

MANAGEMENT AND BUSINESS CONSULTING SERVICES IN THE CPC

**VOORBURG GROUP CONFERENCE
OSLO, NORWAY
SEPTEMBER 27 TO OCTOBER 2, 1993**

**DANIEL APRIL
STATISTICS CANADA
AUGUST 1993**

THE CPC FOR MANAGEMENT AND BUSINESS CONSULTING SERVICES

IMPLEMENTATION OF THE CPC FOR MANAGEMENT CONSULTING SERVICES

INTRODUCTION

1. *This paper proposes amendments to CPC 865 - Management consulting services and CPC 866 - Services related to management consulting, the primary outputs of ISIC 7414 Business and management consultancy activities. These recommendations are based on the findings of two projects in which Statistics Canada has been involved.*
2. *The first project consists of two pilot surveys¹ of the Canadian management consulting industry (SIC 7771). The Canadian industry is more narrowly defined than ISIC 7414 but these pilot surveys have nevertheless provided an opportunity to test the relevance and applicability of CPC 865 - Management consulting services.*
3. *The second project is a joint effort by Statistics Canada, the US Bureau of Census and Eurostat which consists of concordancing the CSIC, USSIC, ISIC and NACE. This project has resulted in a more precise definition of the boundaries of ISIC 7414, and implicitly, in the identification of additional services provided by the organizations classified to that industry.*
4. *The findings of the pilot tests are discussed first, followed by a discussion of those of the joint concordance project. Some recommendations for changes to the CPC follow.*

1989 PILOT TEST - BACKGROUND

5. *The current management consulting CPCs were proposed by Canada in the early stage of the development of the classification. The proposal was largely based on a literature review, although some consultation with industry representatives had been conducted at that time. The classification emphasizes the different types of expertise (types of issues dealt with in assignments) provided by management consulting firms.*
6. *Further consultations were conducted with industry and policy department representatives prior to the first pilot survey. There was general agreement with the proposed classification approach. It is worth noting, however, that the industry was more interested in information related to international trade and to the industry's client base and occupational mix than in information related to the industry's services.*

¹ One for reference year 1989, the other for reference year 1991.

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7. The first pilot survey had two basic objectives: addressing the industry concerns mentioned above and testing the applicability and relevance of the product classification (see annex 1). This report concentrates on the latter issue.

8. The management consulting CPCs were left unchanged; a few product categories which were thought to be important secondary products of the industry were also included in the survey. The product categories used for the first pilot test and their relationship to the CPC are shown below.

PILOT SURVEY CATEGORIES	CURRENT CPC CATEGORIES
1. PRIMARY PRODUCT CATEGORIES	
General Management Consulting	86501 - General management consulting services
Financial Management Consulting	86502 - Financial management consulting services
Marketing Management Consulting	86503 - Marketing management consulting services
Human Resources Management Consulting	86504 - Human resources management consulting services
Production/Operations Management Consulting	86505 - Production management consulting services
Public Relations	86506 - Public relations
Research & Strategy Planning	part of 86509 - Other management consulting services, n.e.c.
2. SECONDARY PRODUCT CATEGORIES	
Information Management & EDP Consulting	part of 842 - Software implementation service
Systems Analysis and Programming	part of 842 - Software implementation service
Executive Search Services	87201 - Executive search services
Other	

FORM OF ORGANIZATION, STATISTICAL UNITS AND POPULATION

9. The pilot survey essentially targeted single legal entity organizations primarily engaged in the provision of management consulting services. This is, by far, the

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dominant form of organization in the Canadian industry². Most of these organizations operate only one establishment; no attempt was made to survey each establishment of multi-establishment firms. However, a section of the questionnaire (section 9. Provincial distribution) was designed to gather key information from and about multi-establishments firms.

10. Canadian industry 7771 - Management Consulting, roughly equivalent to ISIC 7414 - Business and Management Consultancy Activities³, was the target of the survey. It includes approximately 17 000 firms, the vast majority being firms with less than 4 employees. Management companies constitute an important portion of that universe.

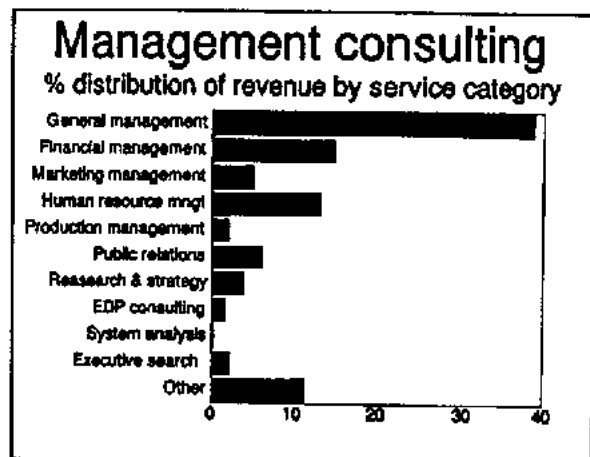
11. Although the first pilot survey did not produce data of publishable quality⁴, it did provide useful information to improve the design of the 1991 survey. It also has provided an initial indication of the applicability and relevance of the current CPC services classification for management consulting.

