

## Newsletter – January 2015



**President - Terry Hoskins**

Happy new year. The IMCNZ team wishes you all the best for a prosperous and enjoyable 2015.

With changes to the Health & Safety regime to be implemented in April this edition includes a couple of compliance items which we wish to bring to your attention. Rather than waiting until the legislation takes effect, it is prudent to get this underway now before the year gains momentum.

Although not officially a compliance issue we encourage you as a business owner to review your Terms of Trade to ensure that they fulfil your needs. In regard to both the Health & Safety and Terms of Trade issues should there be a high enough level of need in our membership we will look to investigate how we can provide assistance.

Before Christmas you will have received the subscription invoice for your membership. With some exciting new initiatives about to be launched shortly we encourage you to **pay promptly to qualify**. We will be issuing membership cards to financial members which will enable access to a raft of member benefits through outside suppliers. These will be launched in the very near future. If you have any contacts that could be potential suppliers of member benefits please email Suzanne on [info@imcnz.org](mailto:info@imcnz.org).

As a not-for-profit organisation we are very much dependent on the unpaid support of our Council members, providers of venues and those who take on special projects for us. I wish to take this opportunity to thank all those involved in keeping the IMCNZ running like a piece of well oiled machinery and adding value to our members.

I also welcome **Richard Donnelly (Associate)** to the fold who has recently taken on the task of **Social Media Content Manager** for IMCNZ and thank him for his assistance. Richard is taking over from **Gordon Shaw** (a past President) who has handled the position for several years now). Many thanks, Gordon for handling the public face of our organisation.

In terms of providing venues for our events I also thank the generous contribution of **Victoria University** (Wellington), **Morrison Low** (Auckland) and **Crowe Horwath** (Auckland).

In regard to our events in Wellington, Victoria University's Rutherford House is undergoing major renovations for the next year or so and due to pressure on the venue can only provide the space for half of our events this year. Therefore if you are aware of other suitable venues which can be donated for our use please contact Phil Guerin or Ian Abrahams (contact details at the back of this newsletter).

## **Survey - Deadline 6/2/15**

You will have seen the recent request for completion of a member survey.

At the last strategy meeting, the IMC Council agreed to carry out a membership survey to help us understand more about the consulting activities of our members, and to get your views on what you'd like to see from IMCNZ in 2015. It'll take about ten minutes of your time to complete and it's available by clicking the following link:

<https://www.surveymonkey.com/s/IMCNZ2015>

The survey asks a few questions about your consulting activities in 2014, your expectations for 2015 and your views about IMCNZ. The survey is administered independently of the IMC Council by Price Perrott Limited and responses are both completely anonymous (unless you choose to provide contact details) and strictly confidential.

The IMC Council will use anonymised, aggregated information from the survey results to help us understand the 'state of the industry' amongst our members. This means we'll be able to better represent our membership's interests to clients in the public and private sectors and promote the value of using accredited consultants and the CMC® certification scheme.

The survey closes next Friday and we just need a few more responses to give some really reliable statistics. So thanks to those who have completed the survey and if you haven't already done so we encourage you to provide your feedback.

## **Changes to the Health & Safety Regime: What it means to you**

It is expected that on or around 1 April the long publicised changes to New Zealand's Health & Safety legislation will take force.

There has been a lot of talk and publicity about it, but what does it actually mean to you in practical terms as a Management Consultant?

In summary:

- The new legislation will have a lot more teeth with higher penalties.
- Small businesses, organisations/clubs run by volunteers and those who previously fitted under the 'umbrella' of another organisation are now forced to have their own Health & Safety Plan (this latter aspect includes management consultants) as the Act now utilises the term 'undertaking'.
- 200 inspectors are being trained and businesses (large and small) will be randomly audited to ensure that they have the appropriate Health & Safety plans in place.

In the past the lack of the compulsory Health & Safety Plan (as required under statute) was only picked up in the event of an incident. As a result the majority of New Zealand small businesses simply did not have a plan or felt they could escape the pressure. Now the legislation is aimed at enforcing this requirement.

The aim is also to ensure that Health & Safety is entrenched in the organisation culture therefore the Plan isn't simply a template document completed at establishment of the business and then never looked at again. It needs to be regularly reviewed with **documented evidence** that it is regularly reviewed and updated.

As a Management Consultant you will therefore have a baseline Health & Safety Plan for when you are operating from your own premises. Then you will update a section when you are working on-site for a client. Although you will then dovetail your Plan with that of the client it is necessary to make documented comment so that if audited **it is seen** to have been done correctly.

Also no matter how large the organisation is that you are working for if you happen to observe an event or the probability of an injury in their premises it is equally your responsibility to bring in the process of **identification, elimination, mitigation** etc and bring the issue to the attention of those responsible in the organisation for Health & Safety- whilst **documenting that you have done so in your own manual**.

