

The Consultants

Unfortunately, Taxpayer, Experts Are Not a Dime a Dozen

By Henry Allen

Ah, Jeb Stuart Magruder, so Ivy and tidy and courteous to elders and all—but you're just the kind that gives the consulting business a bad name. Consulting, claim the cynics, means never having to say you're out of work. And just now the job market is tight for the onetime Watergate wunderkinder, like Jeb Stuart Magruder, former deputy director of the Committee for the Re-election of the President.

So, as a fellow Washington consultant put it: "Jeb needs a job. Jeb has a Rolodex with a lot of phone numbers in it. Jeb opens an office and calls himself a consultant."

The office is Metropolitan Research Services, which, if it survives, may join the 12 columns of management and business

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consultants listed in the Washington Yellow Pages—as many as you'll find in the Manhattan or Los Angeles Yellow Pages.

"Los Angeles, New York and Washington are the big consulting centers," says John F. Magnotti, head of the National Council of Professional Service Firms in Free Enterprise, a trade group and lobby for consultants. "Companies crop up and die with amazing frequency."

If Jeb Stuart Magruder is in the position of a would-be starlet hitting Hollywood with high hopes and low capital, he probably knows it's worth taking a chance—besides being a cut or two above standing in the unemployment line.

Nobody, but nobody, buys consulting like the federal government. Magnotti says maybe \$2.5 billion to \$3 billion a year. (Although other good guesses run as low as \$300 million a year.)

And there's no slowdown expected, especially with state and local governments throwing around federal revenue sharing money.

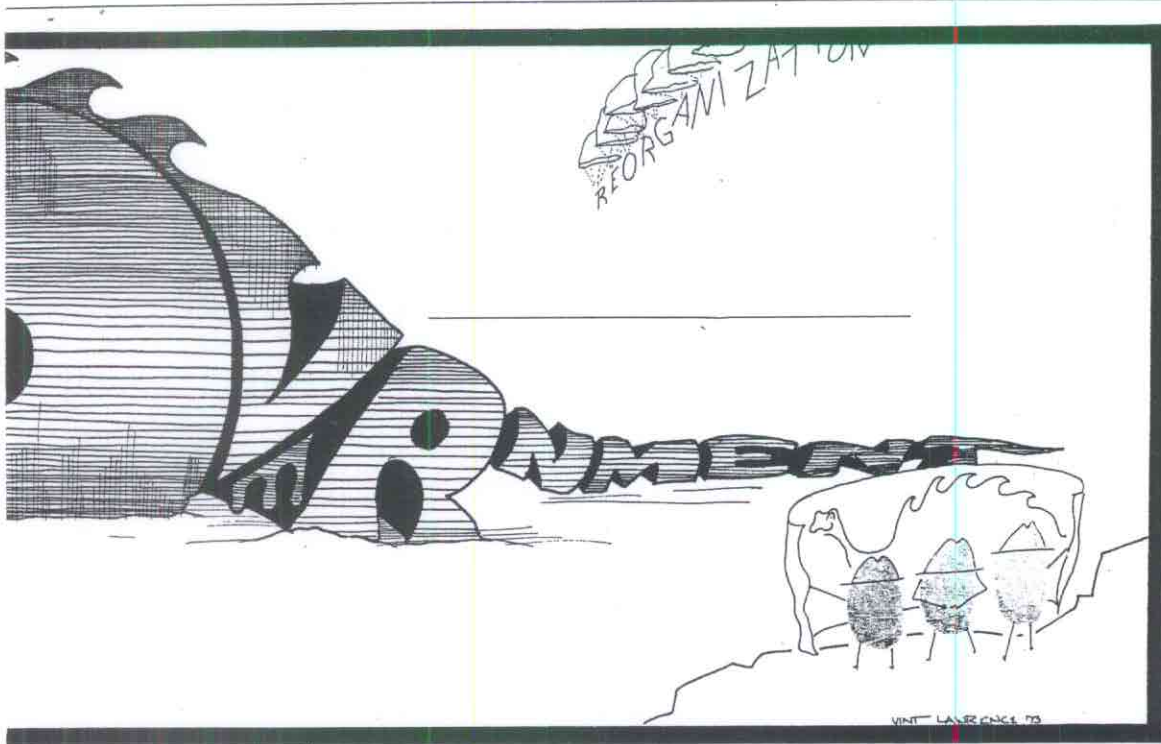
(\$3 billion means: One out of every 90

dollars the U.S. government plans to spend this year. It is nearly six times the yearly revenues of all professional sports in America, and more than twice the revenues of the movie industry.)

