principle financial support to the institutes across Canada, as we anticipate that similar situations as in Quebec will develop sooner or later in other parts of the country."

CAMC agreed to set aside up to \$20,000 for IMCQ activities. The form of this support set a precedent for future support from CAMC. Funding would be co-ordinated through the national body, the Institute of Management Consultants of Canada (IMCC), and be used for specified projects that were approved by CAMC. The approved projects would be those the association believed would further the interests of the profession in Canada. IMCC's role was expanding at this time. New institutes were being formed in Alberta and Manitoba, joining the two original bodies in Ontario and Quebec. The western Institute of Management Consultants of British Columbia had been founded in 1973.

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### **Closer ties with the Institute of Management Consultants of Canada (IMCC)**

CAMC's position on funding was reaffirmed a number of times during Dick Johnston's term as president in 1977-78. Both the association and the institutes agreed on the need to keep in contact, through IMCC, to clarify the roles of the various bodies. Regular communication between the institutes and CAMC was necessary in order to avoid a potential confusion of the roles of the two groups. Such problems had occurred, and had been recognized, back in the early seventies.

In July 1973, the presidents of CAMC, IMCO, IMCQ and IMCC had met to discuss and clarify the roles and responsibilities of the respective groups. At the meeting it was stated that "CAMC is essentially a trade association," whereas the institutes "develop and promote standards or professional qualifications of *individuals*." The greatest potential overlap was identified as promotion. Duplication of effort was deemed probable as each group wished to broadcast its message to essentially the same audience.

The meeting further noted that "the institutes feel some obligation to engage in some promotional activity on behalf of those members whose firms are not members of CAMC." This in fact did occur as IMCO, particularly, made representation to the Ontario government during the seventies. For some CAMC directors, such commercial activities were unwelcome. They felt that having funded the formation of the institutes, they were indirectly subsidizing competitors who were not part of the association. But the institutes could argue that, in the years prior to the Currie Report particularly, CAMC was just not doing the job of representing the profession to governments, federal or provincial.

After the Currie Report, contact between the institutes and the association became more frequent, especially with the renewed funding for special projects. In 1977, a meeting between CAMC president Johnston and IMCC President Paul White concluded that "it was imperative that we keep each other informed." This goal was to be accomplished through the exchange of minutes, and it was thought that, eventually, representation for each group at the other's annual meeting might be arranged.

### **13. CAMC GEARED UP AGAIN FOR MORE PR IN 1978**

#### **"A natural unhappiness with the status quo"**

It appeared that CAMC had established its revised role, and would pursue that role as a scaled-down industry association of professional firms.

But it did not take CAMC long to once again begin altering its course. If it is true, as Ted Netten of Price Waterhouse, president of CAMC in 1983-84 suggests, that there exists a "natural unhappiness of consultants with the status quo," then this characteristic is reflected in the association's move once again to an emphasis on public relations. And with a large budget. Between 1978 and 1982, CAMC followed the alternate recommendation of the Currie Report, that it move to expand its membership and work strongly to promote its member firms.

One of the first indications that the association was once again expanding its mandate was in the administrative area. For example, during Richard Mineau's presidency in 1978-79, CAMC came to an agreement with IMCO and IMCC on sharing the cost and services of staff, and a permanent office. An executive secretary and an executive director were to be employed to work for all three entities. This raised the cost for CAMC by over twenty thousand dollars, compared to such expenses in 1977-78, when the association office and secretary were those of president Dick Johnston of Hickling-Johnston.

CAMC's total revenues for the year ending 1979 were \$70,000, and expenditures included \$24,000 for funding the institutes. The previous year, revenues were \$57,000, and with lower costs a surplus of \$26,000 was accumulated.

When the Currie Report had been completed, and many of its recommendations considered, the attitude of the membership, particularly the executive, was not one of "opening doors." Indeed, the view was that the group remain clubby, composed of broad based general management consulting firms. During Richard Mineau's term, however, CAMC welcomed a new member that was as remarkable for its spectacular success as it was for its specialization.

#### **DMR arrived with fanfare**

Ducros, Meilleur, Ret et Associés – DMR Inc., as it would later become – was contacted by president Mineau to apply for membership in CAMC. DMR, as a computer consulting group, was not an unusual member on account of its specialty. Most CAMC firms did systems work. They had realized the importance of the field since the late 1950's, when Gordon Cowperthwaite said "the challenge of 'automation' is of paramount importance" to many Canadian companies. In addition, former CAMC member DCF Systems had been a systems consulting firm, specializing in adapting organizations to new technology and helping management benefit from it. The DCF director, Dr. Harvey Gellman, had practised such consulting since 1954.

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But DMR differed from these others in its youth and its size. Formed in 1973 by three French Canadians who had been senior managers at IBM, DMR professional staff numbered over 100 in 1977, and by 1978 it had opened offices in six Canadian cities. The firm had managed the results system and 1,200 staff at the Montreal Olympic Games in 1976, and carried out many international assignments as well. By way of comparison, Price Waterhouse took 25 years to achieve a professional staff level of 100. CAMC membership requirements deemed that a firm must be active in two or more areas of management consulting. DMR admits that perhaps it did not strictly comply with this standard, as it was exclusively and unabashedly a computer systems firm. Says Ducros: "I am proud to tell you I don't comply." He adds that "I think the rules were bent to allow DMR to join the association."

Whether this was the case or not, the fact was that computer consulting was accounting for a greater and greater portion of all CAMC work. In 1968, the category represented 14% of billings. Ten years later, the figure was 25%. The growth in this area of consulting activity would continue strongly in the next decade. In light of this trend, CAMC admitted two other large Quebec computer-specialist firms: CGI Inc. in 1982, and LGS Data Processing Consultants Inc. in 1986.

### **PR extended into media advertising**

When Peat Marwick's Tom Diggory assumed the CAMC presidency in May 1979, the association continued to pursue a bolder, expansion-type program. The focus on public relations was intensified. The association's new president was determined to raise the group's visibility. He wanted CAMC to "become involved in such activities as will further the interests of the member firms in a business sense in their dealings with clients and prospective clients in the Canadian market." Ultimately, this would increase the market for forms, offset foreign incursions into that market, promote the industry's reputation and educate buyers. CAMC should proceed toward these goals "without further delay." In summary, Diggory stressed:

We must become more visible in the market and must communicate more forcefully as well as more clearly the presence in Canada of a significant, vibrant services sector which is both qualified and experienced to handle the problems of business and government which fall within the clearly defined scope of practice of us all...

Unless we start now to address the association's primary mandate, our professional institutes will start to fill the vacuum, and there is some evidence of this starting. We will then be left without an objective and we may as well keep our fees in our own pockets and leave it to the institutes...I believe, during my term, we should start approaching a solution to *who* we are, and *what* we are supposed to be doing, and start doing it.

