Management Consultancy Services Standard – EN 16114, Briefing Note July 2012

This briefing note has been compiled by the Institute of Management Consultants and Advisers (IMCA) to introduce the newly approved EN 16114 standard for Management Consulting Services. For more information on EN 16114 see http://www.imca.ie/e-library/cen_standard/

1. Overview of EN 16114 Management Consultancy Services standard

This note summarises the EN 16114 standard which comprises guidelines to be observed by individual management consultants and consultancy practices, and are incorporated in the relevant IMCA procedures and certification criteria.

The standard describes consultancy assignments in terms of the policy framework, guidelines for evaluation and improvement, and the key phases of typical assignments.

1.1 Policies

Outline policy framework to be maintained by MCSPs[1] (referred to hereinafter as consultancy practices) throughout assignments.

Regulatory framework	Appropriate level of awareness of the relevant laws, policies, rules, regulations and standards that govern their services; identified, if necessary, in the agreement.
Communication	Effective communication strategy and policy.
Ethics	Professional code of conduct and business ethics, and statement of values to guide the professional conduct of consultancy practices.
Corporate Social Responsibility	Statement of corporate social responsibility to guide the professional conduct of practices.
Capability	Consultancy practices only accept assignments they are able to fulfil in a professional manner. If they have reason to believe the agreed outcomes will not be met, they should, without delay, inform the client and renegotiate the agreement.
Quality	Quality plan to anticipate, manage and quantify risks and issues.
Guarantees	Conditions of any guarantee of the services to be provided negotiated and agreed
Health and safety	Statement of health and safety to guide the professional conduct of practices.

1.2 Ongoing evaluation and improvement

The purpose of evaluation is for the consultancy practice to:
- Diagnose the effectiveness of the assignment;
- Make recommendations for corrective action;
- Implement new processes and methods.

An effective evaluation strategy and policy should exist for the duration of the relationship between the client and the consultancy practice. Even if not included in the agreement, the practice should have a process to learn from the work it undertakes. The effectiveness of evaluation should be assessed.

If evaluation is required for contractual reasons to determine the fees paid, the practice and the client should agree the most appropriate method of evaluation.

1.3 Phases

The typical phases of a consultancy assignment– Offering, Execution and Closure - are outlined below and the key requirements for success in each phase set out in the following pages.

Offering: The consultancy practice and the client reach a clear agreement on the service to be provided and commit to working together. Transparency is critical to avoid misunderstanding and minimise risk.

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[1] *Management Consultancy Service Providers*

Execution: The consultancy practice implements the service, following the agreed approach and plan. To achieve a mutually positive outcome, the practice and the client need to collaborate with confidence, fairness and mutual respect.

Closure: After completion of the deliverables and assessment of the outcomes, the assignment is completed by resolving any open items and meeting all contractual and legal obligations. It is critical that the consultancy practice gains acceptance from the client that the assignment is complete.

2. Offering Phase

Purpose	To reach an agreement between the practice and client on the services to be provided.
Input	Include perceived needs, expectations and desire of the client, potential constraints and risks, and any significant changes beyond the scope of the change control process.
Outcome	A legally binding agreement between the practice and the client specifying the services and the deliverables, and establishing the rights and obligations for each of the parties.
A proposal from the consultancy practice to the client should include typical contents as below:	
Context	*Background information, assumptions, scope and limits* - relevant facts, e.g. accurate description of organization's current situation, client's objectives, why work needs to be done, assumptions and their impact, and scope and limits of assignment; ensuring the client understands the need to share all relevant and significant information. *Constraints and risks* – as known and identified; risks monitored during Execution phase. *Stakeholders* – Specified in this section.
Services and deliverables	Description of services, outcomes, and deliverables or outputs. Specific, measurable and achievable, relevant and time-bound objectives so results can be evaluated.
Approach and work plan	Work plan for operational planning of the services including, as appropriate,: a) objectives, scope; b) change management; c) contents; d) documentation; e) data, information and technological resources; f) organization; g) consultancy practice's human resources and their responsibilities; h) client's human resources and their responsibilities; i) timetable; j) project management methods (including acceptance stages, notification of delays, decision process, stages for assignment delivery, methodology, etc.); k) communications (including channels, methods, etc.); l) escalation procedures (in case of deviations from the agreement); m) quality programme; n) deliverables or outputs.
Roles and responsibilities	Roles, responsibilities & resources specified (incl. client personnel, data & documentation). *Assignment monitoring and control* - decision-making, direction and control processes, including designation of project 'sponsor' or project 'leader' for project governance role; processes consistent with client's corporate governance. *Evaluation of the assignment* - how evaluation is carried out, e.g. measurable milestones, how objectives are evaluated and to whom interim and final evaluation results reported.
Terms and conditions	*Commercial terms* - terms and conditions, fees & charges, payment schedule, expenses, etc. *Contracting standard terms and conditions* - pertinent to relevant legal and regulatory requirements, and statutory obligations, e.g. ownership of material and outputs, user rights, licensing, intellectual property rights, liability limits, etc.; may refer to applicable professional standard, and to governing law for cross border and international services. *Policies* - requirements, responsibilities and activities relating to policies applicable such as the regulatory framework, communication, ethics, corporate social responsibility, capability, quality, guarantees, health and safety, and any other agreed item.

