

Institute of Management Consultants, Inc.

A Profile of the Organization

E. Michael Shays CMC

Since 1929, management consulting firms in the United States have been represented professionally by the Association of Consulting Management Engineers, or ACME as it is named today. Later, in 1952, smaller firms founded the Association of Management Consultants, or AMC. But these associations represented the profession by representing firms, rather than the individual consultants.

As early as 1940, some members of ACME felt the time had come to form an association to set standards for the individual practitioner. By 1968, ACME, this time in league with AMC, SPMC (the Society of Professional Management Consultants), and the New England Society of Management Consultants, had established a founder's group.

In January 1969, 143 experienced management consultants established the Institute of Management Consultants, Inc., to set standards of professional conduct and competence and to accredit, as members, individual management consultants who met those standards.

Who and Where the Members Are

Today, IMC has grown to over 1700 members and 24 chapters.

This is the first of a series profiles of the professional organizations that serve and represent management consultants. A future issue of this journal will feature a profile of ACME, the association of management consulting firms; ACME was instrumental in founding IMC whose members are individual consultants.

Future issues will also profile associations representing smaller firms, sole practitioners, internal consultants, and academics in North America and in Europe.

(See Figure 1.) Its most active function is the accreditation of individual management consultants as Certified Management Consultants, or CMCs. IMC has also established an Associate Member program to develop entry-level consultants and prepare them for certification, and it has an active schedule of chapter programs, national conferences, and Funda-

mentals of Management Consulting seminars around the United States.

According to a survey of the management consulting population which IMC completed in 1983, there are 26,500 full-time individual management consultants in the United States today, 10,600 of whom have the experience required for certification. *Consultants News* has estimated there are 50,000 management consultants in the U.S., but this number includes 25,000 which were "unidentified," and which IMC estimates are probably not full-time and therefore would not be candidates today for certification. As of the beginning of 1985, IMC has certified a total of 2063 management consultants, 1441 of whom are still active members. The rest of the membership consists of Associate Members working toward their certification. (See Figure 2.)

Certified members include Regular Members, Senior Associates, and Honorary Members. A member who has been a certified member for five years or more, and who retires from management consulting or returns to industry, may remain active in IMC as a Senior Associate. Of the 76 Senior Associates today, 30 of them are active in industry positions.

At its March 1985 meeting, the Board of Directors voted Honorary status for five members who