In keeping with this revised direction, CAMC took a number of steps. It engaged Public and Industrial Relations Limited to develop and implement a comprehensive program, working with a budget of \$10,000. The short-term plan was to spread the CAMC message in selected journals and the business press. Eventually, the program would include seminars, conferences and a CAMC newsletter. Much of this activity was predicated on the presence of an executive director. H.C. Breithaupt was selected to replace Bill Austin in that role in June 1979; and CAMC continued its shared administrative agreement with IMCO.

By the start of Jacques Daccord's presidency in June 1980, the public relations program was achieving results for the association — which now had 18 members. Daccord, of Currie, Coopers & Lybrand, received extensive coverage of his selection as president. Stories appeared in the *Financial Post* and in Toronto and Montreal newspapers. One article in the *Financial Post*, however, stated that "only recently" had CAMC "started to work at explaining the profession." This was clearly untrue. CAMC had undertaken major public relations initiatives in the 1960's and early 1970's. The statement does indicate, however, how silent and withdrawn the association had been through the middle part of the 1970's. In 1980, the emphasis was once again on raising CAMC's visibility.

The renewed interest in public relations included a proposal for a series of articles to be printed in the *Financial Times*. These were to be co-ordinated by PR counsel Robert MacBain. They would discuss various aspects of consulting with representatives from different firms appearing as experts. An example of such a topic was a story on the "turnaround" role of a consultant when a business is in serious difficulty. Ultimately the articles ran in the *Financial Post*, after a dispute with the *Financial Times* about editorial control.

The benefit of such a program was \$16,000 worth of space in a major business journal without the cost of advertising. But advertising was still very much on the minds of the CAMC executive. Indeed, in March 1981, the board of directors approved in principle an advertising campaign to promote the services of CAMC firms

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to top decision-makers in the public and private sector. The campaign was to run for three to four years, and in 1981-82 the budget for the project was to be \$100,000 – membership assessments would have to double. "The essential message to be communicated: both in breadth and depth, world-class management consulting services are available in Canada."

The campaign was the idea of J.R. (Jack) Woodcock of Hickling-Johnston, president of CAMC in 1981-82. He thought that a substantial and sustained series of advertisements would raise the association's profile and increase business for clients. It "should increase the benefits of membership by more than double." While some directors had reservations, DMR's Ducros, who was vice-president at the time, says that Woodcock "had his soul behind it." The ad campaign proceeded. Ken Belbeck notes that there was quite a bit of excitement about the idea.

The advertisements were bold and colourful. They stressed the international experience of CAMC firms: their skills were on a par with those of the best management consultants in the world. The first one appeared in the fall of 1981. It was placed in a number of periodicals including *TIME*. In December the CAMC board met and said that "limited response" had been created by the commercial. It was also mentioned "that it is very difficult to measure the actual value of such an ad campaign."

The campaign was not given much time to prove itself. When Ducros succeeded Woodcock, the advertising was terminated. Many firm representatives had become discontented with the cost and the absence of discernible impact, and felt that it was "just not worth it." The cost of the advertising program in 1981-82 was \$91,000, and total membership dues that year were over \$200,000. In 1979-80, membership dues had totalled \$81,000.

#### **Promoting CAMC for less**

In addition to the short-lived ad program, CAMC undertook other promotional ventures during the early eighties. A CAMC directory was developed and distributed in 1981. The directory was a substantial publicity piece. It had a page devoted to each member firm, informing the reader of a particular practice's special areas of service and office locations. The directory contained information in both official languages. The first edition was sent to 7,000 businesses, and to more than 1,100 people in the public sector. Two subsequent editions of the directory contained updated information. However, there have been no new issues since 1984.

No annual report has been produced by CAMC since a small report was distributed in 1981. However, a high quality general brochure on management consulting and the various areas of expertise of CAMC member firms appeared in 1983. The booklet, entitled "Management at its Best," was the first major publication intended for the full spectrum of potential clients since the substantial annual reports were discontinued in 1976. It was certainly successful in a design sense, as it won silver awards from the Toronto Art Directors Club and the Typographers International Association.

These items were highlights of a promotional program that, by the terms of Pierre Ducros and Ted Netten, was once again changing focus. After the expensive and controversial advertising campaign, a broad, commercial public relations program was less of a priority. Indeed, Richard Higgins of Ottawa-based DPA Consulting noted during his presidency in 1984-85 that "there was no PR or advertising program...this was a carryover from decisions in previous years and also reflected lack of agreement among member firms on the whole issue of PR and advertising for CAMC."

#### **Belbeck Report recommended focus on governments and an affordable program**

In order to help clarify the situation, the association called on Ken Belbeck to prepare a report on CAMC public relations. The document that resulted, "In Search of a Direction for Public Relations Activities," was presented in January 1985. It reviewed the group's PR objectives – to disseminate information and represent the profession – and glanced back at previous efforts, such as annual dinners, reports and advertising. The Belbeck Report stated that CAMC's history in the promotional area has been "characterized by a number of initiatives in various directions, most of them relatively short-lived."

Ideally, what CAMC needed, the report said, was an affordable program to stimulate demand for consulting services, and increase member firms' share of the market. CAMC also wanted to represent member firms to government, and be known as an organization with which complaints about consulting work could be registered. To attempt to fill these needs, the recommendations of the report were for the associations to concentrate primarily on government relations, because private-sector promotion was best left to individual firms. Press coverage should be limited to statements by the president on specific issues. Up-to-date materials on CAMC should be available. Finally, the report recommended that a very limited use be made of advertising; announcements of the selection of a new president were appropriate.

The Belbeck Report on public relations was endorsed by Touche Ross's Joe Martin when he became president in 1985, and has guided CAMC activities in this area. The cost of public relations has dropped from \$45,000 in 1983-84, when the brochure was produced, to \$20-25,000 in the years up to and including 1986-87. The

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association terminated employment of the executive director in 1985, and again relied on shared administrative resources with IMCO. In the area of promotion at least, CAMC once again seemed to regard the main recommendation of the 1976 Currie Report as a cause worthy of consideration.

#### **14. SUPPORT FOR PROFESSIONALISM: THE INSTITUTES**

##### **How should CAMC relate to the professional institution?**

The relationship with the institutes of management consultants, though substantially improved after 1977, continued to be a major CAMC preoccupation. The association had committed itself to seven years of funding the operating expenses of the professional bodies. By the time of Pierre Ducros' presidency in 1982-83, some directors were expressing concern about the money given to IMCC. That year, CAMC budgeted \$15,000 for the ongoing commitment, with the provision that more be available for special projects of the institutes that the association considered would promote the profession. The sum of \$3,500 was provided to assist in establishing an Institute of Management Consultants in Atlantic Canada.

