


Deregulation and self-regulation: Challenges and strategies for the development of organizational consulting in Brazil

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José Jerônimo de Menezes Lima¹, Emir José Redaelli², Charles Dalpiccol³, Leandro Goulart Baldi⁴,
Lúcia Arlete Machado Nunes⁵, Luciani Coimbra Fagundes⁶ and Martin Ricardo Schulz⁷

ABSTRACT

This article addresses the need for deregulation in management consultancy in Brazil, arguing that such a measure would boost innovation and competitiveness in the sector. The current regulation is considered outdated and restrictive, hindering significant advancements and negatively impacting the benefits of the sector in the Brazilian economy, given the limitations due to current norms. The text highlights the historical evolution of consultancy in the country and the need for laws that keep up with market changes. The current regulatory rigidity is seen as an obstacle to adapting to modern demands. The proposal for deregulation, aligned with international practices and emphasizing self-regulation by professional associations, would facilitate companies' adaptation to market needs and client demands. This would allow the adoption of best international practices, raising the global competitiveness of Brazilian companies. Self-regulation, with ethical and quality standards, would promote better practices, recognized by clients and society. The inclusion of international standards would increase innovation and excellence in the sector. The article also emphasizes the importance of diversity in ideas and practices for the global competitiveness of Brazilian management consulting firms, suggesting that deregulation would allow fairer competition among companies of different sizes and specialties. Deregulation aims to align the sector with global trends, benefiting clients and contributing to a more dynamic and competitive sector. The need to review or repeal relevant legislation currently negatively affecting the consultancy sector is also highlighted, proposing professional advocacy actions.

Keywords: Management Consultancy, Consultants' Associations, Self-Regulation.

¹ Doctor of Business Administration
University of Vale do Rio dos Sinos (UNISINOS)
E-mail: jeronimol@unisinos.br

² Doctor of Business Administration
Brazilian Institute of Analytical Competition (IBCA)
E-mail: emir@ibca.net.br

³ MBA em Business Process Management
Versorium Administrative Management
E-mail: charles@versorium.com.br

⁴ MBA in Business Management
Method - Strategic Reflection
E-mail: leandro@mettudo.com.br

⁵ Master's student in Organizational Psychology
Dragon Organizational & Behavioral Consulting
E-mail: contato@dragon-br.com

⁶ MBA in Business Management
Brazilian Institute of Analytical Competition (IBCA)
E-mail: luciani@ibca.net.br

⁷ Master in Management and Business
Schulz Business Training
E-mail: martin.ricardo.schulz@gmail.com



INTRODUCTION

"Organizational consulting is the economic activity in which a professional "consultant acts independently and temporarily, assisting organizations in identifying, analyzing, and proposing alternatives for solving complex organizational problems" (ABCO, 2024a). This definition implies that the provision of consultancy services requires impartiality, experience, competence, fair remuneration for the services provided and pragmatic transfer of knowledge, with a firm commitment to solving the problems faced by the contracting organisations. From a relational point of view, it is essential that consultants maintain an ethical posture and appropriate behaviors, maintain objectivity and discretion in interactions with clients, and transfer knowledge in a way that allows contracting organizations to operate independently. Furthermore, the work of consultants should be limited to their proven areas of expertise, and they should be aware of the social implications of their work in the community in which they work (KUBR, 2003; ABCO, 2024b).

In this sense, "consulting" can be considered both a profession and an area of expertise. As a profession, it involves specialized individuals who offer expertise and advice to organizations in various areas of endeavor. As an area of expertise, it refers to the field or sector in which these professionals operate, encompassing a variety of methodologies aimed at improving organizational efficiency and effectiveness. Therefore, the consulting activity encompasses both the professionals who exercise it and the field of study and practice itself.

According to Kubr (2003), Bronnenmayer, Wirtz, and Göttel (2016), and Morgan (2018), organizations hire consultants to obtain specialized technical knowledge and skills, intensive professional assistance on a temporary basis, obtaining unbiased external perspectives, and support in implementing pre-established measures. For these reasons, consulting professionals must continually seek knowledge and learning in their field, apply their competencies effectively, adopt ethical standards in stakeholder relations, and maintain a commitment to the advancement and dissemination of professional knowledge.

Services typically offered by consultancies include diagnostics, research and studies, counseling, development of solutions to specific problems, application of methodologies, advice on the implementation of solutions, and training. The advantages of hiring consultants include the acquisition of professional experience, greater acceptance of advice at the upper echelons, the ability of consultants to take risks, and impartiality in decision-making to solve client problems (MARKET RESEARCH.COM, 2023). In this sense, Wainwright (2022) emphasizes that consultancies aim to generate value for organizations by increasing performance, offering objective advice, and implementing solutions to solve complex business problems.

Growth data for the sector, which generates global revenues of \$634 billion and employs more than 4.3 million people, shows the significant contribution of this activity to the world's



economies. In the United States, which holds 40% of the industry's global demand, more than 1.12 billion companies offered consulting services in 2022, with a year-on-year increase of 0.3% compared to 2021 (TREND STATISTICS, 2023). This market is expanding due to economic volatility and reforms in government regulations (MORDOR INTELLIGENCE, 2023).

Globally, the consulting market is extensive and segmented, covering a variety of practice areas that cater to diverse organizational needs. These specialties include: Strategic, Operational, Information Technology (IT), Human Resources, Financial and Risk Consulting, Sustainability, and other specialized areas such as legal and environmental, as well as Startup Consulting. Each of these sub-segments addresses unique challenges and opportunities while adapting to customer needs and expectations (MARKET RESEARCH.COM, 2023). It is worth noting that these sub-segments are not dominated by consultants with an academic background in Business Administration and the vast majority of consulting firms in Brazil are formed by independent consultants or are MSEs (ABCO, 2022).