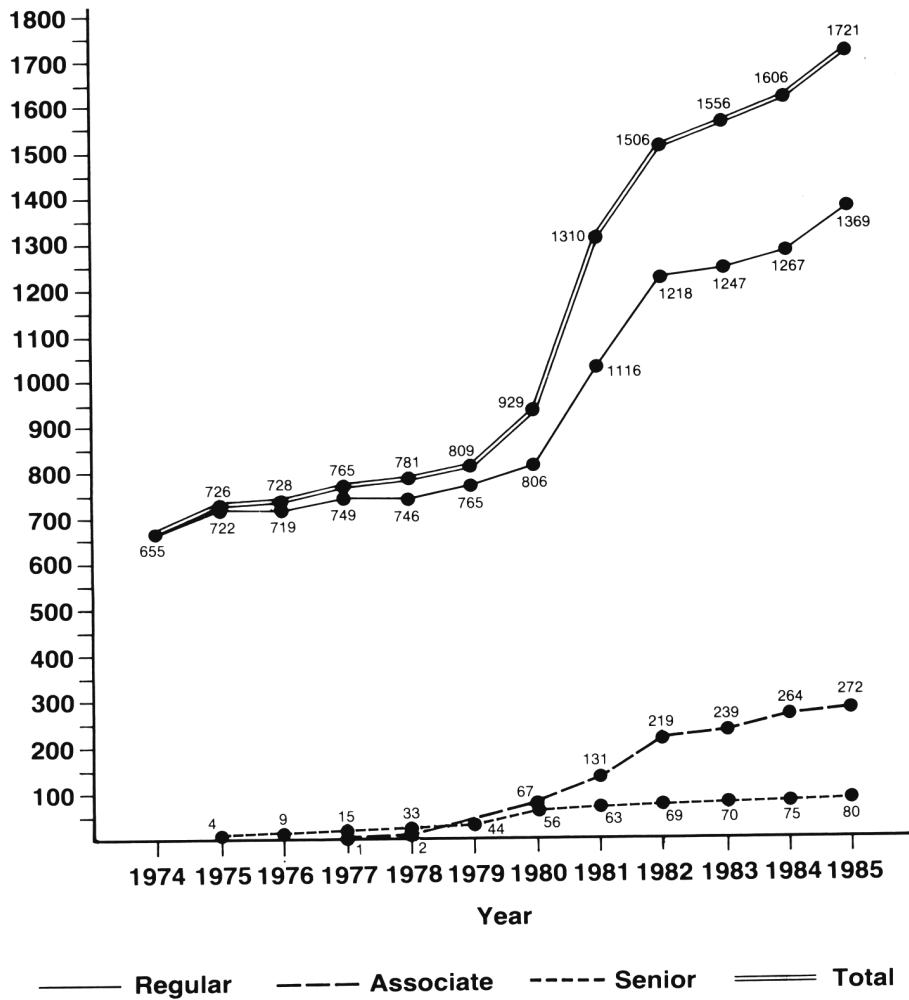


Figure 1. Growth of IMC Membership, 1974-1985.

had been regular members for fifteen years, and who have since retired from management consulting, thus activating a provision written in the original bylaws sixteen years ago.

As of the 1983-84 membership directory, approximately 44 percent of the membership consists of sole practitioners and members of

small consulting firms. Thirty-three percent are partners or employees of the management advisory services of public accounting firms. Most of the balance are with large independent management consulting firms. (See Figure 3.)

Geographically, 40 percent of IMC members are in the North-

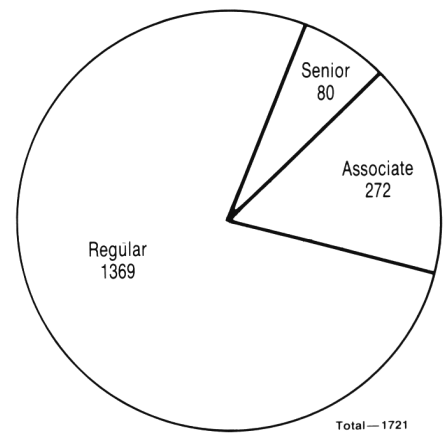


Figure 2. IMC Membership by Category: Regular, Senior Associate, Associate.

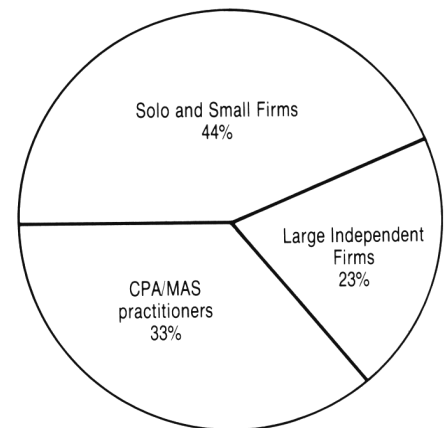


Figure 3. IMC Membership by Type of Firm: Solo and Small Firm, MAS, Large Independent Firm.

east corridor between Washington and Boston, with the second largest concentration in the Great Lakes area. New York City has the largest chapter with 309 members. Northeast Ohio, the newest chapter chartered in 1983, now has 35 members. (See Figure 4.)