The major qualm that firm representatives had about direct support to the institutes was that an increasingly significant number of institute members were not on the staff of CAMC firms. At a board meeting in February 1983, "concern was expressed about funnelling more money to the institutes through CAMC." Consideration, it was said, should be given to establishing a formal policy of providing funds only when the institutes were acting as proxies for the association. Both groups should be encouraged to be self-supporting, and some directors said they preferred increasing institute membership dues as opposed to increasing direct CAMC support.

The renewed interest in funding accompanied a new concern about the roles of the various management consulting bodies in Canada. CAMC funding had helped the institutes become much more active. By 1982, IMCO for example, was taking strong steps toward gaining recognition from the Ontario government, and the exclusive right to administer the title "Certified Management Consultant." IMCO was becoming aggressive, making representation to government on the use of management consultants. But financially, it was frustrated. As outgoing president of IMCO in 1982, Joe Martin criticized CAMC's \$100,000 public relations campaign, noting that IMCC debated whether it could afford \$5,000 to upgrade the examinations process, and IMCO questioned whether it could afford \$750 for a library. Martin went on to propose that the various groups get together to sort out their respective roles: "I think it's time we sat down and put the money where it's really needed – in the area of examinations and education, not in the area of advertising."

The feeling that a review of roles should take place was shared by others. In November 1982, Pierre Ducros met with IMCC president Ron Robinson, and they agreed on the need for continuing communication. While roles were defined to a degree, they acknowledged that gray zones did exist, especially with regard to government relations. CAMC related to the federal government as a buyer of consulting services while the institutes dealt with the provinces.

A more thorough examination took place in Toronto on February 7, 1983, when CAMC secretary Ted Netten met with the president and vice-president of IMCC. Out of that meeting came a document by Netten called "Where are CAMC and the IMC's heading?" which addressed the major issues around the relationship between the groups. It acknowledged that at times, with the institutes prepared to embark on a substantial publicity campaign for CMC awareness, "the public will become confused about consultant qualifications." With two bases of differentiating competence, both groups will "seem implicitly to speak for the profession." The meeting found that it was better for governments to be approached, especially in a commercial sense, by only one body.

The new initiatives planned by the institutes, such as CMC awareness, were certain to cost a great deal of money, yet IMCC would have to maintain a sound financial policy. At the same time, CAMC would have to decide how big a role it wished to play in assisting with institute funding. This was especially important now that a growing majority of institute membership was from non-CAMC firms.

Netten's report stressed that CAMC had a number of fundamental choices to make with regard to the institutes. Did CAMC wish to build up the institutes (assuming it accepted their emphases) "to the point where they come to represent the profession, and correspondingly wind down its own activities as fast as the institutes can take those over?" Alternatively, the association could "pursue the special commercial interests of its member firms, recognizing that at times these may be opposed to the interest of CMC's." Or, finally, CAMC could support the institutes, and "preserve its own commercial thrusts," while trying to reduce any ambiguity or avoidable overlap with institute programs.

##### **"CMC" achieved reserved-title status in Ontario**

CAMC needed to start making decisions. IMCC had served notice at the February 1983 meeting that it intended to request \$100,000 over the next five years for its CMC awareness program. It also wanted funding to assist with IMCO's legal cost in gaining reserved-title status for "Certified Management Consultant" in Ontario. The

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awareness funding was declined by CAMC, and it deferred consideration of the second request until it had formulated a policy on funding.

That policy was established in May 1983. CAMC would consider grants to IMCC in response to requests for the cost of establishing new institutes, for projects undertaken in lieu of, and with the concurrence of CAMC, and for "special non-recurring projects that are significant to the continuing development of the institutes and offer direct benefits to CAMC member firms." The policy stated that funding would be less than the projects' total costs, and that the association would not renew ongoing operating support after 1984-85. The essential point was that institutes should be self-supporting with the exception of the special, approved projects. The policy was very similar to the guidelines adopted in 1977, when CAMC considered assisting IMCQ with its struggle to attain professional status.

One item CAMC judged worthy of support was the "securing of legal reservation of the CMC designation." This was deemed to be on the level of "institute establishment" and therefore under this policy on grants to IMCC, the work of IMCO to achieve reserved title was definitely eligible for funding. The Ontario institute had begun a campaign for legal recognition back in 1978. Even in 1982, the achievement seemed to be something that would still take a fair bit of time. Joe Martin's call that year was for a vision of "certification by '87, licensure by '99."

Certification was achieved four years more quickly than imagined. In December 1983, the Institute of Management Consultants of Ontario was given "legislative authority to prescribe qualifications for and conditions for membership in the Institute," through a Private Member's bill passed by the Ontario legislature. The CMC designation was to be used only by those consultants who were accredited by the institute. While not a licence, "the Ontario legislature has established a precedent of major importance to the profession across Canada and throughout the world."

On the passage of the CMC bill, Robert Brouillard of Touche Ross and the president of IMCO reminded his peers that their work had really just begun: "What's in a name? Whatever we choose to make of it. It is we who constitute the profession, we who must live up to its ideals." James Macdonell would have endorsed this sentiment. And he would have been pleased to see the progress of the professional body he had worked so hard to form in 1966. Unfortunately, Macdonell did not live to see the achievement of reserved title. He had died of a heart attack in March 1983.

#### **A continued commitment to professionalism**

CAMC continued to improve and clarify its relationship with the institutes. In late 1983, Pierre Ducros prepared a document on the role and place of the association, the provincial institutes and IMCC. Ducros, who says strongly "I am a purist" when it comes to questions of respective roles for the consultants' groups, made it clear in his report that the institutes should fill a purely professional role. Their mission should be to administer the CMC designation. This would include the related functions of education, examination, recruitment, reviewing the common body of knowledge and securing government recognition of "Certified Management Consultant." Further, the document stressed that institutes "should avoid a commercial role as a reaction to members demanding a justification for their moderate annual fees." The members' commercial interests should not be promoted, as it "threatened and weakened the credibility of the professional body," according to Ducros.

CAMC's role then, would be "to promote the commercial interest of the member firms." The report recommended increased efforts in the area of government relations, and said that all areas of commercial promotion of management consulting were the concern of CAMC. It was also stated that CAMC had to become more representative of the profession, both geographically and in terms of the size and number of firms admitted. If CAMC had a place for smaller, qualified firms to promote their commercial interest, the report argued, there would be less pressure on the institutes to fill that role.

To monitor the concerns raised in Ducros' document and in previous discussion, CAMC appointed a liaison to IMCC to keep the organization informed of the institutes' activities, as well as to keep CAMC concerns visible. Guy Chabot of Raymond Chabot served as the CAMC liaison to IMCC until his retirement in 1987. Chabot feels that communication between the various organizations has become much more effective, and that overall, CAMC and the institutes have become much closer since the Currie Report. The trend has continued. In what Joe Martin called an "historic meeting," the IMCC secretary and vice-president attended the CAMC executive committee meeting in November 1985 to update the association on its activities and plans. It was, said Martin, "a beginning, not an end, to enhanced communications."