Consultants have studied techniques of interrogating Viet Cong, recommended budgeting on the moon shots, helped reorganize the Post Office, told state policemen how to catch drug dealers.

Name a major government project of the last 10 years and it has likely been cost-controlled, planned, evaluated, restructured or studied or all of the above by consultants.

When the Justice Department needed a good reason not to prosecute ITT (remember Dita Beard? Shredders?) it called on consultant Richard Ramsden to give them one—after White House aide Peter Flanigan provided Ramsden with ITT's own memo on the subject, a memo that



consultant Ramsden decided to agree with.

You don't read about consultants in the newspapers, because, like plastic surgeons, they prefer to let the patient take the credit. A Health, Education and Welfare report on blood resources credits a whole paragraph of contributors—except for Booz, Allen and Hamilton Inc., which wrote the whole thing. When things get really heavy, Presidents find their own consultants, and call them Presidential Commissions, and then ignore whatever they say about pornography, marijuana or racism. E. Howard Hunt was making \$100 a day as a White House consultant before Watergate burst on him, but it shouldn't mar his future credentials. Jerry Neal Schneider, who jimmied the phone company's computer for nearly \$1 million, set up a telephone security consulting firm after he got out of jail.

Consulting is minding somebody else's business. Consulting is getting paid to act just as smart as you always thought you were back in Harvard Business School.

And it's not to be confused, with "think tanks," such as the non-profit corporations created by the government for defense advice—i.e. Rand Corp., Research Analysis Corp. Or the more ethereal Brookings Institution, famous for pondering large questions of state, such as the proprieties of the national budget. Management consultants

are supposed to stay closer to the ground, taking specific questions and coming up with specific answers.

"Billions of dollars have been spent over the last ten years on consulting contracts, and government still has egg all over its face," says William Carey, vice president of big, old blue-chip consultant Arthur D. Little, Inc.

That notion doesn't prevent Planning Research Corp.'s Robert Kreuger from predicting that consultants' percentage of government business will triple in the next five years.

After estimating that state, local and federal governments pay \$1 billion a year for management, architectural, engineering and technical consulting, Booz, Allen & Hamilton's ex-president James W. Taylor shows his public spirit by saying: "Whereas I may feel badly as a taxpayer, I must rejoice in the market that these expenditures suggest for us consultants."

This strain of embarrassment is part of the tune consultants have been whistling—all the way to the bank—since World War II. The crowd of management consulting firms has swollen from 400 in 1940 to 3,000 in 1970. Management consulting is an industry of 50,000 or 60,

000 people now, according to the Association of Consulting Management Engineers (ACME). And they're everybody's favorite target.

"Consultants are people who borrow your watch and tell you what time it is, and then walk off with the watch," says Robert Townsend, who turned Avis Rent-a-Car into a success and didn't let anybody forget it in his book, *Up the Organization*.

Consultants, in the popular wisdom, are Monday-morning quarterbacks, hotshots who don't have to prove they're smart like everybody else does. They can plan programs, advise on hiring and firing, push for major decisions, and be long gone before anybody finds out if they were right. Any factory worker who has seen a consultant watching him in a time and motion study knows that no consultant is going to recommend that he work slower.

"The word 'consultant' has come to have a connotation of shoveling smoke, of doing nothing," admits Richard White, now an independent consultant after high-paying stints at Macro Systems, Inc. (\$40,000—\$50,000), a big government contractor among consultants, and Booz, Allen, which is one of the biggest.

White is 35, very trim and tough in the cool-under-fire modern manager style that men like Robert McNamara perfected during World War II, replacing the old ba-



Poof! You're a consultant, Jeb Stuart Magruder. Never mind that your first client was the Ervin Committee on Watergate.

ITT

Why bust ITT? A Justice Department consultant asked the same thing after reading an ITT memo forwarded by the White House.



Goodnight, Walter. But it's no Senior City in Florida, whenever he retires. He'll consult. It's reportedly in the contract.



Mark 48 torpedo costs rose from \$680 million to \$4 billion. That was with the cost controls designed by consultants.

ronial harrumph of the J.P. Morgans. White sits in his shirtsleeves at a clean, clean desk, blond and blue-eyed, a bit of Bobby Kennedy, a bit of Richard Widmark.

