

# *CODE OF PRACTICE*

*Examples of good practice and non-compliance*

*June 2009*

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- The purpose of this document is to provide additional detail about what is meant by each component of the Code of Practice.
- MCA member firms developed these examples in a series of workshops and conversations which took place during April and May 2009.
- These examples are not intended to be a definitive list, rather a series of illustrations of the kind of behaviours and processes which are typical of MCA firms.

- ***MCA members work to a Code of Practice. MCA members:***
  - *demonstrate their compliance with the Code before joining the MCA*
  - *explicitly renew their commitment to the Code every year*
  - *can be audited in the event of a client complaint to the MCA or on the initiative of the MCA Membership Committee. If upheld, complaints can result in reprimand or expulsion.*
- ***As members of the MCA, each company will always:***
  - ***Put their client's interests first***
    - MCA members make sure that the objectives and terms of any assignment, including remuneration, are agreed with the client in advance. In any conflict, the duty to the clients must prevail.
  - ***Focus on delivering sustainable value to the client***
    - MCA members ensure a clear focus on value and the transfer of knowledge to clients. Client references are always taken up before a company is admitted into the MCA. These must demonstrate high levels of client satisfaction. Member audits also review references from clients.
  - ***Employ people with the right skills and experience to help their client, and continually develop their expertise***
    - MCA members employ at least ten full time consulting staff, with relevant experience and qualifications. They also have formal training and development programmes for their consultants, together with annual performance appraisals.
  - ***Be clear and transparent with the client***
    - MCA members must disclose any information which could influence their ability to work on a particular assignment.
  - ***Be trustworthy, independent and objective***
    - MCA members keep strictly to all agreements about the confidentiality of information. They all have a management consulting service which is ring-fenced from any other business so that their advice is objective and fact-based. Members only accept work that they are qualified and have the capacity to undertake.
  - ***Be financially strong enough to deliver on their commitments***
    - All MCA members have a track-record in the industry – they have been in operation for at least three years before they join the MCA. They are financially self-supporting and can meet all their liabilities.

## MCA Members put their client's interests first

*MCA members make sure that the objectives and terms of any assignment, including remuneration, are agreed with the client in advance. In any conflict, the duty to the clients must prevail.*



Good Practice Examples	Non-Compliance Examples
MCA members proactively gather feedback from clients on an ongoing basis and act upon the feedback trends	Member firms do not have a complaints handling/feedback process
MCA members ensure that documented objectives and terms for any assignment are agreed with the client including escalation process in the event of issues and changes Documented processes are in place for dealing with conflicts of interest	Terms of engagement/contract not agreed before work begins Terms of engagement do not refer to governance process
There is evidence of internal challenge within member firms to check that the assignment is in the best interests of the client and represents value for money. Member firms undertake constructive challenge of clients decisions	
Client feedback is an integral part of individual performance assessment and reward mechanisms	Incentives and performance management regimes encourage behaviours that could be detrimental to the client's interests
There is transparency about costs and all information relating to costs appears in one place in the terms of engagement Variations to cost and scope are notified in advance and agreed with the client	Member firms take remuneration from third parties in relation to decisions about choice of suppliers Hidden costs become evident after terms are agreed

## MCA Members focus on delivering sustainable value to the client



*MCA members ensure a clear focus on value and the transfer of knowledge to clients. Client references are always taken up before a company is admitted into the MCA. These must demonstrate high levels of client satisfaction. Member audits also review references from clients.*