The association's support was very evident in 1986-87, when CAMC made a one-time grant of \$54,000 to IMCC. This funding enabled the institutes to register name changes to Institutes of *Certified* Management Consultants. IMCC also developed a Common Body of Knowledge manual that would be available to institute members across Canada. Chris Green, president of CAMC in the year of this large grant, said that "this amount

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of funding raised some eyebrows...and in some cases challenged the credibility of the association, and indeed the value of membership, in light of such expenditures." Certainly concern arose that CAMC was indirectly subsidizing non-member firms through such support. Green says that while there is validity to this view, a more positive approach is for association members to become more active on institute executives and attempt to influence them in policy and direction. However, financial self-sufficiency for the institutes is a goal that CAMC wishes to see achieved.

#### **"A good model for the world"**

CAMC/ICMCC relationships have been a landmark achievement for management consulting in Canada. The years since the Currie Report have seen much CAMC concern about its relationship with the Institutes of Certified Management Consultants. But they have also seen the development of a closer, spirited association between the organizations. For example, CAMC membership requirements stipulate that a firm's ownership and professional staff are to play active roles in the institutes. Many CAMC executive members have held high-level positions in the institutes. Pierre Ducros, Ted Netten, Joe Martin and Geof McKenzie are examples. And certainly, the financial support in the past decade has shown that the professional goals on which CAMC was founded are still of concern to Canadian management consultants.

By way of comparison, the relationship in the United States between the Institute of Management Consultants (IMC) and the Association of Consulting Management Engineers (ACME), has improved only marginally since the question of individual certification threatened to destroy ACME in the late 1950's. There is no formal link between ACME and IMC, which was formed in 1968. While ACME now gives the institute a chance to "make its pitch" at ACME conferences, there is still very limited enthusiasm for a more established relationship. Asked whether ACME has any requirements for member firms' personnel to become IMC members, ACME president Joseph Brady replied "no way!" It is not surprising, in light of this situation, that James Kennedy, editor and publisher of *Consultant's News*, called the relationship between CAMC and the institutes "a good model" for consulting organizations around the world

### **15. THE OTTAWA COMMITTEE AND GOVERNMENT RELATIONS**

#### **Beginning of a more co-ordinated approach to the public sector**

Back around the time of the Currie Report in 1976, Sandy Aird had said that CAMC was not doing an effective job in dealing with the federal government. He also noted a lack of participation in CAMC activities by member firms' staff. The problem was addressed in March 1976, when the CAMC Committee on Federal Government Relations was formed. This early incarnation of what has come to be known as the Ottawa Committee marked the beginning of a growing, and more co-ordinated, approach to the promotion of consulting to the federal public sector.

The Ottawa Committee was composed of a representative from each CAMC firm with an Ottawa office. Its primary objective was "to improve the image and marketing effectiveness of CAMC member firms with respect to Federal Government Consulting." But the uncertainty surrounding CAMC's future in 1976 delayed the emergence of a strong Ottawa chapter. In May 1977, Robert D. Tyrrell of Stevenson & Kellogg in Ottawa wrote to Richard Mineau and said that the Ottawa Committee had been dormant, and that it was unlikely that it would:

become active again unless CAMC takes a more aggressive stance as an industry association. At this time, most Committee members are totally disillusioned with CAMC as a unifying vehicle for dealing with the Federal Government.

Yet within the year, the activities of the Ottawa Committee were revived.

In late 1977, president Dick Johnston and a delegation from Ottawa met with representatives of the Treasury Board to discuss CAMC concerns about the bidding process used in contracting management consulting. A pattern for future relations with Ottawa began to emerge. The emphasis of the Ottawa Committee was to be day-to-day concerns, such as the bidding and contracting process. The association itself would attempt to influence policy at a higher, political level. With the addition of office and administrative support once again in 1978, it was hoped that CAMC's double-edged approach to selling consulting in Ottawa would be effective in dealing with a market so important to member firms.

#### **Work on federal guidelines and the political scene**

In 1978-79, the Ottawa Committee reviewed and commented on federal guidelines for the contracting of consulting services, including the problem of a \$350 per diem rate limit that Treasury Board imposed on departments. Special approval had to be obtained to go over this rate, and the per diem rate became a persistent



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focus of the Ottawa Committee, right into the mid-1980's. The emphasis of these efforts has been educating federal officials as to the value and real cost of management consulting. Such artificial limits on rates, CAMC said, only encouraged mediocre work. The overriding concern should be not the amount of money, but rather "value for money."

The Ottawa Committee also did advance work for CAMC in 1978-79 by making contacts with the Conservative "Shadow Cabinet" in Ottawa, before the 1979 election. As a result of this contact, CAMC was able to arrange a meeting with Treasury Board president Sinclair Stevens, after the P.C.'s were elected. At the meeting, the association raised concerns about government restraint directives, and also about the Bureau of Management Consulting (BMC). BMC was the government's internal consulting division. It has been a long-standing concern of CAMC. The association has argued that BMC has an unfair advantage, and should be run according to actual (fully-allocated) costs. CAMC has also stressed its opposition to BMC's bidding on private-sector and international consulting contracts.

Joe Clark's government did not last a year, and the association was once again faced with a new administration to deal with. In 1980, CAMC's president Tom Diggory met with the new president of the Treasury Board, Donald Johnston, and in a follow-up letter explained how CAMC firms could help the government's restraint programs. Management consultants could help in:

such matters as the return of certain Government operations to the private sector; improved financial management in Government; cost containment studies and productivity improvement reviews; as well as work in the area of financial management systems development. All member firms stand ready to assist the Government and its departments in whatever way seems most appropriate to this end in the coming months.

While this political level of contact was occurring, the Ottawa Committee continued to monitor member firm concerns and issues dealing with the public service. At lower levels, mechanisms are so entrenched that even changes of government have little effect. However, the rapid switch of administrations in 1979-80 showed CAMC that to maintain effective contact at the political level, it had to foster and maintain relationships with all parties.

#### **"The mills of the governors grind slow"**

The Ottawa Committee sent a delegation to meet the Comptroller General in July 1981. The usual concerns on per diem rates, BMC and the contracting process were raised. The Comptroller General, Harry Rogers, told CAMC representatives that the \$350/day rate was not aimed at the association's firms, but was instead an attempt to reduce "pork-barrelling" in government. Rogers also advised the delegation that CAMC should clarify its priorities when it came to deal with the government, particularly at the political level. On the issue of clarity, he heard CAMC say that government purchasing policies were very much lacking in that quality. Tendering and bidding procedures were "too convoluted."

President Jack Woodcock restated the CAMC approach to federal government relations in 1982. The association at large responded to political issues from government, and promoted business in the public sector. The Ottawa Committee worked at ongoing administrative issues and policy matters, dealing specifically with the contracting procedures of the main purchaser of member firms' services, the Department of Supply and Services. The association's program of federal relations had become more substantive since 1976, with the development of the Ottawa Committee. But the results at both the administrative and political level were very limited. Chris Green of Peat Marwick was the chairman of the Ottawa Committee in the early 1980's. He says that the progress is very gradual. "It's a long slow process and we have to keep working away at it."