He graduated from Clarkson as a mechanical engineer in 1960, the golden age of mechanical engineering graduates, when technical savvy was king. He spent the next six years at Western Electric, American Telephone & Telegraph's manufacturing arm. It got dull. He got dull.

"One of the reasons there are consultants is that people forget how to work. At Western Electric, I panicked if I had to do more than three or four hours' work in a day. When I quit and went to Booz, Allen, I found out that hours mean nothing, and getting the job done is everything. You walk into a government office, you see people with their feet up on desks, reading magazines, promoting their own businesses on the side. Unlike bureaucrats, or Western Electric people, who are the same as bureaucrats, consultants are extremely task and goal oriented. The lawyer says, 'Are we allowed to do it?' and the engineer says, 'What about nut A and bolt B?' and the consultant says, 'Are we actually getting this thing done?' Even if he disagrees with the concept of the task, he should be able to work on it. My wife says I'm too goal oriented. I don't know.

"In government, we get hired because they can get high-priced talent, supergrade talent, with no overhead, and no supergrade or hiring limitations by Congress. Also, there's an aura about the government that keeps the bright guys away.

"You wander in and out. Nobody knows who you are if you don't stay for more than a month. You find somebody on vacation and camp in his office. You scrounge telephones.

"They call you 'the contractor.' Not even 'the consultant.' For all that some bureaucrats care, you might as well be laying carpet as setting up a field-office program."

While there's that aura about consulting that leads people to gripe about "noise peddlers" and "the air business," there's also a terrific aura of respectability, authenticity, class and science about consultants. Why else would so many TV advertisers boast their product was certified by an "independent testing laboratory," which is nothing but a bunch of consultants in white coats?

Consultants are the Green Berets of the business world, tough, one is told, and well trained. But it's hard to prove just what good they do. The federal government makes only sporadic investigations into the performance of consultants. The federal government keeps no central records of how many consultants it hires, what it pays them, what they do, who they are, what they do that nobody in the government could do.

And that's probably just fine with most consultants, who are slightly less eager to talk about their clients than Mafia lawyers.

Says Hal Higdon, author of *The Business Healers*: "Almost a conspiracy of silence pervades the management consulting profession. Consulting firms desire publicity on a certain level (such as occasional favorable mentions by name in *Business Week*), but they seem to fear anything which might bare the true nature of their occupation to the public."

There seems to be a conspiracy among executives of McKinsey & Co. to utter publicly nothing but pieties that would have shamed "Engine" Charlie Wilson, the General Motors president who once said:

"What's good for General Motors is good for America."

At the Copenhagen conference of international consultants, McKinsey director Carl Hoffman roused a storm of snickering by saying things like: "We never do any selling; we answer inquiries and make arrangements with the client for the study."

Consultants News reported that the audience of consultants commented: "The McKinsey boys have a great capacity for deluding themselves. Not only do they bid competitively, they underbid."

(At The Second North American Conference of Management Consultants, in New York last January, Arthur D. Little's William Carey won more peer agreement when a questioner asked him: "What is the effect of personality and contacts in government contracting?" Carey answered: "Plenty.")

Any on-the-record interview possibilities at McKinsey's Pennsylvania Avenue office overlooking the Executive Office Building, end at the office door, despite the fact that it's mostly taxpayers' money that is paying the rent—paying for the office door, in fact, a magnificent construction that might be a modern corporate rival to the Ghiberti doors on the Baptistery in Florence. The elevator doors open like the curtains opening the first time you saw Cinerama, and a huge bulwark of solid furnished hardwood, a whole wall of it, bulges out, bearing gold letters a quarter-inch thick: MCKINSEY & COMPANY, INC., and a list of the corporate offices: New York, Chicago, Los Angeles, Toronto, London, Dusseldorf, Zurich, Melbourne, Cleveland, San Francisco, Mexico City, Paris, Amsterdam, Milan and Tokyo, all lit by 10 spotlights.

But McKinsey doesn't do any selling, you understand. What does it do? What do any of them do?



You ask what it should cost to put man on the moon? Fortunately, a consultant had enough chutzpah to come up with an answer.



Consultants didn't have all the answers for uncooperative Viet Cong Prisoners. Instead, they had some of the questions.