Good Practice Examples	Non-Compliance
<ul style="list-style-type: none"> <li>Terms of engagement clearly state benefits and what success looks like</li> <li>A benefits realisation plan is in place for each assignment</li> <li>Post project evaluation takes place to assess realisation of benefits</li> </ul>	No visibility or review of client project success criteria
<ul style="list-style-type: none"> <li>Knowledge transfer objectives are agreed upfront with client</li> <li>A skills transfer plan is developed with the client</li> </ul>	
<ul style="list-style-type: none"> <li>There is an acknowledgement of any risks upfront and appropriate joint action is taken to mitigate</li> </ul>	
<ul style="list-style-type: none"> <li>Progress/checkpoint reporting is put in place which confirms the direction of work and triggers change where necessary, ensuring that there are no surprises</li> </ul>	
<ul style="list-style-type: none"> <li>Quality assurance processes is in place. Members may have external certification eg ISO 9001, Investors in People, Matrix quality standard</li> </ul>	ISO 9001 certification is withdrawn
<ul style="list-style-type: none"> <li>An audit trail is in place to track significant activity</li> </ul>	

**MCA Members employ people with the right skills and experience to help their client, and continually develop their expertise**



*MCA members employ at least ten full time consulting staff, with relevant experience and qualifications. They also have formal training and development programmes for their consultants, together with annual performance appraisals.*

Good Practice Examples	Non-Compliance
At least 90% consulting staff are graduates or equivalent or have other suitable professional qualifications	
There is a professional development programme in place for all staff	No professional development exists No training programme exists
A competency framework is in place There are processes in place which match competency to client needs	No competency framework exists
MCA members proactively gather feedback from staff on an ongoing basis and act upon the feedback trends	
Skills are matched to client needs and client work is turned down if the right skills are not available	
Where subcontractors are used, they are of good quality and well briefed on project objectives and the values of the member firm	
MCA members ensure that their staff are aware of MCA Code of Practice	

**MCA Members are clear and transparent with the client**  
*MCA members must disclose any information which could influence their ability to work on a particular assignment.*



Good Practice Examples	Non-Compliance
MCA members agree with the client who the key stakeholders are for negotiation and sign-off	Work is carried out without any agreement in place
MCA members ensure that the client has a clear understanding of what the member firm is going to do There is joint agreement between the member firm and the client about what each is responsible for in terms of project delivery and what is in and out of the scope of the proposal	
Jargon is avoided. Language used is clear, straightforward and unambiguous	
There is transparency about costs, including expenses, and all information relating to costs appears in one place in the terms of engagement There is transparency about agency fees and commissions	
There is transparency about the resources available to do the work and risks relating to their availability	
The use of subcontractors is disclosed and work monitored	Not declaring the use of subcontractors
There is transparency over timescales	

**MCA Members are trustworthy, independent and objective**  
*MCA members keep strictly to all agreements about the confidentiality of information. They all have a management consulting service which is ring-fenced from any other business so that their advice is objective and fact-based. Members only accept work that they are qualified and have the capacity to undertake.*



Good Practice Examples	Non-Compliance
<p>Members ensure client confidentiality eg they comply with the British Standard on confidentiality of information                      A training programme is in place which reinforces messages about respect for client confidentiality                      Client case studies, quotes and references are used only with the prior agreement of the clients</p>	<p>Breaches of intellectual property and copyright laws                      Not having a process in place to ensure confidentiality of information                      Leaking client data                      Sharing information for financial gain</p>
<p>There is transparency over agency fees and commissions, use of subcontractors, relationships with third party suppliers and alliance partners</p>	
<p>Experiential advice is given to clients based on market evidence</p>	<p>Pushing an inappropriate solution to the client for financial gain</p>
<p>Mechanisms are in place to ensure that, where there is a conflict of interest, this is managed.</p>	<p>No more than 40% of the members' work comes from within their group of companies</p>
<p>There is transparency over the resources available to do the work and risks relating to their availability</p>	

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## MCA Members are financially strong enough to deliver on their commitments

*All MCA members have a track-record in the industry – they have been in operation for at least three years before they join the MCA. They are financially self-supporting and can meet all their liabilities.*



Good Practice Examples	Non-Compliance
In practice for at least 3 years	Declared insolvent
Financially solvent with no insolvency issues for at least the previous 3 years	
Effective risk management and business resumption plans in place	No professional indemnity insurance in place