#### **Strategy for dealing with government: uncertain results**

A 1982 CAMC paper on "Strategy for the Government of Canada" assessed the association's situation in Ottawa. It said that while CAMC had a good profile in some sectors of the bureaucracy, it had "a very low profile (if any) at the political or Ministerial level." To improve the group's standing, the document recommended that political contact be maintained, and that the association submit position papers on major areas of concern. Another proposal to increase visibility was the development of a series of "soirées" for senior public servants, such as deputy and associate deputy ministers.

For DMR's Pierre Ducros, who was CAMC president in 1982-83, federal government relations was the primary objective. "I felt that this was the only place to do marketing in a non-competitive manner," says the animated past-president. As an association of rival firms, CAMC could "sell the (consulting) industry to government, not to the Royal Bank." During his presidency, the Ottawa Committee introduced the soirées, to be known as Senior Management Forums. The first was held in February 1983. It featured Carl Corcoran, the

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president of IBM Canada, as guest speaker. An outstanding success, the Senior Management Forums brought together CAMC representatives and senior officials to discuss common concerns, and hear a guest speaker from the private sector.

Two more forums followed in the first half of 1983. Trevor J. Eyton of Brascan spoke at the 1983-84 edition, and two more Senior Management Forums were held in the fall of 1985.

Meanwhile, the Ottawa Committee had prepared a major brief in 1983 for the Ministry of Supply and Services, entitled "Contracting for Management Consulting Services." The brief reviewed CAMC's perennial concerns about procurement policies, including complaints that too many firms received invitations to bid for work, and that the government was excessively concerned with daily rates. The submission led to the establishment of a joint CAMC/Department of Supply and Services Task Force on Contracting during Richards Higgins' presidency in 1984-85.

It was difficult, however, to discern any real impact from these developments. John Prior had been engaged by CAMC to conduct an analysis of the contracting of management consulting services by the federal government. In March 1987 he reported very little change since the 1983 CAMC brief. The fundamental problems, according to Prior, were misconceptions as to the market value of consulting work, and too little appreciation of the potential contribution of high-quality management consulting.

### **Increased stature from the Nielsen task force**

There was one strong indication in 1984, however, that CAMC's stature in Ottawa was improving. Shortly after its election, the new Mulroney government appointed CAMC as one of the original twelve advisory groups to the Private Sector Advisory Committee of the Deputy Prime Minister's Task Force to review all Federal Government Programs. CAMC joined such high-profile groups on the Nielsen Task Force as the Canadian Institute of Chartered Accountants, the Canadian Manufacturers Association, the Canadian Federation of Labour, and the Canadian Federation of Independent Business. The appointment clearly showed that CAMC was considered a credible group on national issues.

Touche Ross's Joe Martin credited the association's "pro-active initiatives" toward the Conservatives while they were in opposition in 1983 with having helped gain representation on the Task Force. Past President Ted Netten of Price Waterhouse was selected to represent CAMC, and four senior professionals from member firms were sponsored to work on various sub-committees that reported to the task force.

CAMC directors consider the Nielsen representation to have been one of the association's most significant achievements in recent years. It marked the first time the federal government had singled out CAMC, and the management consulting profession in general, for direct input into policy formation. It also provided an opportunity for the association to make a significant intellectual contribution, while at the same time to generate valuable exposure with national decision-makers.

## **16. INTO POLICY WITH THE FREE TRADE SUBMISSION**

### **The American invasion inspired the free trade study**

The area where CAMC most forcefully displayed its more active stance toward government was the submission of a major study on free trade in 1986. The roots of this achievement can be found in members' long-standing concern over the extent of work done by American consultants in Canada. After the Currie Report the "American invasion" became a major preoccupation of CAMC. The committee on U.S. consultants working in Canada was chaired by Ken Belbeck and beginning in 1979 it followed the issue for CAMC.

### **The platform: equal access**

CAMC firms had always stressed their world-class capabilities. Their concern was not to exclude Americans from competing for work in Canada, but rather to ensure that Canadian firms received equal treatment in the U.S. Technically, immigration officials in both Canada and the U.S. were required to demand work permits for consultants wishing to cross the border and work. However, the association's committee on the problem said that "U.S. authorities seem to be more zealous in their questioning and slower in their issuing of work permits."

This uneven application of existing rules created disadvantages for the Canadian practices. While it was not a question of economic survival, it did limit entry to a very large potential market. Guy Chabot commented, only half-jokingly, that Canadian consultants who wanted to work south of the border "had to take their golf clubs and say they were going to play." The ultimate goal of CAMC's monitoring of U.S. consultants has been clear since 1979. CAMC "desires only equality of treatment" and:

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would prefer the removal of U.S. barriers to open the large American market for consulting services to the Canadian consulting firms. In essence, we are 'free traders.'

In the meantime, CAMC pressured the Canadian Employment and Immigration Commission to enforce what Canadian regulations did exist. Response from authorities tended to be "soft," as accurate information was not available on the extent of work done in Canada by American consultants. Members were therefore encouraged to report cases of U.S. firms working without permits.

But this was a delicate matter for CAMC. By identifying American practitioners working illegally for Canadian companies, CAMC risked alienating Canadian businesses that were potential clients in the future. Therefore, instead of creating difficulties for companies that had already contracted American services, CAMC would generally contact the business, make it aware of the availability of world-class consulting in Canada, and encourage it to use CAMC firms in future. The association found that low awareness of CAMC was still a problem. For example, in 1981, President Jack Woodcock said that executives at a large Canadian oil company "had seemed unaware of the high quality of Canadian consulting expertise available."

The persistence of the CAMC members in communicating this concern to the government in the early part of the decade did lead to some limited action. Employment and Immigration occasionally referred requests for U.S. consultants' work permits to the CAMC office, but the association stressed that it was not its role to approve or disapprove these applications. Canadian consultants wished the law applied as it existed, and were ready to assist those Canadian organizations who were looking for consulting expertise.

A clear indication that CAMC's concerns were being considered was a directive issued in May 1981 by Employment and Immigration. Addressed to all employers and employer associations, it stated:

In general, the use of a foreign consultant, for either temporary or permanent employment, will only be permitted when Canadians with the required expertise are not available...this policy is parallel to the one adopted by the United States vis-à-vis Canadian consultants.

According to Ken Belbeck, the directive did not have much effect. In fact, he says, the whole issue of American consultants in Canada was "perhaps more of an aggravation than any question of survival. We were growing and making money and sure it would be a little easier if the Americans weren't there, but it was more of an irritant than a huge survival issue."