When poverty became the '60s favorite problem, consultants came right behind, at social agencies. At around \$100 a day.



Consultants take comfort. Fred Malek, the administration's Mr. Hire-and-Fire (and budget biggie) used to be one too.

ACME'S executive director, Philip Say, defines management consulting as "the professional service performed by specially trained and experienced persons in helping managers identify and solve managerial and operating problems of the various institutions of our society; in recommending practical solutions to these problems; and helping to implement them when necessary. This professional service focuses on improving the managerial, operating and economic performance of these institutions."

Now, management consultants aren't to be confused with consulting architects, engineers, computer software specialists, research and development companies or laboratories, executive search companies (employment agencies for executives), all of whom can and do call themselves consultants.

Booz, Allen & Hamilton Inc. does a little of most of the above and a lot of management consulting, with about 200 professionals in Washington. Federal, state and local governments accounted for 35 per cent of 1972's \$53.7 million in billings at Booz, Allen.

About 100 of those professionals are the technical specialists. The rest are the sort of management consultants who have created both the mystique and the notoriety that surrounds the consulting industry.

Booz is probably the third largest consulting firm in the nation, behind Stanford Research Institute and Planning Research Corporation. It is also one of the oldest. It is also considerably less imposing and more open than McKinsey.

Last year, what Booz, Allen did for the federal government was to "perform a nationwide market survey of the current use of and needs for postal services among businesses and institutions." It tried to

find out "how and why resources are allocated to drug abuse programs, and then to set up a pilot program in one state," according to the annual report. Also:

"We are helping a U.S. government agency achieve overall improvements of its accounting operations, including budgeting . . . we are establishing accountability for state use of federal funds . . . we analyzed blood banking operations in the U.S. . . . We were retained to evaluate the international trade impact of pollution abatement costs. . . . Several government agencies used our services to help them determine the extent to which the public is misinformed regarding health-care remedies." As the head of a small consulting firm once said: "When you read a brochure for Booz, Allen & Hamilton it reminds you of a lost government looking for a country."

Bidding on these jobs and the others like them is a circus of guesswork, cronyism, cost accounting and blind luck—a fact that can be best appreciated, perhaps, when you reflect that it's not unusual for a consulting contract bid to vary by a factor of as much as seven—which is to say, two firms with the same right qualifications, staff, buzzwords (more about buzzwords in a second) and connections with agency executives can study the proposal: one bids the job at \$50,000; the other at \$350,000. And, as one Washington health-care executive complained about consultants hired by his own non-profit company: "These guys bid low, then make their money on cost overruns. It's almost a tradition in government—remember the C5A? We have a year-long study being done for \$38,000. No way they'll bring it in for that. Any idiot knows the salary mark-up alone has to

be at least two or three hundred per cent."

In the early '60s the Kennedy administration tried to rein back on individual consultants by tightening up qualifications and setting fee limits that now run from \$64.16 a day to \$138.48 a day. But the consulting firms don't have to follow those guidelines. After all, they're selling a task, not a man-day, the reasoning goes. As long ago as 1966, an ACME survey showed that consulting firm partners, or equivalent executives, were fetching up to \$560 a day for their services.

Bidding on jobs means writing proposals, most of them in response to the government's "Request for Proposals" published in Commerce Business Daily. And writing consulting proposals involves a mysterious literary form known as "buzzwords," or "trigger words" that everybody in the business seems to know about as something somebody else uses. "Buzzword" means jargon that makes the obvious sound scientific, the vague sound measurable. It isn't a "job," that a consultant might get, for instance, it's a "client engagement," or an "installation." And let's not forget "viable," and "objective analysis" and "turnkey capability."

According to Mark Rosenman, who parlayed a \$10,000-a-year job at the NAACP into a \$16,000 job at the Urban Coalition, then into independent consulting that would pay him \$20,000, he says, if he wanted to work that much: "Every agency has its own set of trigger words. There are people who make a living doing nothing but writing proposals that key into those trigger words. There are also people who can read the RFPs (Requests for Proposals) in Commerce Business Daily and tell you exactly who the agency wants to give the job to, just by the vocabulary of buzzwords."

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Rosenman is a moustached, woolly-haired representative of the social action consulting establishment that sprang up all over town in the '60s with the New Frontier and the Great Society and all that. (If you're wondering where the Camelot types went to, consulting firms like Trans-Century or University Research Corporation might be a good place to look.)

