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# **Mandating Consistency and Quality in Canada's Consulting Sector**

Submission for the 2024 - 2025 Federal Budget



## Summary of Recommendations

1. Provide \$2 million in annual funding to expand the existing Management Advisory Services Program into regional streams through Canada's seven Regional Development Agencies.
2. Include the Certified Management Consultant (CMC) designation as a required or recommended criteria in government procurement and Request for Proposal processes.



## About CMC-Canada

The Canadian Association of Management Consultants (CMC-Canada) is a national organization that has fostered excellence and integrity in the management consulting profession for the last sixty years. CMC-Canada represents over 2500 members across the country and is dedicated to continuing to advance the consulting profession while supporting its members and benefiting the work of Canadians.

CMC-Canada administers, and its provincial Institutes confer, the Certified Management Consultant (CMC) designation in Canada. The CMC designation is the profession's only international certification awarded to trusted advisors demonstrating their knowledge, skills and commitment to the highest ethical standards in the consulting industry.

## Introduction

Public sector growth over the past number of years has moved in lockstep with increased demand for consultants, necessitating clear parameters and expectations for the services consultants provide and the qualifications they possess. As "consultant" is not a protected term, there may be variance in the services and supports offered by practitioners and firms across Canada.

In contrast, the standard for experience, education and ethical grounding already exists for Canadian consultants through the title of Certified Management Consultant (CMC). As the only international certification of the consulting profession, CMCs belong to a regulated designation committed to the highest consulting standards and a rigorous ethical code.

CMCs have a key role to play in improving operations across departments, organizations, and teams. Rather than being "*contracted out*" workforce capacity augmenters, they are professional third-party experts and evaluators who are "*contracted in*" to analyze a specific problem and develop solutions. They bring a learned, objective viewpoint and focused skillset to the task of recognizing and resolving complex challenges, and they approach each situation with an open mind and structured diagnostic process.

Currently, there are 2500+ CMCs working in large companies, small- to medium consultancies, or as independent practitioners across Canada. However, this number represents only a small portion of all Canadian consultants, meaning the vast majority, have not obtained the designation or the high and standardized level of competency it ensures.

CMC-Canada believes it is critical that increased recognition is placed on the CMC designation through government processes, while expanding programs providing clients with high quality, consistent and credible service that maximizes return on investment and adheres to ethical principles and practices.

## Modernizing the Management Advisory Services Program to Prioritize Regional Diversity

It has long been recognized that many small and medium sized enterprises (SMEs) possess innovative ideas but lack the management experience to build and run a successful business or commercialize a technology. While many innovators have strong technical backgrounds, they may not have extensive knowledge of management or business practice and need support.

In response to this gap, the National Research Council of Canada's Industrial Research Assistance Program (IRAP) funded the Management Advisory Services (MAS) Program in 2003. As the longest standing contribution agreement in IRAP history, MAS connects Certified Management Consultants with SMEs in need of management support, providing them with 40 hours of free advice and support to define issues, set priorities and establish action plans. These SMEs are predominantly new businesses or those about to launch a new product who are looking for ways to sustainably grow or enter the market successfully.

Over the past 20 years, the MAS budget has steadily grown, from \$120,000 in 2003 to \$990,000 in 2023. Today, it supports over 115 programs annually, with over 75 CMCs participating; two months into the program it has already surpassed its halfway mark, with 60 projects. Most clients have less than 10 employees, with an annual revenue under \$200,000. They are in industries spanning Technology, Professional Services, Health, Social Programs and more.

The program has had significant positive impacts on its clients, with many requesting repeat funding for new initiatives. 92% of clients rated the professionalism of their CMC as very good or excellent, with 85% rating the advice received as very good or excellent and 100% saying they would recommend the MAS program to someone else. The program is working, and it is working with – and because of – CMCs.

However, demand continues to significantly outstrip funding, even as the program nears the \$1 million cap in place for IRAP funding. Given the limited capacity, promotion of the program is limited, which creates inequities in awareness and regional uptake. **Indeed, the vast majority of currently funded projects are centered in Western Canada, with 75% in Alberta and British Columbia alone.** There is a clear need to both expand the program beyond its current at-capacity stream and to emphasize regional diversity through replication in other local service delivery areas.

A clear mechanism through which to accomplish this goal is through collaboration with Canada's seven Regional Development Agencies (EDA), which aim to foster expansion, productivity, and growth through innovation. The initial MAS program began in Alberta in 2003 with a budget of \$120,000. When adjusted for inflation, this would equate to approximately \$200,000 in funding for each EDA, with additional top up funding to address higher levels of demand through EDAs in areas such as Quebec and Southern Ontario. Administration and oversight for the program could be centralized at the federal level, with individual funding streams across each region.

**Recommendation 1:** Provide \$2 million in annual funding to expand the existing Management Advisory Services Program into regional streams through Canada's seven Economic Development Agencies.



## **Recognition of CMC Designation in Government Policies and Procurement Processes**

As we seek to redefine the role consultants play in the federal government, CMC-Canada believes it is necessary that the CMC designation is formally recognized by government as an essential designation for federal consulting work. This will ensure that clients continue to receive a consistently high level of service that adheres to ethical principles and practices.

When the federal government hires consultants who have not met this standard, they are procuring services of consultants who are not provincially regulated and that are only accountable to the companies they work for or the court system. As such, it is critical not only to emphasize the designation in procurement processes, but also to enhance educational and promotional efforts to ensure clients and consultants are aware of the standards in place.

Embedding the CMC designation in procurement processes identifies the standard to which the government holds prospective consultants, promoting a consistent quality of service and encouraging consultants to seek out further certification to remain competitive. This in turn will promote informed client decision-making and a higher standard of practice for those working in consulting roles across Canada.

**Recommendation 2:** Include the Certified Management Consultant (CMC) designation as a required or recommended criteria in government procurement and Request for Proposal processes.