RESULTS OF THE 1989 PILOT TEST

12. The sample contained 120 management consulting firms with gross business income of approximately 245 million \$; 77% of these respondents were single establishments firms. The responses of these 120 firms form the basis of the first part of this report.

13. Three basic observations have emerged from the first pilot test:

a) A very high proportion of revenues has



² The consulting partnerships of large accounting firms are also important suppliers of management consulting services. However, the activities of these partnerships are more often than not integrated with those of the accounting services partnerships and therefore are not conducted in separate establishments.

³ The test did not include agronomists, agricultural economists or management and holding companies because contrary to ISIC 7414, the Canadian industry does not include them.

⁴ This industry had never been surveyed in Canada and difficulties have been experienced in properly identifying the target population.

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been reported under the general management consulting category. This can probably be explained by the fact that respondents were not explicitly asked to classify each of their assignments separately. It is believed that many of those providing advice in more than one field of expertise have reported all their revenues under the general management category.

b) Most respondents (80%) have reported all their revenues in one category. Here again, it is believed that the absence of explicit instructions to classify each assignment separately may have had an impact on responses, although there may also exist significant specialisation within the industry.

c) The secondary products of the industry, in particular systems analysis and EDP consulting, accounted for a small share of the respondents total revenues. The residual category, however, accounted for more than 10% of the respondents revenues (the fourth largest category).

The analysis of the results of the 1989 pilot survey and further consultation with the industry has resulted in a redesign of the 1991 survey. The major changes are reviewed below.

THE 1991 SURVEY

14. The major changes to the product classification were:

a) The retitling of the general management consulting category to Strategic management and organizational consulting³.

b) The introduction of two secondary product categories, Industrial marketing research studies and Economic and social research.

c) The merging of the systems analysis and EDP consulting categories into one category, Computer services and information systems management consulting.

d) The addition of a category for management services.

The resulting classification and its relationship to the current CPC are shown below.

³ This is consistent with a suggestion made by Finland in an earlier meeting.

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1991 PILOT SURVEY CATEGORIES	CURRENT CPC CATEGORIES
1. PRIMARY PRODUCT CATEGORIES	
Strategic Management and Planning, Organizational Structure and Review Consulting	86501 - General Management Consulting Services
Financial Management and Planning Consulting	86502 - Financial Management Consulting Services
Marketing Management and Planning Consulting	86503 - Marketing Management Consulting Services
Human Resource Management and Planning Consulting	86504 - Human Resources Management Consulting Services
Operations Management Consulting	86505 - Production Management Consulting Services
Revenue from Public Relations	86506 - Public Relations
Other Management Consulting (please specify)	86509 - Other management consulting services, n.e.c.
2. SECONDARY PRODUCT CATEGORIES	
Industrial Marketing Research Studies	part of 86401 - Market research services
Economic and Social Research	part of 8520 - R&D in social science and humanities
Computer Services and Information Systems Management	part of 842 - Software implementation service part of 841 - Consultancy services related to the installation of software
Executive Search Services	87201 - Executive Search Services
Revenue from Management Services	part of 8660 - Services related to management consulting
Other Revenue (please specify)	

15. A nature of business section (Section 4, 1991 questionnaire) has been designed to improve the identification of sampled firms which do not belong to CSIC 7771.

16. The Revenue by Type of Service section has been redesigned. Rather than simply providing a list of services for which revenues are collected, the 1991 survey also asked for the number of assignments by type of service. This approach encourages firms to classify, and report for, individual assignments (Section 5, 1991 questionnaire). This strategy is a means to emphasize that each assignment constitutes a service or transaction. It was hoped that this approach would decrease the number of instances

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where respondents lump their total revenues in a single category.

17. A number of questions have been added at the industry's request.

- a) number of foreign assignments (Section 8, 1991 questionnaire).
- b) Training and Education expenses (Section 6c, 1991 questionnaire).
- c) Numbers of accredited and non-accredited management consultants (Section 7c, 1991 questionnaire).

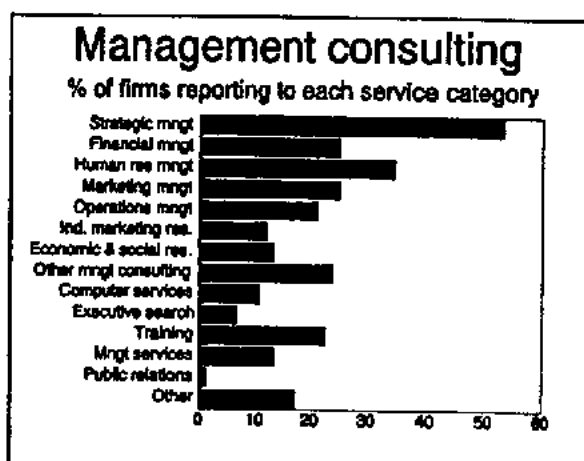
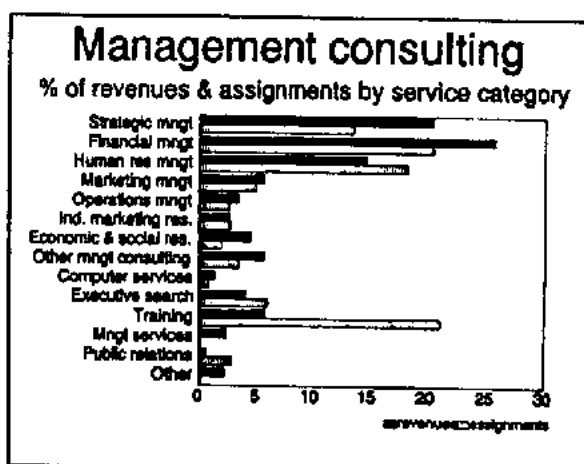
RESULTS OF THE 1991 SURVEY

18. The second test has provided 75 responses covering 13,000 assignments which have generated in excess of \$138 million in revenues. As in the first test, a majority (76%) of respondents were single establishment firms.

