CENTER FOR THE
STUDY OF ETHICS
IN THE PROFESSIONS

STANDARDS OF
PROFESSIONAL CONDUCT
AND PRACTICE
Preamble

Purposes of Standards of Professional Conduct

These Standards of Professional Conduct and Practice signify voluntary assumption by members of the obligation of self-discipline above and beyond the requirements of the law. Their purpose is to let the public know that members intend to maintain a high level of ethics and public service, and to declare that—in return for the faith that the public places in them—the members accept the obligation to conduct their practice in a way that will be beneficial to the public. They give clients a basis for confidence that members will serve them in accordance with professional standards of competence, objectivity, and integrity.

They express in general terms the standards of professional conduct expected of management consulting firms in their relationships with prospective clients, clients, colleagues, members of allied professions, and the public. The Code of Professional Responsibility, unlike the Professional Practices, is mandatory in character. It serves as a basis for disciplinary action when the conduct of a member firm falls below the required standards as stated in the Code of Professional Responsibility. The Professional Practices are largely aspirational in character and represent objectives and standards of good practice to which members of the Association subscribe.

The Association enforces the Code of Professional Responsibility by receiving and investigating all complaints of violations and by taking disciplinary action against any member who is found to be guilty of code violation.

The Professional Attitude

The reliance of managers of private and public institutions on the advice of management consultants imposes on the profession an obligation to maintain high standards of integrity and competence. To this end, members of the Association have basic responsibilities to place the interests of clients and prospective clients ahead of their own, maintain independence of thought and action, hold the affairs of their clients in strict confidence, strive continually to improve their professional skills, observe and advance professional standards of management consulting, uphold the honor and dignity of the profession, and maintain high standards of personal conduct. These Standards have evolved out of the experience of members since the Association was incorporated in 1933. In recognition of the public interest and their obligation to the profession, members and the consultants on their staffs have agreed to comply with the following articles of professional responsibility.

1 — CODE OF PROFESSIONAL RESPONSIBILITY

1. Basic Client Responsibilities

1.1 We will at all times place the interests of clients ahead of our own and serve them with integrity, competence, and independence.

We will assume an independent position with the client, making certain that our advice to clients is based on impartial consideration of all pertinent facts and responsible opinions.

1.2 We will guard as confidential all information concerning the affairs of clients that we gather during the course of professional engagements; and we will not take personal, financial, or other advantage of material or inside information coming to our attention as a result of our professional relationship with clients; nor will we provide the basis on which others might take such advantage. Observance of
the ethical obligation of the management consulting firm to hold
inviolate the confidence of its clients not only facilitates the full development of facts essential to effective solution of the problem but also encourages clients to seek needed help on sensitive problems.

1.3 We will serve two or more competing clients on sensitive problems only with their knowledge.

1.4 We will inform clients of any relationships, circumstances, or interests that might influence our judgment or the objectivity of our services.

2. Client Arrangements

2.1 We will present our qualifications for serving a client solely in terms of our competence, experience, and standing, and we will not guarantee any specific result, such as amount of cost reduction or profit increase.

2.2 We will accept only those engagements we are qualified to undertake and which we believe will provide real benefits to clients. We will assign personnel qualified by knowledge, experience, and character to give effective service in analyzing and solving the particular problem or problems involved. We will carry out each engagement under the direction of a principal of the firm who is responsible for its successful completion.

2.3 We will not accept an engagement of such limited scope that we cannot serve the client effectively.

2.4 We will, before accepting an engagement, confer with the client or prospective client in sufficient detail and gather sufficient facts to gain an adequate understanding of the problem, the scope of study needed to solve it, and the possible benefits that may accrue to the client. The preliminary exploration will be conducted confidentially on terms and conditions agreed upon by the member and the prospective client. Extended preliminary or problem-defining surveys for prospective clients will be made only on a fully compensated fee basis.

2.5 We will, except for those cases where special client relationships make it unnecessary, make certain that the client receives a written proposal that outlines the objectives, scope, and, where possible, the estimated fee or fee basis for the proposed service or engagement. We will discuss with the client any important changes in the nature, scope, timing, or other aspects of the engagement and obtain the client's agreement to such changes before taking action on them—and unless the circumstances make it unnecessary, we will confirm these changes in writing.

2.6 We will perform each engagement on an individualized basis and develop recommendations designed specifically to meet the particular requirements of the client situation. Our objective in each client engagement is to develop solutions that are realistic and practical and that can be implemented promptly and economically. Our professional staffs are prepared to assist, to whatever extent desired, with the implementation of approved recommendations.

2.7 We will not serve a client under terms or conditions that might impair our objectivity, independence, or integrity; and we will reserve the right to withdraw if conditions beyond our control develop to interfere with the successful conduct of the engagement.