If you require support in developing your Health in Safety Plan please email [info@imcnz.org](mailto:info@imcnz.org).

## Terms of Trade

The majority of our members are well versed in producing tender documents and terms of engagement. However, often it is the buyer of consulting services who provides the contract and of course that document is going to have the buyer's interests in mind, rather than your own.

For those occasions when your Terms of Trade are accepted and in force it is important that your terms are comprehensive and cover all contingencies. It is therefore good to review your Terms of Trade periodically to ensure that they are up to date in what is a changing market. Particular points to keep in mind are:

- If you don't stipulate a limit of liability then your liability is **unlimited**. Why not limit your liability to the value of the project or just \$1 million?
- **The Hold harmless Clauses** is a contractual liability not a common law liability. It is another method of deflecting liability from you. We have been advised that it is advisable to get the wording correct to ensure it's effectiveness.
- **Debt collection** - you can only claw back the cost of debt collection if you include that stipulation in your terms of trade.

If you require support in developing an effective set of Terms of Trade please email [info@imcnz.org](mailto:info@imcnz.org).

## Victoria University academic first in New Zealand to receive international fellow award for management consulting



Victoria University academic, **Stephen Cummings**, is the first New Zealander to become an International Council of Management Consulting Institutes (ICMCI) Academic Fellow.

The award is a mark of distinction which recognises academics internationally who have contributed to the study and teaching of management consultancy. The fellowship was announced today by the Institute of Management Consultants (IMC) New Zealand.

Stephen Cummings is Professor of Strategic Management at Victoria University where he teaches strategy on both the undergraduate and MBA programmes. He has been instrumental in establishing a partnership between Victoria Business School and IMC New Zealand to bridge the gap between consulting and academia.

"It's fantastic to see Professor Cummings acknowledged internationally for his outstanding contribution to the management consulting profession," says IMC New Zealand Immediate Past President, Phil Guerin.

"IMC New Zealand exists to promote professional standards and codes of conduct for management consulting in New Zealand, and so it's really important to have strong links with academics teaching those who will go on to work in the consulting industry, such as MBA students."

He says IMC New Zealand and Victoria University regularly hold joint forums bringing together managers, consultants, lecturers and MBA students.

"The awarding of this Fellowship to Professor Stephen Cummings by the International Council of Management Consulting Institutes (ICMCI) is testament to his international standing amongst the management consulting profession," says Professor Bob Buckle, Pro Vice-Chancellor and Dean of Commerce at Victoria Business School.

"It also recognises Stephen's success at building effective connections between the academic and professional community."

Professor Stephen Cummings' biography is available on the Victoria University website: [www.victoria.ac.nz/som/about/staff/stephen-cummings](http://www.victoria.ac.nz/som/about/staff/stephen-cummings)

## Regional Meetings

### WELLINGTON

#### All of Government - October 2015

Through Procurement Functional Leadership (PFL) Government Procurement Branch aims to deliver procurement excellence across government.

Each year the government spends approximately \$30 billion with third party suppliers – accounting for approximately 15% of GDP. How and what the government procures can have a significant influence on economic growth. In the absence of large enterprises in New Zealand, government agencies often provide an important source of demand for business to build scale and experience before they supply to private customers or export markets.

34 people attended a very lively evening in Wellington to discuss the All of Government Consulting Panels. We were lucky to have Grant Lyons and Susan Haynes from MBIE to talk about what is happening with the All of Government Consulting Panels. The first RFP is due out in late October.

Having let us know what is happening with the All of Government Consulting Panels - well as much as they could. They posed the question " How do you measure the quality of a consulting service?". As would be expected this led to a lot of input from all of those present. The key points made were:

- Consulting is not a commodity
- There is a distinct difference between consulting and contracting, and there are a lot of contractors that call themselves consultants.
- Contracting is service/hours based whereas consulting is outcome based.
- There was general agreement that the word "service" in the question posed is not appropriate for consulting. It should be replaced with "outcome"
- Emphasis should be given to appropriate certification such as CMC.

The meeting went 45 minutes overtime and had to be cut off at 7:45pm. Those attending gained an understanding of what is happening in this important area and, Grant and Susan said they had a lot to take away from the meeting.

## **Penny Mudford: Navigating shifting sands - November 2015**

Penny Mudford FAMINZ(Arb) CMIInstD, addressed the challenge for consultants to deliver assignment objectives in difficult circumstances.

Penny discussed dealing with the links and effects outside the scope and control of your consulting role. What happens when the client changes their requirements early into the engagement? What can you do when things happen upon you affecting your ability to deliver on your obligations to the client? Who is responsible and who pays for mid-project blunders?

A recent UK court case over a large technology partnering agreement was used as an example and gave a valuable learning experience.