3. Execution Phase

Performance of the services agreed in the Offering with the ultimate aim being to satisfy the client.

Purpose	To deliver what was agreed in the Offering phase.
Input	Should not start without an agreement and significant changes in the assignment context that have an impact on the execution may require renegotiation of the agreement.
Outcome	Services and deliverables or outputs.
	Recommendations and approach for the future, if appropriate.
	Ongoing evaluation and improvement.
The components of the Execution phase should include:	
Refining the agreed work plan	Work plan agreed in Offering phase refined to reflect conditions at the start of Execution phase; client involved and approval gained for the refined plan.
Implementing the work plan	Assignment carried out in accordance with refined work plan - typically to consist of: • information gathering; • analysis; • scenarios and/or recommendations; • decisions taken; • implementation of decisions; • preparation for acceptance and closure.
Assignment management and monitoring	Areas of activity below addressed throughout the assignment to ensure success.
a) Project governance	*Final decisions about the assignment made by the client with the practice making all reasonable efforts to provide relevant information; terms of agreement between client and practice respected, and capable of dealing with the consequences of any breach.*
b) Project management approach	*Agreed project management methodology and structure adhered to.*
c) Resources Management	*All resources involved made available and managed in accordance with the agreement.*
d) Monitoring of progress and change control	*Progress against the work plan monitored and recorded formally with a change control system or process in place to deal with:* • *deviations from the work plan;* • *changed context of the assignment;* • *changes in the client's operating environment;* • *changes in the consultancy practice.* *Significant changes beyond the scope of the change control process considered as new inputs to the Offering and/or Execution phase.*
e) Risk management	*Commercial and assignment-related risks continually assessed, and mitigated. Risk management applied to identify, analyze, assess and prioritize risks, coordinating and applying the required resources to minimize, monitor and control probability and impact.*
f) Quality	*An agreed quality plan followed by the client and the consultancy practice. to ensure that the service is provided and the outputs are delivered.*
g) Communications and reporting	*Principles of communication agreed in the Offering phase followed throughout, with regular reporting of progress and risks.*
Approvals and acceptance	Agreed process in place to approve and accept all services delivered. Commercial implications of acceptance or rejection dealt with in accordance with the agreement.

4. Execution Phase

Assignment is completed when the client approves and accepts the service provided and the outputs.

Purpose	To achieve an orderly end to the assignment after completion of the delivery of the service.
Input	Starts when decision taken that assignment is complete, normally when service is provided.
Outcome	A number of outcomes, including: • release of all parties from their obligations in the agreement, except specific obligations that remain after closure – see below; • shared understanding of continuing obligations between stakeholders, particularly *practice* and client (e.g. guarantees, confidentiality, outstanding issues, etc.); • financial settlement of invoices, expenses, etc.
Assignment is not considered closed until final closure procedures have been completed; to include:	
Legal and contractual matters	Effective processes to ensure that all legal and contractual matters are dealt with in a timely and efficient manner, in accordance with the agreement; to include: • invoicing and payment; • reconciliation of expenses of the consultancy practice; • formal sign-off and acceptance; • release of resources (including subcontractors); • warranties and guarantees, • 3rd party confidentiality; • intellectual property rights; • obligations remaining after closure (legal, confidentiality, non-competition, etc.).
Final evaluation and improvement	Process in place by practice to learn from work undertaken so the information and knowledge created during the project is recorded and applied for improvement. Expertise in evaluation is maintained with systematic process to ensure that strengths and opportunities for improvement are recorded and shared among staff. Where evaluation is required for contractual reasons to determine the fees paid, most appropriate method of evaluation agreed by practice and client. Typical metrics include: • innovation (development of new services); • process effectiveness; • process improvements; • team performance; • utilization of resources; • climate & motivation; • sales leads/references; • client satisfaction.
Administrative matters	Effective processes by consultancy practice to ensure all administrative matters are dealt with in a timely and efficient manner – to include: • indexing, filing, archiving; • backing-up data and records; • return of client property, equipment and facilities (e.g. files, records, data, security passes); • release/recruitment of subcontractors and internal resources; • completion of internal quality assurance procedures.
Communication	Any obligations regarding communication about the assignment fulfilled by practice (e.g. confidentiality agreements, case studies, articles, references, etc.); client debriefed.
Outstanding minor issues	Process, agreed with client by practice, to deal with any outstanding minor issues so closure can be achieved.