19. The redesign of the survey has had a significant impact on the results. In particular, the percentage of firms reporting revenues to more than one category has increased from 20% to 56%.

20. More than half of the revenues were generated by assignments dealing with strategic, organizational, financial and human resource issues. In an international classification, it may be sufficient to isolate 4 management consulting categories, these 3 and a residual category.

21. The residual categories (Other management consulting and Other revenues) were relatively small in terms of revenues, suggesting the classification adequately covered the range of services provided by these firms. They have been used, however, by 20% of the respondents.



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22. The residuals categories were quite heterogeneous. They included services such as telecommunication consulting, health care consulting, government lobbying services, railway consulting, grant application consulting services, immigration consulting, and international trade consulting. The test results suggest these services are individually relatively small in terms of revenues; however, the small size of the sample precludes any definitive conclusion.

23. It is worth noting that secondary production accounted for approximately 21% of the respondents revenues. Some of the secondary products actually generated a larger proportion of revenues than some of the primary products. This shows that much remains to be learned about service industries and their output mix.

THE JOINT CONCORDANCE PROJECT

24. As mentioned in the introduction, Eurostat, Statistics Canada and the US Bureau of Census are currently developing a concordance between the Canadian SIC, the USSIC, ISIC and NACE. The methodology adopted, which consists of coding approximately 34 000 activity descriptions to the four classification systems, has proven very useful in drawing the boundaries of ISIC categories which can otherwise be open to interpretation.

25. Given that the services part of the CPC is based on an industry of origin principle, this project can provide useful information its development.

26. The interpretation of ISIC 7414 poses a particular difficulty in that it is essentially a residual group. Many business consultancy services are classified elsewhere in ISIC, the most notable examples being custom, tariff and transportation consulting (ISIC 6309), investment consulting (ISIC 6719), insurance and actuarial consulting (ISIC 6720), real estate consulting (ISIC 7020), computer related consulting (7210 & 7220), legal consulting (ISIC 7411), taxation consulting (ISIC 7412), construction, engineering, architectural and various other technical consulting services (ISIC 7421), advertising consulting (ISIC 7430), placement consulting (ISIC 7430) and interior decorating and fashion consulting (ISIC 7499). The working group has interpreted ISIC 7414 to include all business consultancy services listed in their data base except those listed above⁶. That being said, a complete and unduplicated list of business consulting services remains to be compiled. ISIC 7414 also covers some, but not all management services.

⁶ Work still in progress.

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27. The current CPC is weak in this area and the knowledge necessary to articulate a precise classification is still lacking. However, it would be possible and useful to restructure the CPC to reflect a few facts emerging from the available information.

a) There are consulting firms which have, and market, expertise in one or many fields of the management science (organization, finance, human resource, etc.). By and large, CPC 865 - Management consulting describes the type of services provided by these organizations.

b) There are consulting firms which have, and market, expertise in a particular sector of the economy or in a subject matter area outside the management field (agriculture, telecommunication, communications and public relations, accommodation and foodservices, etc.). These firms are classified to ISIC 7414 but the services they provide are poorly described in the CPC.

c) There are firms which provide management services to related or third parties. The services provided by these organizations are poorly described in the CPC.

The next section provides a proposed restructured CPC. Its main feature is that it distinguishes management consulting (CPC 865) from other business consultancy services (CPC 866) and management services (CPC 867). The detailed categories under the proposed CPCs 866 and 867 are tentative; they were chosen either because they are explicitly mentioned in the ISIC definition or because there is some evidence that the service generates, or is likely to generate, significant revenues in the future. The amount and type of detail at that level of the classification may need adjustments to take account of national circumstances.

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RECOMMENDATIONS FOR CHANGES TO THE CPC

865 - Management consulting services

- 8651 - Strategy and organisational consulting services**
- 8652 - Financial management consulting services**
- 8653 - Human resource management consulting services**
- 8654 - Marketing management consulting services**
- 8655 - Operations management consulting services**
- 8659 - Other management consulting services**

866 - Business consulting services nec

- 8661 - Agricultural consulting services**
- 8662 - Telecommunications consulting services**
- 8663 - Communications & public relations consulting services**
- 8664 - Arbitration and conciliation services**
- 8669 - Other business consulting services nec**

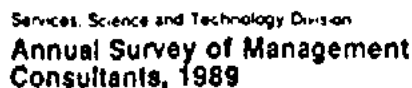
867 - Management services (excl. real estate & construction project management)

- 8671 - Management services to related parties**
- 8672 - Hotel & motel management services**
- 8673 - Farm management services**
- 8679 - Other management services**

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DEFINITIONS FOR PROPOSED NEW CATEGORIES

