

The Ethics of Consulting

An updated and modified version of "Take the High Road: The Ethics of Consulting" by John Rossheim.

When consultants proclaim their emancipation from traditional employment, they open up worlds of new opportunity. At the same time, they must stumble through a tangled nest of ethical concerns that they never encountered as employees in a corporate machine. Listed below are the guidelines that KDD Inc. follows to steer clear of bad ethics.

1. Avoid Conflicts of Interest

Avoid accepting clients who compete directly with each other, at least not without discussing the conflict with all interested parties. When it is learned that a prospective client carries a potential conflict, start working together on a resolution that will satisfy everyone or refer the prospect's business to a peer with whom no financial interest is shared.

2. Observe the Limits of Professional Competence and Capabilities

Don't take on work requiring expertise that is lacked nor a workload that can't possibly be done in a reasonable timeframe. Be honest with prospects about any requirements of the project that may exceed available abilities. Where shortfall in skills or workforce is confined to a small and well-defined task, subcontracting out that particular task will be considered.

3. Mind Fees and Rates

Some consultants believe they must charge all clients at the same rate; others see the consulting business as a pure market and will negotiate the rates and fees. Whatever path is chosen, meticulous timekeeping records will be kept and the client will be charged only for work actually performed.

4. Be Reasonable and Honest About Expenses

Be reasonable about and meticulously track reimbursable expenses, and never bill a client for items that are arguably personal.

5. Disclose Any Other Fees Received

Suppose a recommendation is given to a client to choose a certain product or service from a vendor who will pay a commission or other fee for the referral. The client will be told about such commissions or fees. Regardless of any financial gains, objective recommendations will be given to the client.

6. Protect Clients' Confidential Information

Do not disclose clients' secrets. Period.

7. Be Forthright in Reports to Clients

Do not suppress data or warp analysis for the purpose of concealing faults in the work done or to appease the wishes of the client or vendors. Summaries, reports, and analysis will be presented objectively and truthfully.

8. Observe the Legal Bounds of the Discipline

Mind the patents, copyrights, and confidentialities of others. Not only is it unethical to use the protected work and information of others without proper permission, it can also lead to substantial legal problems.