#### **The submission was planned, prepared and presented**

In 1985, incoming president Joe Martin of Touche Ross included among his objectives a special study to be conducted on the subject of free trade in consulting services. Martin pointed to the long-standing concern about the inconsistency with which regulations regarding work permits were applied. He went on to note that the federal government, under Prime Minister Brian Mulroney, was publicly considering the idea of freer trade with the United States for the first time since 1911. The president, therefore, proposed that CAMC prepare a position paper on the subject. There would be a number of possible benefits. It would show the government that the association could deal with substantive matters in a serious manner. In addition, media coverage would display to the private sector that CAMC was a serious force. Definitely there were some potentially positive results to come from such a study—which would focus on the need for freer trade in management consulting services.

The association went ahead with the idea. Geof McKenzie of Coopers and Lybrand, assisted by Ken Belbeck, was chosen to take charge of the project. Another consultant, George Mowbray, was retained to do research and draft a report under McKenzie's direction. The work involved interviews with government officials and an examination of regulations applying to employment and immigration on both sides of the border. In addition, CAMC used surveys of member firms and the business community to estimate the extent of U.S. consultant's work in Canada—also to gain a better understanding of the problems Canadian firms had working in the U.S. A substantial report presented the CAMC position on freer trade in the services of management consulting firms.

Geof McKenzie says that originally his idea was to use the document in a fairly limited way. It would be submitted to federal and provincial government departments concerned with international trade, employment and immigration. However the executive committee of CAMC decided that the report could become a fine publicity vehicle for the association. The final form of the piece, was a booklet that included information on the profession and CAMC, as well as the association's views on free trade.

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### **A call for an end to discrimination**

The completed document was entitled "A submission to the Government of Canada on the occasion of negotiations for freer trade with the United States: Towards Freer International Trade in the Services of Management Consulting Firms." It reviewed the problems of Canadian consultants who wished to work in the U.S., and outlined the various visa and permit requirements for both countries. The report also called attention to Canadian consulting's importance as a national resource, noting the governments "do not pay enough attention to the intellectual capital of their societies...the future of Canada undoubtedly depends more on its brains than anything else. Professionals are one of the principal carriers and applicators of this brainpower...they need to be liberated."

The research done by CAMC for the submission revealed the imbalance that existed for Canadian management consultants. According to private surveys, "40 major American consultants did a total of at least \$30 million business in Canada in 1984." Total billings for all CAMC firms that year were \$190 million. By comparison, twelve CAMC firms conducted just \$3 million of work in a total U.S. market for such services estimated at \$3.5 billion. The report concluded on the basis of these figures that:

American consulting firms have clearly been able to penetrate the Canadian market much more deeply than we have the American. Differences in the letter and administration of American and Canadian immigration laws are the principal reason. The restrictive impact of these non-tariff barriers to trade in services has been manifested unevenly on the southern and northern sides of the 49th parallel.

To support the call for an open border in management consulting services, the document emphasized that the entire economy would gain, because "experience in new situations, new problems, new problem-solving techniques would add significantly to the competence and self-confidence of both Canadian and American consultants." An increased exchange of technologies would also be facilitated, something that "should be good news for everyone."

### **Canada would benefit**

In more concrete terms, the free trade study estimated that with an open economic border, Canadian consultants could expect to capture two percent of the U.S. market within five years, which would translate into an increase of 600 professional jobs. In the longer term, the report foresaw a potential increase of 1,200 well-paid professional jobs in management consulting. Additionally, these would create more than 500 support positions, and with a conservative multiplier effect, a further 2,000 jobs. Thus, free trade in management consulting services with the U.S., the report said, could potentially create between three and four thousand jobs over the long term.

### **Canadians are world-class consultants**

The recommendations reaffirmed CAMC's formal position since 1978. That is, Canadian management consultants were confident of their ability to compete with American and international competitors, provided that all parties were treated equally:

The U.S. border should either be opened wider for Canadian management consultants or the Canadian border should be closed more tightly. The present situation is an unacceptable imbalance.

The CAMC study on freer trade was presented to the Canadian Minister of International Trade in early May of 1987. It was also presented to federal deputy ministers, associate deputy ministers and presidents of Crown corporations. Hundreds of copies were distributed to key decision-makers in Canada, in both English and French.

### **An encouraging response**

The response was generally positive. The *Globe and Mail* and *Financial Post* both gave the CAMC submission coverage. Many letters were received by the association, says Geof McKenzie; they ranged in content from acknowledgement of the study to encouragement, and even to in-depth analyses of the report.

Official response was encouraging. An invitation was received from Ontario's Ministry of Industry, Trade and Technology to discuss the report. Geof McKenzie also appeared before the Sectoral Advisory Group on International Trade SAGIT to present the CAMC position. CAMC president Chris Green (1986-87) said that, as a result of this meeting, "Geof felt our message was being heard and communicated at the negotiating table". And in fact, trade negotiators at External Affairs had been in touch with the submission from the beginning.

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Overall, the general opinion on the CAMC free trade project has been very favourable. The association was one of the few professional bodies in Canada to take the time to prepare such a submission. McKenzie says it "clearly enhanced the credibility of our group." And while no one pretended that CAMC's concerns were at the top of the Canadian negotiators' agenda, the success of the venture indicates that CAMC has a role to play in speaking to major economic issues. Geof McKenzie said:

If one accepts the proposition that consultants have a legitimate point of view on issues affecting policy decisions, then this association should be addressing what's good for business in Canada.

Finally, the free trade initiative showed that CAMC could be an effective body taking meaningful collective action. Guy Chabot remarked that "things like the free trade report couldn't have been done by only one firm." Of course, the question of whether or not freer trade in consulting services will be achieved rests in the hands of the governments negotiating the possible agreement in 1987.

CAMC's free trade report lent credibility to its views on the continuing problem of U.S. consultants in Canada. When Canadian National, a Crown corporation, hired the U.S. firm Booz Allen to do a major assignment in early 1987, CAMC president Chris Green issued a press release sharply criticizing the contract, using it as an illustration of the unequal situation at the border. It was extremely important also, Green said, that government bodies support and foster Canadian consulting expertise. The press gave the CAMC president's comments wide coverage, and Green was interviewed on radio and television.

## **17. RECENT DEVELOPMENTS IN CAMC: REGIONALIZATION AND RELATIONSHIPS**

### **Quebec**

The Ottawa Committee has been given credit for helping improve the stature of CAMC in Ottawa, and even slowly influencing government contracting policies. The Ottawa Committee was also a precedent for other regional committees of CAMC during the 1980's. The first of these subsequent regional groups was the Quebec ad hoc committee, which was first established in the fall of 1977. It was formed to promote relations with the Quebec institute and the provincial government. The committee also monitored IMCQ's activities with regard to *l'Office des Professions*.