IMC dues for regular members are \$250 a year, and somewhat less

INSTITUTE OF MANAGEMENT CONSULTANTS

Region Chapters	Members	Region Chapters	Members
Mid-Atlantic		Rocky Mountains	
Philadelphia	96	Greater Denver	53
Washington, D.C.	107	K.C. Metro.	49
	<u>203</u>	Arizona	17
Midwest			<u>119</u>
Greater Chicago	185	Southeast	
Metro. St. Louis	34	Greater Atlanta	95
Minn.-St. Paul	30	South Florida	35
Wisconsin	27	North Carolina	38
	<u>276</u>	P.R. & Carib. Area	17
New York Metro.			<u>185</u>
Greater New York	309	Southwest	
New Jersey	83	Dallas	69
	<u>392</u>	Houston	35
North Central			<u>104</u>
Detroit	47	European	
Northeast Ohio	35	Europe*	12
	<u>82</u>	Other Foreign	
Northeast		Asia*	6
Connecticut Valley	20	Canada*	8
Greater Mass. Bay	75	Latin America*	4
	<u>95</u>		<u>18</u>
Pacific		Total Foreign	<u>31</u>
Los Angeles	103	TOTAL	<u>1721</u>
Pacific N.W.	58		
Northern Cal.	74		
	<u>235</u>		

Figure 4. Chapters: Name, Number of Members. (*Not chapters.)

for other members. According to a 1985 IMC survey, 83 percent of members' dues are paid for by their firms, which may account for a renewal rate of 91.7 percent, considered high in most professional associations. In 1983, when one firm decided not to subsidize membership dues, only 25 percent of their 40 IMC members renewed their membership. On the other hand, since approximately 44 percent of IMC members are

from their own or small firms, in a practical sense almost 60 percent of IMC members pay their own dues.

CMC, a Badge for Achievement

IMC Executive Director, John Hartshorne CAE, likes to say that certification is a mark of success, not a maker of it. Certified man-

agement consultants - CMCs - are professional management consultants who already have achieved a level of skill, knowledge, and experience that is recognized by their peers. CMCs also have demonstrated their integrity and responsibility to the public.

This is professional accreditation by one's peers, not a state or federally regulated licensing program. So far in the United States no governmental entity has licensed management consultants, aside from the registration of management consultants by South Dakota about ten years ago. That law has since been rescinded.

Except in Ontario, Canada (with other provinces soon to follow), the CMC appellation has no legal status in North America, other than to signify accredited membership in the Institute of Management Consultants, Inc. In Ontario no one can use the initials CMC except a member of IMC of Ontario (IMCO), or a management consultant from another province granted reciprocity.¹ In the United States, IMC can claim prior use to preclude others from using CMC to designate "Certified Management Consultant."

Qualifications for certification include:

- satisfactory moral and ethical standing in the professional field of management consulting, including subscribing

¹An exception in Canada is the Certified Mail Clerks who used the CMC designation before the IMCO legislation was passed. In the United States, much to the chagrin of IMC, CMC has been advertised by "Certified Master Chefs" and "Certified Moving Consultants."

to the Institute's *Code of Professional Conduct*;

- five or more years of acceptable practice in management consulting, with one year of major responsibility for projects or major contributions to assignments; three of the five years and the one year of major responsibility must have immediately preceded the date of application;
- professional level of competence in one or more areas of management consulting;
- a bachelor's degree or equivalent from an accredited college or university;
- no conflict of interest in his or her services or in those of his or her employer;
- successful completion of oral interviews and written examinations.

There have been only two changes in the certification requirements since the founding of the Institute, but the process of evaluating a candidate's eligibility has been modified and refined over the years.

The first change in the requirements was perhaps the most controversial event in the Institute's history. It was the acceptance in 1971 of management consultants from the MAS divisions of public accounting firms. The issue of MAS independence was debated hotly up to that point and was finally resolved by having the candidate's firm sign a statement attesting to the independence of the candidate.

Earlier, when Cresap, McCormick and Paget and William E. Hill were each purchased by non-management consulting firms,

IMC dismissed almost 40 founding members, including Dick Paget, one of the founding fathers of the Institute. By subsequent use of a different attestation statement, these individuals were reinstated.

The second change also had a profound impact on the Institute, though it was not nearly so controversial. Up until 1979, all members of IMC were certified members, requiring the minimum five years of experience outlined above. Under the presidency of Tom Lawrence, IMC took in associate members working toward their certification under a CMC sponsor, the objective to become accredited in only three years by successfully completing the Associate course of study.