Proposed CPC	Current CPC
8651 - Strategy & organizational consulting	86501 - General management consulting
8652 - Financial management consulting	86502 - Financial management consulting services
8653 - Human resource management consulting	86504 - Human resource management consulting services
8654 - Marketing management consulting	86503 - Marketing management consulting services
8655 - Operations management consulting	86505 - Production management consulting services
8659 - Other management consulting	86509 - Other management consulting services
8661 - Agricultural consulting	Assistance and advice to farmers on all aspects of farm management, cultivation, fertilization, harvesting, soil erosion and composition, disease prevention,, crop rotation and marketing. Consulting services related to livestock farming are classified to CPC 8812.
8662 - Telecommunications consulting	75440 - Telecommunication consulting services
8663 - Communications & public relations consulting	86506 - Public relations services
8664 - Arbitration and conciliation	86602 - Arbitration and conciliation services
8669 - Other business consulting nec	Assistance and advice to businesses not elsewhere classified. This category includes services such as health care consulting, restaurant and hotel consulting, railway consulting, grant application consulting, and immigration consulting but excludes the following types of business consulting services: custom and tariff, transportation, investment, insurance and actuarial, real estate, computer legal, tax, construction, engineering, architectural and technical, advertising, interior decorating and fashion consulting .
8671 - Management services to related parties	Planning, organizing, directing and controlling the operations of a related party for a fee. This service may also include the provision of "corporate services" such as accounting, data processing and marketing services.
8672 - Hotel & motel management	Planning, organizing, directing and controlling the operations of hotels and motels on a contractual basis
8673 - Farm management	Planning, organizing, directing and controlling the operations of a farm, ranch or orchard on a contractual basis.
8679 - Other management services	Management services not elsewhere classified.

**For Office Use Only**

91				
17				

Confidential when completed

Please correct mailing address, if required

INFORMATION FOR RESPONDENTS

Survey Objective

The survey objective is the collection and publication of data necessary for the statistical analysis of the management consultative industry. The information from the survey can be used by businesses for market analyses, by trade associations to study performance and other characteristics of their industries, by government to develop national and regional economic policies, and by other users involved in research or policy making.

Authority

This survey is conducted under the authority of the Statistics Act, Revised Statutes of Canada, 1985, chapter S19.

Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information relating to any identifiable business without the previous written consent of that business. The data reported on this questionnaire will be treated in strict confidence, used for statistical purposes, and published in aggregate form only.

Federal-Provincial Agreement

In order to avoid duplication of enquiry and to provide consistent statistics, an agreement has been made with the Manitoba Bureau of Statistics under Section 11 of the Statistics Act for the exchange of information collected in this survey for establishments and/or business locations operated in Manitoba. The Statistics Act of Manitoba includes the same provisions for confidentiality and penalties for disclosure of information as the federal Statistics Act.

Coverage

This report should not include the revenues of your subsidiaries or foreign branches, but should include your portion of the revenues and expenses of unincorporated joint ventures in which you are involved. Please report all amounts in Canadian dollars.

Return Procedure

Please return the questionnaire within 30 days of receipt. If you are unable to do so, please inform us of the expected completion date. If you receive more than one questionnaire under different ID numbers asking for a report on the same business, please complete one only, and attach and return the duplicate questionnaire(s).

1. Reporting Period

This questionnaire should be completed for the 1989 calendar year or for your most recent fiscal year ending no later than March 31, 1990.

This report covers the period

From

230	O	M	Y

 to

231	O	M	Y

Period of Operation

If you did not operate this business for a full year, please check (✓) the reason for your part-year report.

238 ☐ 1 Change of ownership
of ownership

☐ 2 Seasonal operation

☐ 3 New business in 1988

☐ 4 Ceased operations due to bankruptcy, fire, demolition (please specify): _____

☐ 5 Change of fiscal year end

2. Identification of Firm (please print)

a) Legal name of business (if different from address label)

[illegible]

b) Name under which business operates (trading name) (if different from address label or local name)

[illegible]

c) Are you a corporation whose sole purpose is to provide services to your parent company, to an affiliated company or to a professional practice?

028 1 ☐ Yes 2 ☐ No

If YES, please print the name of your affiliated corporation or the name under which the professional practice operates.

[illegible]

3. a) Form of Organization (Check (✓) one box only).

627 ☐ Unincorporated - individual proprietorship ☐ Unincorporated - partnership ☐ Incorporated

☐ Other (please specify) _____

b) Is this entity a joint venture?

☒ 070 ¹ ☐ Yes ☒ 029 ² ☐ No

4. ECONOMIC ACTIVITY

Please check (✓) below the industry which most accurately describes your business

☒ 821 1980 SIC

7771 ☐ Management Consultant

7712 ☐ Personnel Suppliers

7730 ☐ Accounting Services

7758 ☐ Scientific Services

7751 ☐ Architectural Services

☐ None of the above (please specify) _____

7752 ☐ Consulting Engineering Services

7771 ☐ Investment Consultant Services

7772 ☐ Management Company

5. REVENUE

Please report revenues for the 1989 calendar year or for your most recent fiscal year ending no later than March 31, 1990. Exclude taxes collected by you for remittance to a government agency.