However, the Quebec committee was not very active, primarily because the provincial government was not interested in hearing representations from what it considered an anglo-Canadian group. Price Waterhouse's Richard Mineau says that at the time, CAMC was *persona non grata* in the province. It was therefore decided that confusion could be avoided by having one body, IMCQ, speak for the profession in Quebec and promote consulting to government. Any CAMC input would be channelled through the institute.

In 1982-83, the Quebec committee emerged once again, with an \$11,000 budget for public relations in the province and a mandate to increase the awareness of CAMC in the province. The committee began discussions with IMCQ to begin a co-ordinated approach to government relations. Public relations counsel was retained to develop an approach to selling consulting to the small and medium-sized businesses of Quebec. One of these activities was a one-day seminar at Laval University, on the topic of "Consulting in a Period of Crisis." Pierre Ducros spoke at a luncheon for 200 people. Seminars with a small-business emphasis were supported by staff from Coopers and Lybrand, Price Waterhouse and DMR. The January 1983 event showed how a regional committee could address the specific concerns of a regional market, while also increasing involvement of staff below the top levels of member firms.

### **Atlantic Canada and the west**

Under Ted Netten's presidency in 1983-84, regionalization of CAMC activities was a major goal. The association wanted to expand its influence and relevance beyond its bases in Toronto, Ottawa and Montreal. Efforts were made to establish a formal Ontario Committee in Toronto to deal with IMCO and provincial issues. CAMC supported steps toward the development of regional groups in Atlantic Canada and the west. Progress was slow at first. After a brief flurry of activity, the Atlantic group lay dormant until 1985. A "management forum" was held in May 1986 in Halifax on the topic of regional development. The Halifax event drew 70 guests, and raised the association's profile in the area. Across the country, efforts to form regional chapters in Manitoba, British Columbia and Alberta were continually frustrated by lack of interest. Chris Green noted at the CAMC annual meeting in June 1987 that "the west has been an enigma for the association. Despite repeated attempts, we have not been able to get regional programs launched and under way."

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## Ontario

The most successful implementation of the regionalization program has been in Ontario. CAMC's Toronto chapter was effectively started in late 1984, under the chairmanship of Geof McKenzie. Initially, it focused on establishing contact with the provincial government. It has become concerned with that area, as well as public relations, membership admissions, member services and liaison with IMCO. Member relations was an area addressed at a November 1986 dinner attended by 90 senior partners and managers of CAMC firms' Toronto offices.

The Ontario Committee also undertook a major project on government relations, in keeping with the pro-active stance of CAMC at the national level. The group prepared a major submission to the Radwanski Inquiry, a provincial Task Force on the Services Sector in Ontario. The paper, prepared by Geof McKenzie of Coopers and Lybrand and David Alderman of Touche Ross, recommended that the provincial government obtain more of its service requirements from sources outside the public sector. The Radwanski submission showed that CAMC's recent efforts to speak out on major issues could be effectively carried on at regional as well as national levels.

Regionalization is a recent trend of CAMC development. While success has been achieved in Toronto, and for a longer period in Ottawa, other experiences suggest that the interest of member firms' staff in the regions will be crucial in determining the ultimate success of the program.

## Relationships external and internal continue paramount

We have seen that, after the Currie Report in 1976, CAMC developed strong approaches to various external issues and concerns that affected it. For example, the policies on institute funding, public relations, and an evolving pro-active stance on government relations, all show the association dealing with issues outside the group. Certainly, changes in emphasis and priorities have been numerous.

Recent years have also seen an increasing concern with relationships *within* CAMC. The Currie Report, of course, had said that regardless of whether CAMC was wound down or built up, the aspects of information-sharing and the relationships among members were very much worth maintaining. Indeed, the opportunity for directors to get to know one another, and have a forum for discussion of common interest, has been to many the major benefit of CAMC.

Information-sharing has continued to be an important function of the association. The annual and monthly surveys remain virtually the only source of market information for CAMC firms. But certain difficulties plagued the reports in the 1980's. Some firms did not wish to reveal certain data in the questionnaire. Others, particularly in monthly surveys, did not submit any information. The tardy submission of survey documents has been a chronic problem of the information-sharing process. Several reviews of the process have taken place. But the area is a delicate one. Some firms are much more guarded about their results than others. CAMC presidents Higgins, Martin and Green have all considered the improvement of the information exchange to be a major objective.

Regionalization has been another way of improving contact between member firms. The idea has been to get professional staff below the senior partner level involved in CAMC activities and workshops, and hence to make the association more relevant to consultants in member firms across the country.

But the primary focus of CAMC in this area, since the founding years, has been the relationships between the directors, the heads of Canada's top management consulting firms. Since 1984 a number of initiatives have been taken to improve the quality of those relationships within CAMC. John Wilson of Woods Gordon organized a grand night of dinner and theatre in Toronto in 1984, to which the Lieutenant-Governor of Ontario, John Aird, was invited. Several association past-presidents attended the function. The gala was followed up in 1985 by an event at Place des Arts in Montreal, organized by Guy Chabot. The evening was described by Joe Martin as "soul stirring."

Martin, when he took on the presidency in 1985, chose internal relationships as a key goal of his term, along with institute support and the special study on free trade. To him, the "preservation and promotion of relationships among members" was "a crucial role" of the association. Perhaps the most significant expression of the goal was the Founders and Past President's Dinner held at the York Club in Toronto on September 26, 1985. The black-tie affair was attended by four of the ten founding directors: Gordon Cowperthwaite, Gerald Fisch, Ken Belbeck and George Currie. The evening was filled with speeches on the founding of CAMC and its subsequent accomplishments. There was also a lot of good-natured ribbing. The event was a success. Cowperthwaite described it as "an outstanding evening with wonderful companionship."

It was hoped that the 1986 Annual General Meeting would take place in Bermuda, but practicality dictated a location at Niagara-on-the-Lake. At the two-day meeting, the association honoured Ken Belbeck on his retirement after 23 years as a CAMC director. There was also a senior practitioners' workshop which, for the first time, featured a seminar conducted by a renowned session leader. This was David Maister, Harvard University professor and consultant on the management of professional firms.

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The following year, the tradition of inviting a high-profile consultant to conduct the senior practitioners forum was continued. At the annual meeting in Quebec City, Mark Fuller, a former Harvard Business School professor, led a lively session on competitive strategy for management consultants. The meeting also included a black-tie dinner, where Guy Chabot was honored for his contribution to CAMC.

**"Getting to know you"**

The subject of relationships is an appropriate way to end a discussion of the first twenty-five years of the Canadian Association of Management Consultants. Through a quarter-century of change and restlessness, the one consistent benefit CAMC has offered its members has been the opportunity to form relationships between directors; and on the basis of those relationships, to work toward the improvement of the profession of management consulting in Canada.

Founding director George Currie says that "simply getting to know and trust one another" was "one of the most valuable things we got out of CAMC." Other former directors agree. According to Ken Belbeck:

friendly, mutual respect is probably still the most valuable thing about the association...it lets senior members of the firms get to know each other and establish communication and collaboration.