Recruiting the Profession's Leaders

Since the beginning of IMC, a candidate for certification has had to submit not only his or her curriculum vitae, but client references and abstracts of five consulting assignments, one treated in some depth. These are carefully verified and reviewed by the national staff and the Membership Committee (a volunteer group of CMCs) before submitting the candidate to an oral interview panel.

The certification review process is by far the most time consuming and costly activity of the national office and of any of the standing committees, and apparently it is also perceived by applicants as being quite a project. There is something about completing those five engagement abstracts

that has many applicants procrastinating. Some applicants have waited as long as two years between the time their preliminary qualifications had been accepted and the time they submitted their engagement abstracts.

Ten years after IMC was founded, many senior management consultants who had missed the grandfathering enjoyed by the "original founding members" and the next year's crop of "founding members," were now reluctant to put themselves through a prolonged application process that might also place them in front of a panel of "peers" who were actually ten or more years junior to them. IMC felt its credibility required enlisting the support of these leaders. So, without changing the requirements, it waived the five client abstracts and the oral interview for applicants with ten or more years of continuous management consulting experience. Instead they had to submit with their application and references, endorsements from two CMCs who knew the applicants well enough to testify to their competence. Since then 375 "ten-year" applicants have been admitted, almost half of them in the first year after the new provisions were adopted.

The ten-year program has been a success, both in attracting the leaders of management consulting and in screening out those who do not qualify. Ten-year candidates who are not known by two CMCs have had to go before oral interview panels, where some have not been able to establish their management consulting credentials and have been turned down.

Tightening the Process

As the CMC accreditation becomes more widely known, more candidates on the periphery of management consulting practice are beginning to apply. This is making it increasingly difficult to effect uniform and consistent judgments about a candidate's eligibility. IMC is, therefore, tightening the process in several ways, requiring a listing of all the major engagements the applicant has worked on in the last three years, at least one reference from a client served in the last year, and more informative write-ups of all five engagement abstracts. Starting in 1985, the Institute began to test applicants on their understanding of IMC's *Code of Professional Conduct*.

Some members are concerned that this increased effort on the part of the applicant and the increased diligence on the part of the office staff will discourage more eligible individuals from applying and slow down the certification process from the current two-to-four months to six or more. The national officers hope that this will not be so, but are determined to press for the tighter reviews in any event.

The final step in certification before election by the Board of Directors is an oral interview of the candidate by three or more CMCs in his or her local geography. In some parts of the country it is the weakest link in the process, and members of the Executive Committee are considering requiring all panel members to have completed a workshop on

the fundamentals of the certification interview before sitting on an interview panel.

The logistics of getting three CMCs together for a series of candidate interviews have always been difficult in some regions, and a move to certify the certifiers is bound to create more difficulties. Yet the Executive Committee expects most CMCs to rise to the occasion as they learn more about the importance of the oral interview.

Is Recertification Needed?

Currently, there is no recertification requirement in IMC, but many members feel the time must come when IMC will periodically require evidence of sustained qualification through hours of management consulting practice, continuing education, teaching, publishing, or research and development. In a membership survey in 1982, 65 percent of the members were in favor of a continuing education requirement.

Continuing education is consistent with IMC's *Code of Professional Conduct* which carries the statement that "members of the Institute have [the basic responsibility] to strive continuously to improve their professional skills." Most members believe that recertification is at least three to five years away.

The Frozen Out

Some members believe that IMC

is too restrictive, that there are many other professionals who practice management consulting ethically and are every bit as competent as those who can be certified, yet because of the nature of their practices, they are excluded from membership and certification. As in the conundrum "How many whiskers does it take to make a beard," IMC is constantly wrestling with how much management consulting it takes to make a management consultant. IMC requires those it certifies to devote the "substantial majority of their working time" to the practice of management consulting, and accepts sixty percent of one's time as qualifying for "substantial majority." This presently excludes most academicians from certification, something a vocal minority of members - and several academicians - would like to see changed.