	Dollars (omit cents)
a) General Management Consulting	101
b) Financial Management Consulting	102
c) Marketing Management Consulting	103
d) Human Resource Management Consulting	104
e) Production/Operations Management Consulting	105
f) Public Relations	106
g) Information Management & EDP Consulting	107
h) Systems Analysis & Programming	108
i) Executive Search Services	109
j) Research & Strategy Planning	110
k) Other (please specify) _____	111
l) Total Operating Revenue	118
m) Non-Operating Revenue Interest and all other revenue that is not directly related to the operation of this business. Please exclude dividends and capital gains	120
n) Total Revenue (sum of Boxes 115 and 120)	126

6. OPERATING EXPENSES

Please report the following expenses incurred during the 1989 calendar year or your most recent fiscal year. Do not include capital expenditures if you prefer you may attach a copy of your profit and loss statement and proceed to Section 7.

	Dollars (omit cents)
a) Salaries, wages, bonuses and commissions paid to your own employees	160
b) Employee benefits (e.g., employer's contribution to pension, medical, unemployment insurance and Workers' Compensation plans)	161
c) Rent and/or lease of land and buildings	162
d) Rent and/or lease of motor vehicles	163
e) Rent and/or lease of computer equipment	164
f) Rent and/or lease of other machinery and equipment	165
g) Repairs and maintenance	166
h) Legal, accounting, auditing and consulting fees	167
i) Advertising and sales promotion	168
j) Insurance	169
k) Taxes, permits and licenses (exclude income taxes)	170
l) Heat, light, power and water	171
m) Telephone, telegraph, zinc and postage	172
n) Travel and entertainment	173
o) Royalties and franchise fees	174
p) Depreciation and amortization	175
q) Sub-consultants fees	176
r) Office and all other supplies and materials used in the business	177
s) All other operating expenses	178
t) Total Operating Expenses (sum of items a) to s))	179

7. EMPLOYMENT a) Paid Employees Please report the usual number of persons employed during the reporting period to whom you paid Salaries and Wages as shown in Expenses, Section 8, Box 180. - Full-time Employees Regular employees who worked the standard work week as observed by the business - Part-time Employees Those who worked regularly but for fewer than the standard work week hours observed by the business b) Working proprietors and/or partners of unincorporated businesses		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Number</th> </tr> <tr> <td style="text-align: center;">152</td> <td style="text-align: center;">156</td> </tr> <tr> <td style="text-align: center;">151</td> <td style="text-align: center;">158</td> </tr> <tr> <td style="text-align: center;">153</td> <td style="text-align: center;">157</td> </tr> <tr> <td></td> <td style="text-align: center;">159</td> </tr> <tr> <td></td> <td style="text-align: center;">160</td> </tr> <tr> <td></td> <td style="text-align: center;">161</td> </tr> </table>	Number	Number	152	156	151	158	153	157		159		160		161	c) Please allocate the total of cells 151, 152 and 153 as follows: Certified Management Consultants Professional Engineers CAs, COAs, CMAs Other Professional Designations Technologists, Systems Analysts & Programmers Administration, Clerical Other (please specify)																																														
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8. CLIENT BASE Of your total operating revenue (Question 5.5, Box 115), please indicate the percentage derived directly from: Domestic: a) Businesses b) Federal, Provincial and Municipal Governments c) Institutions Foreign: d) CIOA e) International Agencies f) Foreign Governments g) Other Total		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">Percent</th> </tr> <tr><td style="text-align: center;">201</td></tr> <tr><td style="text-align: center;">202</td></tr> <tr><td style="text-align: center;">203</td></tr> <tr><td style="text-align: center;">204</td></tr> <tr><td style="text-align: center;">205</td></tr> <tr><td style="text-align: center;">206</td></tr> <tr><td style="text-align: center;">207</td></tr> <tr><td style="text-align: center;">208</td></tr> <tr><td style="text-align: center;">100%</td></tr> </table>		Percent	201	202	203	204	205	206	207	208	100%																																																		
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9. PROVINCIAL DISTRIBUTION a) Please report the number of locations operated in Canada during the reporting period (Operating locations include head offices, research facilities and trading locations.) <div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center;"> 024 </div> b) Do you have locations in more than one province? <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; display: flex; align-items: center; justify-content: center;"> 300 </div> <div style="margin-left: 10px;"> <input type="checkbox"/> No - Please go to Section 10 - CERTIFICATION <input type="checkbox"/> Yes - Please complete 9 c) </div> </div> c) Please report the total number of operating locations by province along with selected revenue and expense items.																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 55%;">Province</th> <th style="width: 10%;">Locations Number</th> <th style="width: 15%;">Total Revenue \$</th> <th style="width: 20%;">Salaries, Wages and Employee Benefits \$</th> </tr> </thead> <tbody> <tr><td>Newfoundland</td><td style="text-align: center;">301</td><td style="text-align: center;">314</td><td style="text-align: center;">327</td></tr> <tr><td>Prince Edward Island</td><td style="text-align: center;">302</td><td style="text-align: center;">315</td><td style="text-align: center;">328</td></tr> <tr><td>Nova Scotia</td><td style="text-align: center;">303</td><td style="text-align: center;">316</td><td style="text-align: center;">329</td></tr> <tr><td>New Brunswick</td><td style="text-align: center;">304</td><td style="text-align: center;">317</td><td style="text-align: center;">330</td></tr> <tr><td>Quebec</td><td style="text-align: center;">305</td><td style="text-align: center;">318</td><td style="text-align: center;">331</td></tr> <tr><td>Ontario</td><td style="text-align: center;">306</td><td style="text-align: center;">319</td><td style="text-align: center;">332</td></tr> <tr><td>Manitoba</td><td style="text-align: center;">307</td><td style="text-align: center;">320</td><td style="text-align: center;">333</td></tr> <tr><td>Saskatchewan</td><td style="text-align: center;">308</td><td style="text-align: center;">321</td><td style="text-align: center;">334</td></tr> <tr><td>Alberta</td><td style="text-align: center;">309</td><td style="text-align: center;">322</td><td style="text-align: center;">335</td></tr> <tr><td>British Columbia</td><td style="text-align: center;">310</td><td style="text-align: center;">323</td><td style="text-align: center;">336</td></tr> <tr><td>Northwest Territories</td><td style="text-align: center;">311</td><td style="text-align: center;">324</td><td style="text-align: center;">337</td></tr> <tr><td>Yukon</td><td style="text-align: center;">312</td><td style="text-align: center;">325</td><td style="text-align: center;">338</td></tr> <tr><td>Total</td><td style="text-align: center;">313</td><td style="text-align: center;">326</td><td style="text-align: center;">339</td></tr> <tr> <td></td> <td style="text-align: center;">Should equal Box 024</td> <td style="text-align: center;">Should equal Box 130</td> <td style="text-align: center;">Should equal the sum of Box 160 and Box 161</td> </tr> </tbody> </table>				Province	Locations Number	Total Revenue \$	Salaries, Wages and Employee Benefits \$	Newfoundland	301	314	327	Prince Edward Island	302	315	328	Nova Scotia	303	316	329	New Brunswick	304	317	330	Quebec	305	318	331	Ontario	306	319	332	Manitoba	307	320	333	Saskatchewan	308	321	334	Alberta	309	322	335	British Columbia	310	323	336	Northwest Territories	311	324	337	Yukon	312	325	338	Total	313	326	339		Should equal Box 024	Should equal Box 130	Should equal the sum of Box 160 and Box 161
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Yukon	312	325	338																																																												
Total	313	326	339																																																												
	Should equal Box 024	Should equal Box 130	Should equal the sum of Box 160 and Box 161																																																												
10. CERTIFICATION I certify that the information contained herein is complete and correct to the best of my knowledge.																																																															
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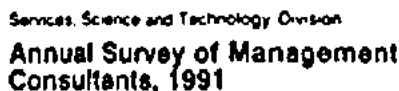
Notes