That collaboration has produced major benefits for the profession. The creation and support of provincial institutes of management consultants has been the major professional accomplishment of CAMC. When one looks at the American situation, it is clear that Canadian consulting would not have achieved its present status without the commitment of association directors. CAMC harnessed a "collective synergy," says Sandy Aird. "Without that, I don't think that we would have the profession at the level of recognition it is now at."

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## **Roots**



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The Canadian Association of Management Consultants approaches its twenty-fifth anniversary a strong, but still evolving organization. In 1963, its 10 member firms did less than \$6 million in total business. In 1987, the combined billings of its 21 members are over \$200 million. More important than these numbers, however, is the status of the profession that CAMC can take credit for having developed. Prior to the association's founding, management consulting in Canada was disorderly, to say the least. It is now an established profession with growing acknowledgement of its contribution to the country. Standards of practice have been defined, along with government-sanctioned certification procedures for practitioners. Clearly, great progress has been achieved in the past quarter-century. And CAMC, as this history has shown, is largely responsible for the increasing respect the field has been accorded.

The association has gone through tough times. On occasion, its very existence has been questioned. Different presidents and executives have shifted priorities and directions. As Ted Netten says, directors "have been very good at pulling the CAMC plant out of the ground to see if it is still growing."

When the plant is examined, its roots are found in the professional visions of James Macdonell, Geoff Clarkson and the other founders. Whatever else the association has tried to accomplish, it has always been concerned with developing management consulting as a true profession in Canada. Whether providing support for the institutes, or making representations to government, CAMC has been committed to raising the profile of the practice of management consulting.

It is a long saga from the fly-by-night charlatans to the Nielsen task force and the free trade submission. But it is not really a long time.

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## APPENDICES

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## APPENDIX A

### FOUNDING FIRMS AND DIRECTORS

JULY 4, 1963

NAME	DIRECTOR	CITY
Woods Gordon & Co.	G.P. Clarkson	Toronto
Stevenson & Kellogg Ltd.	K.G. Belbeck	Toronto
P.A. Management Consultants Ltd.	F.S. Collins	Montreal
Peat, Marwick, Mitchell & Co.	G.H. Cowperthwaite	Toronto
Urwick, Currie Limited	G.N.M. Currie	Montreal
P.S. Ross & Partners	G.G. Fisch	Montreal
Associated Industrial Consultants (Canada 1952) Ltd.	R.O. Lumsden	Toronto
Price Waterhouse & Co.	J.J. Macdonell	Montreal
Leetham, Simpson Limited	J.W. Simpson	Montreal
Riddell, Stead, Graham & Hutchison	J.F. Toller	Montreal

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## APPENDIX B

### PAST-PRESIDENTS

DATE	NAME	FIRM
1963-64	G.P. Clarkson	Woods, Gordon & Co.
1964-65	J.W. Simpson	Leetham, Simpson Ltd
1965-66	J.J. Macdonell	Price Waterhouse & Co.
1966-67	K.G. Belbeck	Stevenson & Kellogg Ltd.
1967-68	G.H. Cowperthwaite	Peat, Marwick, Mitchell & Co.
1968-69	G.N.M. Currie	Urwick, Currie Ltd.
1969-70	K.R. Oswell	P.S. Ross & Partners
1970-71	H.S. Gellman	D.C.F. Systems Ltd.
1971-72	D.J. Macdonald	Deloitte Plender Haskins & Sells
1972-73	R.A. Read	The Thorne Group
1973-74	J.D. Pawling	Samson Belair Riddell Stead
1974-75	J.M. Smith	Woods, Gordon & Co.
1975-76	J.R. Hearn	Peat Marwick & Partners
1976-77	A.R. Aird	P.S. Ross & Partners
1977-78	R.W. Johnston	Hickling-Johnston Ltd.
1978-79	R. Mineau	Price Waterhouse & Co.
1979-80	T.J. Diggory	Peat Marwick
1980-81	J.E. Daccord	Currie, Coopers & Lybrand
1981-82	J.R. Woodcock	Hickling-Johnston & Co.
1982-83	P.Y. Ducros	DMR & Associés
1983-84	E.W. Netten	Price Waterhouse & Co.
1984-85	R.A. Higgins	DPA Consulting
1985-86	J.E. Martin	Touche Ross & Partners
1986-87	C.A.W. Green	Peat Marwick & Partners
1987-88	C.A.W. Green	Peat Marwick & Partners

Mr. Hearn resigned from his firm and CAMC post midway through his term and was succeeded by Mr. Aird. Mr. Green elected to second term due to instability of Executive "ladder".

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## APPENDIX C

### MEMBER FIRMS: 1963-1988

<b>Current and constituent names</b>	<b>Period of Membership</b>
Peat Marwick Consulting Group	1963 -
Price Waterhouse	1963 -
Stevenson Kellogg Ernst & Whinney	1986 -
- Stevenson & Kellogg Ltd.	1963 - 1980
- Thorne Stevenson & Kellogg	1980 - 1986
- Thorne, Riddell Associates Ltd.	1974 - 1980
- The Thorne Group	1965 - 1974
- Ernst & Whinney	1979 - 1986
- Ernst & Ernst	1974 - 1979
- Samson Bélair Riddell Stead Inc.	1969 - 1974
- Simpson, Riddell Stead & Partners	1964 - 1969
- Leetham Simpson Limited	1963 - 1964
- PA Management Consultants Ltd.	1963 - 1964
- Riddell, Stead, Graham & Hutchinson	1963 - 1964
The Coopers & Lybrand Consulting Group	1963 -
Touche Ross Management Consultants	1963 -
Woods Gordon	1963 -
- Defresne, McLagan, Daignault Inc.	1968 - 1971
Inducon Services Ltd.	1963 - 1972
Deloitte Haskins & Sells Associates	1967 -
DCF Systems Ltd.	1967 - 1974
Mercer/Hickling-Johnston	1970 -
Arthur Andersen & Co.	1971 - 1988
Laventhol & Horwath	1972 -
Raymond, Chabot, Martin, Paré et Cie	1973 -
The DPA Group Inc.	1981 -
- Montreal Engineering Co. Ltd.	1974 - 1986
Sorés Inc.	1974 - 1981
DMR Group Inc.	1978 - 1988
Kearney Management Consultants Ltd	1978 - 1982
Richter & Associates	1978 -
Pannell Kerr Forster	1980 - 1988
Maheu Noiseux et Compagnie	1981 -
CGI Inc.	1982 -
Samson Bélair Consultants Inc.	1982 -
Mallette, Major, Martin	1983 -
Siblin Zittler & Associates	1985 -
LGS	1986 -

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## APPENDIX D

### CODE OF ETHICS (1963)

Members of the Association 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 adversely on the public or professional reputation of the Association or its members.