2.8 We will acquaint client personnel with the principles, methods, and techniques applied, so that the improvements suggested or installed may be properly managed and continued after completion of the engagement.

2.9 We will maintain continuity of understanding and knowledge of clients' problems and the work that has been done to solve them by maintaining appropriate files of reports submitted to clients. These are protected against unauthorized access and supported by files of working papers, consultants' log-books, and similar recorded data.

2.10 We will not accept an engagement for a client while another management consulting firm is serving that client unless we are assured, and can satisfy ourselves, that there will be no conflict between the two engagements. We will not endeavor to displace another
management consulting firm or individual consultant once we have knowledge that the client has made a commitment to the other consultant.

2.11 We will review the work of another management consulting firm or individual consultant for the same client, only with the knowledge of such consultant, unless such consultant’s work which is subject to review has been finished or terminated. However, even though the other consultant’s work has been finished or terminated, it is a matter of common courtesy to let the consulting firm or individual know that his work is being reviewed.

3. Client Fees

3.1 We will charge reasonable fees which are commensurate with the nature of services performed and the responsibility assumed. An excessive charge abuses the professional relationship and discourages the public from utilizing the services of management consultants. On the other hand, adequate compensation is necessary in order to enable the management consulting firm to serve clients effectively and to preserve the integrity and independence of the profession. Determination of the reasonableness of a fee requires consideration of many factors, including the nature of the services performed; the time required; the consulting firm’s experience, ability, and reputation; the degree of responsibility assumed; and the benefits that accrue to the client. Wherever feasible, we will agree with the client in advance on the fee or fee basis.

3.2 We will not render or offer professional services for which the fees are contingent on reduction in costs, increases in profits, or any other specific result.

3.3 We will neither accept nor pay fees or commissions to others for client referrals, or enter into any arrangement for franchising our practice to others. Nor will we accept fees, commissions, or other valuable considerations from individuals or organizations whose equipment, supplies, or services we might recommend in the course of our service to clients.

II – PROFESSIONAL PRACTICES

In order to promote highest quality of performance in the practice of management consulting, ACME has developed the following standards of good practice for the guidance of the profession. Member firms subscribe to these practices because they make for equitable and satisfactory client relationships and contribute to success in management consulting.

1. We will strive continually to advance and protect the standards of the management consulting profession. We will strive continually to improve our knowledge, skills, and techniques, and will make available to our clients the benefits of our professional attainments.

2. We recognize our responsibilities to the public interest and to our profession to contribute to the development and understanding of better ways to manage the various formal institutions in our society. By reason of education, experience, and broad contact with management problems in a variety of institutions, management consultants are especially qualified to recognize opportunities for improving managerial and operating processes; and they have an obligation to share their knowledge with managers and their colleagues in the profession.

3. We recognize our responsibility to the profession to share with our colleagues the methods and techniques we utilize in serving clients. But we will not knowingly, without their permission, use proprietary data, procedures, materials, or techniques that other management consultants have developed but not released for public use.

4. We will not make offers of employment to consultants on the staffs of other consulting firms without first informing them. We will not engage in wholesale or mass recruiting of consultants from other consulting firms. If we are approached by consultants of other consulting firms regarding employment in our firm or in that of a client, we will handle each situation in way that will be fair to the consultant and his firm.
5. We will not make offers of employment to employees of clients. If we are approached by employees of clients regarding employment in our firm or in that of another client, we will make certain that we have our clients' consent before entering into any negotiations with employees.

6. We will continually evaluate the quality of the work done by our staff to insure, insofar as is possible, that all of our engagements are conducted in a competent manner.

7. We will endeavor to provide opportunity for the professional development of those men who enter the profession, by assisting them to acquire a full understanding of the functions, duties, and responsibilities of management consultants, and to keep up with significant advances in their areas of practice.

8. We will administer the internal and external affairs of our firm in the best interests of the profession at all times.

9. We will not advertise our services in self-laudatory language or in any other manner derogatory to the dignity of the profession.

10. We will respect the professional reputation and practice of other management consultants. This does not remove the moral obligation to expose unethical conduct of fellow members of the profession to the proper authorities.

11. We will strive to broaden public understanding and enhance public regard and confidence in the management consulting profession, so that management consultants can perform their proper function in society effectively. We will conduct ourselves so as to reflect credit on the profession and to inspire the confidence, respect, and trust of clients and the public. In the course of our practice, we will strive to maintain a wholly professional attitude toward those we serve, toward those who assist us in our practice, toward our fellow consultants, toward the members of other professions, and the practitioners of allied arts and sciences.

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Questions about interpretations or Code violations should be sent to:
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