But even if an individual practices management consulting full-time, IMC bylaws which define a management consultant as "practicing publicly and for a fee," exclude "internal" management consultants. Last year an *ad hoc* committee of IMC and Association of Internal Management Consultants (AIMC) members studied the certification of internal management consultants, and concluded that with strong independence statements signed by the candidate, the candidate's employer, and previous (internal) clients of the candidate, some internal management consultants would qualify for the CMC. The report was presented to the Board this year, but as of this writing has not been acted upon.

Another *ad hoc* committee,

commissioned about the same time, studied the certification of executive search consultants and introduced the concept of a "college" within IMC for the certification of executive search consultants. This is still under study. IMC Ontario certifies executive search consultants if 20 percent of their time is spent on organizational development consulting. Although some CMCs in the United States spend a major portion of their time in executive search, they originally qualified for certification as management consultants. There is no other provision for certifying an executive search consultant in the U.S. Institute, even though a case could be made that an executive search professional may actually have a greater advisory impact on top

management than the CMC production control specialist.

Treat as Individuals

Up to this point IMC has viewed its professional population as classes of practitioners, rather than as individuals in practice. Some members view this as wrong. They argue that if individuals have the requisite experience, professional competence, independence, high character and professional standards IMC requires, they should be eligible for certification whether or not they are professors at some university, internal management consultants in some corporation, or manage-

ment consultants in some professional firm which may be owned by a commercial enterprise. This view is strongly opposed by many members, but with ACME recently admitting MAS divisions of the public accounting firms, all views of the profession are being seriously tested. There is certain to be movement in this arena in the next five years. [See box.]

The Code Packs a Punch

IMC's Code of Professional Conduct was modeled in 1969 after that of ACME, the organization which spawned IMC, and was amended in 1980 to comply with advice from counsel. It was

The Author's Vision for the Future

Many professional organizations that provide certification have only a small percentage of their members who are actually certified. In John Hartshorne's American Society of Association Executives, only 10 percent of their 10,000 members are Certified Association Executives. IMC should also be willing to accept as members individuals who are not yet qualified, but have the character and ethics to be associated with IMC.

My vision is that by 1990, five years from now, IMC membership will be 10,000. Three thousand will be certified management

consultants, and five thousand will be working toward their certification. The other two thousand will be professionals in management consulting who will not qualify for certification because of:

- the amount of time they can devote to management consulting,
- The lack of independence in their environment, or
- the fact that they are not practicing strictly as *management* consultants.

But all 10,000 will endorse, subscribe to, and adhere to a common code of professional ethics.

All 10,000 will strive through continuing education to stay abreast of new knowledge and methodologies.

All 10,000 will work together to improve the practice of management consulting.

All 10,000 will work together to improve the public's perception of the value of the management consultant.

All 10,000 will take up the responsibility for self-regulation of the profession.

And they will do this in full cooperation with the other associations in the management consulting profession.

Credo for Perpetuating a Vision

The corporate character of the Institute of Management Consultants, Inc. is shaped by its *Code of Professional Conduct* and by seven corporate values - its own shared beliefs in why IMC exists and how it should function. To the outsider, these values may sound simple - almost self-evident. To succeeding elected administrations of IMC, however, the seven values have some powerful operating principles for guiding the Institute with continuity. In a video tape released at the 1985 annual meeting, past president Michael Shays, current president John Roethle, and president-elect Robert Sabath described these values.

1. *We believe in the American free enterprise system and the right of anyone to practice as a management consultant.*

The Institute of Management Consultants is not a protectionist organization. It is not trying to prohibit the practice of management consulting by anyone. The members of IMC do not have an exclusive right to practice. But it can set standards of professional conduct and practice for its own members, promote these standards, and encourage client managers to accept nothing less. In this way IMC can promote high standards of conduct and practice among all management consultants, whether they are members of IMC or not.

2. *We believe in the professionalism of management consulting and in the obligation of those who practice*

to strive for excellence and to adhere to the code of ethics of their profession.