Consulting gives Rosenman the best of two worlds: the freedom to live in a huge moldering house that seems to be full of unrelated but friendly people who cover peeling paint with political posters . . . plus, when he got to Washington and found out what sort of money he was worth, "I couldn't believe it. I went out and bought a sports car, a Fiat. I got a charge account at Garfinckel's. Former movement people have found it's very easy to make \$20,000 a year."

So Rosenman keeps his ear to the ground, or to the two telephones in his bedroom/office, and flies around the country telling people about their communities and organizations. "There's a direct correlation between intelligence and distance from your home. Here I'm Mark Rosenman. In Michigan, I'm a Washington consultant and expert."

One bizarre feature of landing government contracts is the fact that it's seasonal, like truck farming. The consulting season is April through June, when the real harvest takes place. June is the last month of the fiscal year. And if there's one thing that scares bureaucrats more than not getting money from Congress, it's not spending it all, so that they have to turn it back in and some drawling congressman with his glasses down on his nose will be able to rumble on at the committee hearings about how the agency didn't even spend the money they got the year before, now just why should the committee come up with more this year, y'hear?

So nobody in consulting takes a vacation in June, because one fast and easy way to spend money is on advice.

"Yes, buying season," Ed Hearle ruminates, smiling. Hearle heads Booz, Allen's Washington corps of 100 management consultants. He rates an office with a lot of windows and a big couch. In

contrast with Booz, Allen's Ivy League image, Hearle looks more like a midwestern bank president.

"In June those proposals stack up four and five feet deep—literally—on agency floors," he says.

"Some years we get up to 40 per cent of our business in June alone. Actually, government business isn't all that profitable compared to the private sector. Here you can only mark up the price two or three times the salary of the consultant who's doing the work. It's more like four times in the private sector.

"The government is excessively interested, in my opinion, in cost breakdown, and less interested in the final result than industry is. And they're less apt to implement what we advise, because they've got so much holding them back—they get input from Congress, the executive branch and the General Accounting Office. We stay in it because there's an increasing meshing of public and private sectors as more and more requirements on private industry come from government—environmental rules, occupational safety and health laws, that kind of thing."

Consulting in government has been limited almost entirely to the agencies, from HEW to the Defense Department. Questioned as to why Congress has never spent much money on consultants for itself, Hearle isn't quite sure. But he says that Booz, Allen would avoid getting too much business from Congress.

"It's like having consulting contracts with two different oil companies. There's a conflict of interest problem."

Puzzled, the questioner asks what the conflict of interest problem with consulting for Congress would be.

"Congress is in the position analagous to that of being a competitor with most of our government clients," he says.

Unsettling notion, that one part of government might regard another as competition.

It makes more sense when you listen to consultant William Corson, former lieutenant colonel in the Marines, Ph.D. in economics. Expertise, he says, makes you hard to beat in the government.

Sitting on his awninged terrace by the swimming pool of his house in Potomac, Corson leans forward to give an example of what he means. "These guys in the Pentagon have all spent 25 years figur-

ing out how the system works. Congressmen don't have a chance against these guys at a hearing. If they want to claim one morning that the Swiss navy is going to attack the port of Houston, they'll have the whole thing cost accounted, programmed and justified by the afternoon."

If it is mostly a worrying hypothesis that consultants are part of the ex-pertocracy that has given the bureaucracy and executive branch an edge on Congress, it's obvious that Congress has never managed to match the tough, crisis style that has marked management, technology and the executive branch since World War II. It's been a long time since the down home style of a Sen. Sam Ervin didn't get snickered at by the brain boys who could reduce everything to a science.

Paul Dickson, author of *Think Tanks*, writes that: "In reality these think tanks (technical consultants who often verge into the management field) have not just enabled the Pentagon to increase its arsenal of new ideas and new hardware, but have served to extend the power of the Pentagon over Congress . . . It was during this period (1969) that Jerome B. Wiesner, former Kennedy Administration science adviser, stated that Congress needs an 'anti-Rand'—a research body working for Congress that would provide analysis independent of military support."

Dan Guttman, who has just written a book about government contracting, along with fellow Nader's Raider Barry Willner, dates the rise of a consultant bureaucracy to 1946, when the executive-branch moved toward linking government and industry tighter as the Cold War replaced the hot one.