COMMENTS

403

For Office
Use Only

THANK YOU FOR YOUR CO-OPERATION.



11	
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Please correct mailing address, if required

INFORMATION FOR RESPONDENTS

1. Purpose of Survey

Management consultants constitute a segment of the business services sector which has been the source of considerable growth in recent years, however, very little data on the management consulting industry exists. This survey is designed to collect data which are essential for the statistical analysis of the industry and its impact on the Canadian economy. The questionnaire has been designed after consultation with members of the Institute of Certified Management Consultants of Canada.

2. Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information relating to any identifiable business without the previous consent of that business. The data reported on this questionnaire will be treated in strict confidence, used for statistical purposes, and published in aggregate form only.

3. Authority

This survey is conducted under the authority of the Statistics Act, Revised Statutes of Canada, 1985, chapter S19.

4. Federal-Provincial Agreement

In order to avoid duplication of enquiry and to provide consistent statistics, an agreement has been made with the Manitoba Bureau of Statistics under Section 11 of the Statistics Act for the exchange of information collected in the survey for establishments and/or business locations operated in Manitoba. The Statistics Act of Manitoba includes the same provisions for confidentiality and penalties for disclosure of information as the federal Statistics Act.

Instructions

1. Conversion

This report should not include the revenues of your subsidiaries or foreign branches, but should include your portion of the revenues and expenses of unincorporated joint ventures in which you are involved. Please report all amounts in Canadian dollars.

2. Rebuttal Procedure

Please return the questionnaire within 15 days of receipt. If you are unable to do so, please inform us of the expected completion date. If you receive more than one questionnaire under different I.D. numbers asking for a report on the same business, please complete one only, and attach and return the duplicate.

3. Inquiries

If you require assistance in the completion of the questionnaire or have any questions regarding the survey, please call the Toronto Statistics Canada Regional Office in Toronto at 973-6598 or toll free at 1-800-387-0730.

1. Reporting Period

This questionnaire should be completed for your most recent fiscal year ending no later than March 31, 1992.

This report covers the period:

		O	M	Y			O	M	Y
FIND	230				IS	231			

Period of Operation

If you did not operate this business for a full year, please check (✓) the reason for your part year report.

238 ☐ **1** Change of ownership

☐ **2** Seasonal operation

☐ **3** New business in 1991

☐ **4** Ceased operations due to bankruptcy, fire, demolition (please specify) _____

☐ **5** Change of fiscal year and _____

2. Identification of Firm (please print)

a) Legal name of business (if different from address label)

050

b) Name under which business operates (trading name) (if different from address label or legal name)

[illegible]

c) Are you a corporation whose sole purpose is to provide services to your parent company, to an affiliated company or to a professional practice?