## **AUCKLAND**

### **Consulting Toolbox - Usable financial models: dealing with complexity simply - October 2015**

Montoux generously replicated the presentation made to our Wellington members earlier. Our thanks to Nick Cater and Stewart Harris.

### **Keith Philips: Diagnostic Consulting a Revenue Driver - November 2015**

A fascinating session where Keith Philips brought in Fiona Gavriel of the NZBEF and also a client to discuss how the outcomes of this process had affected them differently. Specific points discussed included

- Diagnostic Consulting: A Professional Approach to establishing client need.
- Converting need into action and to consulting revenues
- Building value through "Big Data" acquisition
- How you can build your own diagnostic tools
- Diagnostic Techniques: Professional methodologies, Self-diagnosis, Workshops
- Revenue Generating Case Studies

A free diagnostic tool was provided in advance of the meeting to diagnose and get a report on a small business that members may have been working on - this of course increased the value gained at the session.

## **Benefits of 'pay as you go' Professional Indemnity Insurance through Agency vs Your own insurance**

Many management consultants are engaged through agencies who automatically organise 'pay as you go' Professional Indemnity insurance as part of the arrangement - taking a premium as part of each day's commission earned by the consultant.

We regularly receive questions (responded to by our insurance partners, JLT) about the pros and cons of this arrangement vs having your own insurance. Below are some answers from a recent communication which we feel responds to many of the relevant questions.

- 1) **Premiums** - taking up the 'pay as you go' Professional Indemnity insurance through an agency is significantly cheaper than buying your own cover.
- 2) **Ownership of Policy** - Having your own cover in your name means that **you** own the policy. **The only person who can cancel your cover is you.**
- 3) Thus, having your own cover (in your own name) provides an **ongoing record** (claims history).
  - a) One of the most important aspects is having a **retroactive cover**. This covers any work you do and have done in the past so long as you are with the same insurer. This retroactive cover protects you going forward. What we don't know are the innocent errors that we may have made in the past but they don't come up and bite us till some time later.
  - b) **Continuity date** - the continuity date is the date on which you first accepted the policy and this stays with your policy until it is cancelled by you or by your insurer (ie for non-payment of premium). This is a safeguard for you just in case you innocently forget to disclose an issue which you knew about but had not disclosed on renewal. The insurer is obliged to accept the claim.

Note: if you change the insurer you may be able to retain the retroactive date but you will not maintain the continuity date.
- 4) Buying or utilising the Recruitment Agency's Cover you have no control of the terms and conditions and you have no control over if they wish to change insurers. You need to ask what happens to your retroactive cover and your continuity cover if this occurs?
- 5) What happens to the cover should the Recruitment Agency decide to close through retirement or go into liquidation if it becomes insolvent? Your cover will disappear with the company and thus you lose the retro cover as well.
- 6) To really understand what is going on in regard to contractual relationships (which is really what the Professional Indemnity Policy is all about) you need to **look at the contract between you and the Agency** and secondly if that contract fits with the requirements of the Agency's contractual relationship with their client. It is in these translations of contracts that holes can appear.
- 7) **Statutory Liability cover** - Most brokers will recommend that you also purchase Statutory Liability cover (not easy to purchase as a stand alone cover). The policy under the Agency may not include this. This covers you for Infringements of New Zealand Statutes. Of course the hot topic at the moment is Health & Safety in the Workplace and the changes in law which take effect in the new year on this aspect of the business environment. There are a number of issues that need to be addressed on this subject as well. One of which is the necessity by law for all
- 8)

businesses regardless of size to have a Health & Safety Management Plan. Also we as consultants cannot be dependent upon or reliant upon being a part of a larger corporate's plan.

## Reminder: Professional Development Annual Declaration

A reminder that Professional Development annual returns are due at the end of the month. Many thanks to those who have already submitted their declaration.

## New Members

We are pleased to welcome:

- **Amit Nandi**                      Affiliate
- **Karen Clarke**                      CMC

## Professional Development

Thank you to all those members who have forwarded their annual Professional Development Declaration for the 2015 year. A friendly reminder that the deadline is **30 January 2015**.

## Our Partners

IMCNZ is partnered with a number of supporters and we take this opportunity to thank you all for your support:



Gold Sponsor



JLT/IMCNZ ProPak liability insurance package

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Venues provided by:



#### Current Council Members

Terry Hoskins, President (Auckland)	<a href="mailto:terry.hoskins@approach.co.nz">terry.hoskins@approach.co.nz</a>
Phil Guerin, Immediate Past President (Wellington)	<a href="mailto:phil@hague.co.nz">phil@hague.co.nz</a>
Ian Abrahams, Vice President (Wellington)	<a href="mailto:ian@ipaconsulting.co.nz">ian@ipaconsulting.co.nz</a>
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