You can also date it to an 1830 contract the Secretary of the Treasury made with the Franklin Institute in Philadelphia to study boiler explosions. Or to the time and motion studies Frederick W. Taylor invented in the late 19th century, to inaugurate the infectious idea that management, somehow, can be turned into a science. Or Henry L. Gantt, another efficiency pioneer who figured out Gantt charts, which make it possible to coordinate different functions of factory production.

Guttman is 26, and ferociously intense, in a style that

one suspects has changed little since he left Yale Law School—pacing up and down in a room where all the windows are closed on the muggiest day of the year, grinding his teeth, counting on his fingers, punctuating with exclamations of "ridiculous!"

"We used to honor a division of private and public sectors. But when the government needed atomic power and strategic expertise, it created the Rand Corporation and it created an Atomic Energy Commission that contracted out all its work. Consultants are a major revolution. They're the bridge between government and industry. When you merge the two sectors, though, you have to get conflict of interest."

Then again, you have to get the job done.

One of the hardest things to get past Congress is an increase in the Civil Service payroll. It's easier to increase spending on outside contracts, even if the contracts buy only people. So you end up with consultants who have to be schizophrenic—half expert, half bureaucrat. They have to be careful of what they say and do, like bureaucrats, but there's no Civil Service control over them, aside from not renewing contracts."

Presumably, some measure of control would come from Federal regulations insisting that an individual consultant, at least, be "a practitioner of unusual competence and skill," among other qualifications that are usually ignored. For instance, a social action consultant named Bob Orser recalls "being hired to write a booklet on school feeding last year. It was a \$100-a-day sub-contract, four times removed from the original contractor. OEO contracted with a Florida firm, which contracted with a Washington firm, which contracted with another Washington firm, which contracted with me. I was no expert. I didn't know anything about it. I learned on the job."

Last fall, Guttman and his co-author Willner took some of their conflict of interest findings to the House Post Office and Civil Service Committee.

A contract to help locate executives was let to Peat, Marwick and Mitchell, a huge accountant/consultant firm, by the Office of Education. One of the people recommended by PMM was one Rodney

Brady, in the post of Assistant Secretary for Administration.

Among other responsibilities in that post, Brady would have been passing on government contracts with, yes, consultants. And Brady happened to be a former employee of Management Systems Corporation, a firm which had merged into PMM, and which had also set up the cost control program for the disastrous Mark 48 torpedo program, in which costs had risen from an original estimate of \$680 million to \$4 billion.

(PMM replied that Brady had left Management Systems after the merger, and that he was only one of 26 names submitted. He was also one of two out of that 26 who got hired—though as assistant secretary for management rather than administration.)

Guttman and Willner also complain that there is virtually no merit system to evaluate consultants. It's a charge that gets shrugged off by most consultants as something academic. Harold Seidman, professor of political science at the University of Connecticut, former Bureau of the Budget executive and a consultant, himself, points out that if the government started listing poor performers it would run into "blacklist problems." A contractor hired to build a brick wall gets a bad reputation if the wall is a foot too short, but it's a lot harder to measure the value of a stack of paper that a consultant hands in as his report.

And the interchange of consultants and bureaucrats is another hobble in evaluation. Calls to the Office of Management and Budget, trying to elicit a simple executive reaction to a McKinsey and Co. study done a number of years ago, were finally blunted by an OMB executive who said: "You'll have a hard time getting any opinion on that contract from anybody here. There are too many people here who used to work for McKinsey." (Most notably, deputy director Fred Malek, who has served as one of the chief talent scouts and administrative hatchetmen of the Nixon administration.)

An example of contract consulting at its worst—or one would like to think of it as the worst—is the Post Office contract with Westinghouse Electric Corp. to develop a job evaluation program.

The investigations subcom-

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mittee of the House Post Office and Civil Service Committee found that:

Robert W. Eidson, the Post Office's director for Engineering, Research and Engineering Department, "made up his mind to go with Westinghouse as early as December 17, 1970, perhaps earlier. (The request for proposal was sent out on January 20, 1971—and only to six bidders. It was not published in Commerce Business Daily.)

"When he found he could not go sole source (award the contract to Westinghouse with no bidding at all) he went through the facade of limited competitive bidding. When faced with the high bid of Westinghouse (\$3,722,228, compared with next highest of \$3,497,905, and lowest of \$1,901,626—plus highest profit margin of any of the bidders) and informed he could not choose them outright and he had to complete a standard evaluation form, he went through the motions and again selected Westinghouse.