Q25 ☒ Yes ☐ No

21 YES, please print the name of your affiliated corporation or the name under which the professional practice operates.

[illegible]

3. a) Form of Organization (Check (✓) one box only)

☐ **027** ☐ Unincorporated - individual proprietorship ☐ Unincorporated - partnership ☐ Incorporated
☐ Other (please specify)

b) Is this entity a joint venture?

028 2 ☐ Yes 029 2 ☐ No

DEFINITIONS

SECTION 4. MAIN ECONOMIC ACTIVITY

4.A) Definition of the Target Activity in this Survey

This survey targets businesses primarily engaged in the provision of 1) management consulting services, and 2) management services.

1) Management consulting is here defined as providing objective advice to the management of private and public sector organizations, recommending solutions and providing assistance to implement and evaluate these recommendations. Management consultant firms advise on a wide range of issues including strategic management and planning, organizational structure and review, financial planning, marketing objectives and policies, information systems planning, evaluation and/or selection, human resource policies and practices planning, operations management and public relations. They usually have expertise in a particular area of managerial activity or in a particular field of application (communications, transportation, lobbying, etc.) but some provide advice and assistance on a wide range of problems and issues.

2) Management service companies are businesses primarily engaged in the provision of general and/or specialized management services on a day to day basis and on a fee or contract basis. Firms in this industry do not provide operating staff (Firms which provide both management services and operating staff, for purposes of this survey should report their revenue to item 4) Other Revenue in section 5) Revenue By Type of Service.)

SECTION 5. REVENUE BY TYPE OF SERVICE

- 1a) Strategic Management and Planning, Organizational Structure and Review Consulting - Advice and assistance to management on issues related to policy and strategy and the overall planning, structuring and control of an organization. An assignment of this type may deal for example, with any of the following issues: program and policy evaluation and/or formulation, review and reorganization of organizational structures, strategic management and planning, business turnaround plans, management audits and comprehensive audits.
- 1b) Financial Management and Planning Consulting - Advice and assistance to management on matters related to financial planning and control. Excludes advice on short-term portfolio management which is normally offered by the financial intermediaries. Includes determination of an appropriate capital structure, accounting policy and procedures, analysis of capital investment proposals, mergers and acquisitions evaluations, working capital and liquidity management, inventory management, and assistance in the search for financing.
- 1c) Human Resource Management and Planning Consulting - Advice and assistance to management in the planning and realizing of their human resource needs. Assignments may deal with one or a combination of the following: audit of the personnel function, human resource policy and planning, recruitment procedures, human resource development, labour-management relations, absenteeism control and performance appraisal, and other matters related to the personnel management function of an organization. Excludes executive search services, and, outplacement, which should both be reported to category 1j) Executive Search Services.
- 1d) Marketing Management and Planning Consulting - Advice and assistance to management concerning marketing strategy and marketing operations of an organization. Includes analysis and formulation of a marketing strategy, customer service and pricing policies, as well as advice on sales management, organization of distribution channels and the distribution process, etc. Excludes both consumer marketing research and industrial marketing research assignments, which should be reported to categories 4) Other Revenue and 1f) Industrial Marketing Research Studies respectively.
- 1e) Operations Management Consulting - Advice and assistance concerning improvement of productivity and reduction of production costs. It involves the layout of facilities, selection of equipment, materials handling, quality control, safety and performance standards, inventory control, and, overall integration of operational information. Excludes advisory services for plant layout and industrial processes which are normally offered by consulting engineers.
- 1f) Industrial Marketing Research Studies - The gathering, recording and/or analysis of information related to the marketing of goods and services to business and institutional clients, including market research studies, sales analyses, customer analysis, competitor analyses and sales forecasts. Excludes consumer marketing research studies which should be reported to category 4) Other Revenue.
- 1g) Economic and Social Research Studies - Economic and social intelligence services not in connection with merchandised products. Includes industry studies, analysis, economic analysis, econometric modelling, demographic analysis, etc.
- 1h) Other Management Consulting - Includes advice and assistance to management on any other management services not listed above. Includes advice on records management.
- 1i) Computer Services and Information Systems Management
Computer Services - Advice and assistance on the choice of hardware, the selection and development of software, systems analysis, development and integration and rendering the systems operational. Firms whose primary activities include computer rental and leasing, maintenance and repair, data processing and data entry services, or computer facilities management services (outsourcing) should be classified to Other Computer Services in section 4b) Main Economic Activity.
Information Systems Management - Advice and assistance on issues related to the design (or modification) and implementation of computerized information systems. Includes EDP strategy.
Other Computer Services (this category is found only in section 4b) Main Economic Activity) includes services not included in the category Computer Services and Information Systems Management such as computer rental and leasing, maintenance and repair, data processing and data entry services. Also includes computer facilities management services (i.e. outsourcing).
- 1j) Executive Search Services - Services consisting of the search for, selection and referral of executive personnel for employment by others. The services may be supplied to the potential employer or to the prospective employee and may involve the formulation of job descriptions, screening and testing of applicants, investigation of references, and other research. Includes outplacement services.
- 1k) Training and Education - Provision of training and education services designed to develop qualities and skills in personnel that will enable them to be more productive and better contribute to organizational goal attainment.
- 2) Revenue from Management Services - Provision of general or specialized management services on a day to day basis and on a fee or contract basis. Firms in this industry do not provide operating staff. (Firms which provide both management and operating staff, for purposes of this survey should report their revenue to item 4) Other Revenue in section 5) Revenue By Type of Service.)
- 3) Revenue from Public Relations - Advice and assistance concerning methods for improving the image and relations of an organization or individual with the general public, government, voters, shareholders and others.
- 4) Other Revenue - All other non-management consulting operating revenue not covered by the revenue categories above.

