

# Conflicts of interest

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*Dealing with conflicts of interest is fairly straightforward with small firms, but very difficult with big ones.*

In big companies it is always tempting to have a quick look at a report on one client before writing a proposal or starting an investigation for the client's competitor. This is unethical. Very strict separation is needed to prevent such leaks.

If new consulting needs are identified in your project, it is tempting to recommend another part of your company or an associated company to do them. This is not ethical: any such follow ups, which use a different consulting team, should be subject to the normal competitive selection process. The World Bank says that the firm that wrote the initial project identification document is not eligible to do the work.

Clients report being told by their auditors that their accounts will not be passed unless they employ the consultancy branch of the firm for an expensive project.

### *In large and small firms*

You should tell your client about possible conflicts without being asked. For example:

If you are a director of a competitor etc

If you are working for a competitor at the same time.

If you are given a commission on sales of software or hardware. This is OK as long as the client knows about it.

## **Ethical consultants do not**

Hide cost of project until final invoices. The clients should know what they are letting themselves in for.

Give unrealistic forecasts of the time needed for an open-ended contract.

Mislead the client about what can or cannot be achieved in the time available in a fixed sum contract.

Overcharge clients because they do not understand how the market for consultants works.

Pay commissions to members of the client company.

Misrepresent the experience and capability of the firm or individual consultants.

Supply consultants whose skills and experience do not match the assignment.

Suggest that individual consultants are experts in, say, the jewelry industry, because other members of the firm have a long track record in this. Experience by other consultants, or experience long ago is irrelevant.

Offer first rate, experienced, consultants - implicitly or explicitly - and supply the Second XI.

Let young, inexperienced consultants loose to learn on the client, then ask the client to pay top fees for them.

Take on a useless assignment, just because they need the money.

Breach confidentiality.

Recruit client=s staff.

Carry on working when nothing is being achieved

Take commissions on software, hardware, new business, introductions, etc. without telling the client.