"Upon being advised that this was still not enough, he went through a questionnaire routine and again selected Westinghouse, primarily on the strength that they affirmatively responded to our questions in that they have the experienced personnel currently 'on board' and at the cost proposed in their pricing proposal—an allegation that the Subcommittee has shown to be untrue.

"The awarding (of the contract) . . . was poor judgment at best. The firm had little or no experience in job evaluation outside its own corporate structure, and, indeed, had to engage a subcontractor experienced in the field of job evaluation."

In this amazing tangle, Westinghouse hired its own consultant, Fry Consultants, to tell it how to do the job that Westinghouse itself had been hired to do.

"All of the experts who testified before the subcommittee stated it was absurd and foolhardy to have a contractor who had to have a subcontractor to train the contractor in the . . . very skills for which the contractor was hired in the first place," the report says.

Fry Consultants testified they could have done the job for \$1.28 million, by themselves. If so, Westinghouse

charged another \$2.21 million on top of Fry's bid, mostly to serve as a middleman, with a profit margin of nearly 300 per cent.

"It now appears," the subcommittee concluded, that by moving the Postal Service into the bright new world of corporate management—and consultants—"politics has been replaced by 'board room cronyism.' . . . Board room 'deals' are no less repugnant and costly to the taxpayer than back room 'deals.' "

The subcommittee recommended that the Postal Service try to get its money back, and find somebody else to finish the job.

"No, nothing happened," a Postal Service spokesman said recently. "We continued with Westinghouse and put their recommendations into effect a couple of months ago."

Lest anyone suggest that Robert Townsend might have been exaggerating when he said that a consultant is a man who borrows your watch to tell you what time it is, consider the performance of Ernst & Ernst, a big consultant/accountant which collected more than \$1.1 million from the Law Enforcement Assistance Administration.

In 1969, a sadder but wiser director of the New Mexico state planning agency wrote to his successor, Norman Mugleston, that the "Ernst firm . . . spent several days developing a questionnaire to be used in interviewing police agencies throughout the state. Their product was a questionnaire of approximately six pages in length. We did not feel the questionnaire was comprehensive enough and therefore presented the Ernst people with our own draft of a questionnaire of some 25 pages in length. The Ernst people then adopted our own questionnaire almost in toto."

Ernst & Ernst also prepared manuals to earn its \$1.1 million. Maybe just to stay on the safe side, at least two of the manuals were nearly identical with manuals already provided by LEAA, whose money was paying Ernst & Ernst. In a bit of schoolboy lawyering, Ernst & Ernst changed things like: "The form will be submitted semi-annually only and is due within 30 days following the report date." It

changed it to: "The form is to be submitted semi-annually and is due within 30 days following the end of the report period."

The Committee on Government Operations, however, sounded like the pot calling the kettle black when it said that "a penny-wise but pound-foolish state-imposed freeze on public employment helped provide justification for inordinate use of outside consultants . . ."

In hopes of avoiding New Mexico's woes, California's legislature has been considering a bill to license management consultants—a proposal that is opposed by ACME—which prefers that consultants be certified by its own spin-off association, the Institute of Management Consultants.

Already, the consulting industry has taken to referring to itself as "professional service." The big firms are said to be pressing, too, for a new bidding system for government contracts that would pre-qualify the inner circle, and keep the outsiders from competing—all to cut down the costs of bidding, costs which are passed along to the taxpayer, big-firm consultants claim.

If some people might be glad that IMC certification would cut the Jeb Stuart Magraders out of the action, others might regret that it might also cut out people like Bob Orser, of Gyst Associates, a non-profit firm that brings proposal writing and other consultant skills to neighborhood groups and community improvement groups that haven't mastered the elaborate etiquette of technocracy.

Then again, certification would end the notion that "anybody can get into consulting—it's one of the last examples of free enterprise," as claimed by John Magnotti at the National Council of Professional Service Firms in Free Enterprise. It would be free enterprise—just like medicine as espoused by the American Medical Association.

Since we've gotten where we are by massive reliance on consultants, we're apt to keep going. Unless, perhaps, somebody reflects on the banzai boom of Japanese industry and technology and economy, and recalls that the Japanese have achieved this modern miracle with virtually no consultants at all. ■