We view management consulting as a profession and not as just a business. We believe all who represent themselves as management consultants should be very conscientious about the ethics of their practices, and also about their obligation to strive for excellence. If IMC believes in any form of exclusivity, it is not who is a member and who is not, but who practices as a professional and who does not. We would like the term *management consultant* - wherever it is used - to mean ethical in practice, excellence in product, and of value to our

3. *We believe that certification should be rigorous and a mark of the very best in our profession, and that certification carries the obligation to continually strive for self-development.*

If certification is to mean anything to IMC's public, and especially to its peers in this profession, it has to be an achievement - something to set the really excellent management consultants apart from the mediocre. Whatever else IMC does, it should never compromise the high standards of certification.

4. *We believe that the Institute must represent and serve a broad spectrum of professional management consultants through resolute and selfless leadership whether or not these professionals are members of IMC; and that this leadership*

amended again in 1984, after four years and many hours of review. The ethics examination, which some thought could hardly be created, was completed in time for the October 1984 board meeting. The directors took a pilot ethics examination and discovered that it was easier to subscribe to the Code than articulate its provisions. A realization that the Code had been taken for granted sparked a new interest in forming workshops to discuss the Code, and reconfirmed the value of the test as a step in the certification process.

To date, only two cases have been referred to the Professional Conduct Committee for formal adjudication. Although there is a provision for clients to refer complaints to the Committee, both were brought by other CMCs. Members who faced certain disciplinary action have resigned their certification before any board action was necessary.

Expanding the "Body of Knowledge"

The third purpose of IMC is to assist in the professional development of management consultants, and some might add "whether they are members of IMC or not." Professional development requires the identification of a "Body of Knowledge" (BOK), and until the past five or six years, very little was written about the practice of management consulting. Nevertheless, in 1979 IMC published a BOK for the Institute. However, so much has

a result, there has been some experimentation with the series, from collaborating on one occasion with AMC to having one of the regions produce and host a conference.

Chapter Organization

An important contributor to the growth and development of the Institute was the establishment of chapters, beginning in 1977.

Six CMCs who can resent a set of bylaws, a slate of officers, and a professional development program can apply for a chapter charter. Chapter activities include three to six meetings a year, public recognition programs, and the all important administration of the certification test and oral interview. As may be expected, chapter meetings range from very successful to somewhat disappointing, the success seeming to depend more upon the vitality of the local membership than upon the energy of the program committee. But these meetings are normally the only show in town for management consultants and the role meetings play in professional interchange and development is frequently significant.

The Journal

Finally, as part of its professional development program, IMC conceived and planned the launching of this *Journal of Management Consulting*, which was immediately spun off and incorporated with an independent Board of Trustees.

* * * *

The Institute of Management Consultants is now sixteen years old. It has gone through the crises of birth, survival, and adolescence. It has its critics, but it also has its champions, both of whom are essential to its future success as the largest professional association for individual management consultants and the only certifying body in the profession. There is continuity of leadership, a shared commitment to its values, and a focus on where it wants to go. In the next few years the Institute will face the challenge of how it will serve the larger professional community of management consultants, and how effectively it responds to this challenge will seal its destiny.

At the 1980 annual meeting, Richard Paget - a founding father - remarked in a speech:

"I believe it important for the members of IMC to realize that the concept of professionalism in management consulting was not accepted easily and that in some respects it is still a frail idea. IMC is the bastion behind which professional standards can be developed, where individual practitioners will be able to develop a sense of belonging to an elite group, and where enforcement of professional conduct can be implemented.

It would be folly to think that the job is more than well begun. We have the Institute; we have some substance in its programs; and, as a result, we have an opportunity to achieve the dreams of many who labored to bring this program into being."

These wise words hold true today.

E. Michael Shays CMC is the immediate past president of the Institute of Management Consultants, Inc. In 1975, he was a founding director of the New York Regional Board of Directors, the first IMC region to try self government and the predecessor of the New York (Metropolitan) Chapter. He was elected to the National Board of IMC in 1976.

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