4. 6) Description of main economic activity (check (✓) one box only)

Please indicate which of the following categories best describes your business' main revenue generating activity. If none of them are applicable, please give as detailed a description as possible to enable us to correctly classify your business

1. Management consulting services

7771 ☐ Management Consulting Service

2. Management services

7215 ☐ Holding and Management Company

761 ☐ Property Management Services

4411 ☐ Construction Management Services

7772 ☐ Management Service Company (other than those listed above)

3. Other consulting services

7721 ☐ Computer Services and Information Systems Management

7752 ☐ Engineering Consulting

7799 ☐ Actuarial/Personnel Group Benefits Consulting

7771 ☐ Investment Counseling

7611 ☐ Insurance Counseling

7739 ☐ Tax Consulting

7798 ☐ Consumer Marketing Research Services

4. Other services

772 ☐ Other Computer Services (see Definitions)

7731 ☐ Auditing and Accounting Services

7799 ☐ Economic and Social Research (includes industry studies analysis)

7759 ☐ Scientific Services

7712 ☐ Personnel Suppliers

7711 ☐ Executive Search Services

0000 ☐ None of the above. (Please specify and provide as detailed a description as possible)

5. REVENUE BY TYPE OF SERVICE

The purpose of this section is to measure the revenues generated by your organization by type of service provided, excluding GST and all other taxes collected for remittance to a government agency. Please classify each assignment/contract to the appropriate service category, using the definitions provided on the opposite page. If an assignment comprises services, please report the total revenue from this assignment to the category which best represents the purpose of the assignment (e.g. an assignment to recommend a marketing strategy which includes a market research study should be classified to the marketing management and planning category). If your organization does not keep records of revenues by type of service, please provide your best estimate.

	A	B	C
1. Revenue from Consulting assignments on	Do you record revenues for this service? (yes/no)	Number of assignments	Estimate of total revenue
a) Strategic Management and Planning, Organizational Structure and Review	061	075	095
b) Financial Management and Planning	062	079	096
c) Human Resource Management and Planning (incl. Executive Search Services and outplacement)	063	080	097
d) Marketing Management and Planning (incl. marketing research assignments)	064	081	098
e) Operations Management	065	082	099
f) Industrial Marketing Research Studies (incl. consumer marketing research)	066	083	100
g) Economic and Social Research (incl. industry studies/analysis)	067	084	101
h) Other Management Consulting (please specify)	068	085	102
i) Computer Services and Information Systems Management	069	086	103
j) Executive Search Services (incl. outplacement)	070	087	104
k) Training and Education	071	088	105
2. Revenue from Management Services	072	089	106
3. Revenue from Public Relations	073	090	107
4. Other Revenue (please specify)	074	091	108
5. Total Operating Revenue			116
6. Non-Operating Revenue			120
7. Total Revenue			130

6. OPERATING EXPENSES

Please report the following expenses incurred during the 1991 calendar year or your most recent fiscal year. Do not include capital expenditures. Please include GST except the portion which is refundable by government. If you prefer you may attach a copy of your profit and loss statement and proceed to Section 7.

	Dollars (omit cents)
a) Salaries, wages, bonuses and commissions paid to your own employees	160
b) Employee benefits (e.g. employer's contribution to pension, medical, unemployment insurance and Workers' Compensation plans)	161
c) Training and education	162
d) Rent and/or lease of land and buildings	163
e) Rent and/or lease of motor vehicles	164
f) Rent and/or lease of computer equipment	165
g) Rent and/or lease of other machinery and equipment	166
h) Repairs and maintenance	167
i) Legal, accounting, auditing and consulting fees	168
j) Advertising and sales promotion	169
k) Insurance	170
l) Taxes, permits and licenses (exclude income taxes)	171
m) Heat, light, power and water	172
n) Telephone, telegraph, faxes and postage	173
o) Travel and entertainment	174
p) Royalties and franchise fees	175
q) Depreciation and amortization	176
r) Sub-consultants fees	177
s) Office and all other supplies and materials used in the business	178
t) All other operating expenses	179
u) Total Operating Expenses (sum of items a) to t))	

7. EMPLOYMENT a) Paid Employees Please report the usual number of persons employed during the reporting period to whom you paid Salaries and Wages as shown in Expenses, Section 8, Box 180.		c) Please allocate the total of cells 151, 152 and 153 as follows:		Number
		Certified Management Consultants		200
		Non accredited Management Consultants		201
		Professional Engineers		202
		CAs, COAs, CMAs		203
		Other Professional Designations		204
		Technologists, Systems Analysts & Programmers		205
		Administration, Clerical		206
		Other (please specify)		207
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