Specialized academic and commercial research on consulting is extensive and covers historical, theoretical, practical and normative aspects, being fundamental for academics, students and professionals in the sector (CERRUTI; TAVOLETTI; GRIECO, 2019; NEWTON, 2019; RADOV, 2022).

In Brazil, the consulting activity has shown a growing importance in the economy, expected to expand and have a high growth rate. The country represents about 1% of the global consulting market and 31% of this segment in Latin America, having moved approximately US\$ 14.4 billion in 2021. This data indicates a potential annual increase of more than 4% in the global consulting business, with Brazil emerging as a promising backdrop for this expansion. This growth is driven by the increase in the number of entrepreneurs in the country and the adoption of *coworking* spaces, which contribute to cost reduction and increased productivity of the services provided. The global consulting market is expected to grow at an average rate of 10% per year, and could reach \$1.3 trillion by 2026 (Forbes, 2022).

Like any professional activity, the consulting sector lacks regulations that establish the limits and contours of its performance. In this sense, professional regulation refers to the set of rules, laws and guidelines established by competent bodies, which aims to order and control the exercise of certain professions, aiming to ensure that:

- (i) the professionals have the academic training and skills necessary to practice the profession, ensuring a standard of quality in the services provided;
- (ii) the market is protected from inappropriate practices by ensuring that only qualified professionals offer certain services;



- (iii) the responsibilities and duties of professionals are clearly established, including ethical and legal aspects;
- (iv) the practice of the profession is restricted to qualified individuals, through licenses, certifications and registrations;
- (v) professionals are encouraged, and in some cases required, to keep their skills up to date and to continue their professional development.

In the Brazilian context, the consulting activity is affected by several laws, being regulated by Law No. 4769/1965 and complemented by Laws No. 6642/1979 and 8873/1994 (BRASIL, 1965). The evolution of this legislation is relevant in the regulatory and professional panorama of consulting in the country. Originally enacted to establish standards for the practice of the profession of Administration Technician, the legislation also outlined the legal framework that shaped the practice of consulting activity in subsequent decades.

Historically, the law emerged in a context of increasing professionalization and specialization in the field of Administration in Brazil. This law, along with its subsequent amendments, aimed to establish clear criteria for the qualification and performance of management professionals, including those in the field of consulting. The objective, at the time, was to ensure a standard of quality and ethics in the services provided, protecting the market from inappropriate practices and reinforcing the credibility of the sector.

Article 5, item XIII, of the Federal Constitution of 1988 of Brazil, establishes that the exercise of any work, trade or profession is free, provided that the professional qualifications established by law are met. This means that, although the constitution guarantees the freedom to choose and exercise professions, this freedom can be restricted according to specific laws and regulations for certain areas (BRASIL, 1988).

Regarding the areas of activity of administrators, professional regulation is exercised by the councils of regulated professions, such as the Federal Council of Administration (CFA) and the Regional Councils of Administration (CRAs). The CFA's main purposes are to advocate for an adequate understanding of administrative problems and rational solutions, to guide and discipline the exercise of the profession, to resolve doubts raised in the regional councils, to judge, in the last instance, the appeals of penalties imposed by these councils, to vote on and amend the Code of Professional Ethics, in addition to ensuring its faithful execution, and promote studies and campaigns in favor of the country's administrative rationalization (CFA, 2024a).

Therefore, in the Brazilian context, both the profession itself and the area of consulting practice may be regulated and subject to specific legal requirements, which must be met in order for the professional practice to be legal and recognized.



The regulatory legislation also indirectly involves the performance of the Brazilian Micro and Small Business Support Service (SEBRAE). Laws No. 8029/1990 and 8154/1990 were fundamental in the creation and structuring of this entity dedicated to the support of Micro and Small Enterprises (MSEs) in Brazil (BRASIL, 1990). Being a non-profit entity and with access to specific resources and funding, it can offer consulting services at lower prices or even free of charge, which can create unequal competition for consulting MSEs that rely on service revenues for their financial sustainability.

Another factor concerns the legislation that governs the Individual Microentrepreneur (MEI) in Brazil, Complementary Law No. 123/2006, also known as the General Law of Micro and Small Enterprises. This law was later amended by several other complementary laws, which adjusted and expanded its provisions. Specifically, Complementary Law No. 128/2008 introduced the figure of the Individual Microentrepreneur, establishing the rules and conditions for its formalization and operation.

This legislation defines aspects such as the annual turnover limit for this type of company, the activities allowed for classification, the procedure for registration and formalization, and the benefits and tax obligations associated with the category. In addition to complementary laws, the Simples Nacional Management Committee (CGSN) also plays a key role, as it is responsible for regulating and updating the list of activities allowed for the MEI, as well as defining other related rules (BRASIL, 2006).

This has a significant impact on consulting MSEs, as it establishes billing thresholds and specific rules for the activities that can be carried out as MEI. For consulting MSEs, it means that there are restrictions on formalizing as an MEI, depending on the specific nature of their services and billing. Companies that exceed the turnover threshold or whose activities are not listed among those allowed for this type of company, and must seek other forms of tax and business framework.

However, over the past few decades, the consulting industry has undergone significant changes, driven by globalization, technological advancements, and increasingly dynamic and interconnected business environments. These transformations have triggered debates about the adequacy of existing legislation, arguing that the current regulation has not kept up with the needs and complexity of the contemporary market. The discussion about the deregulation of the consulting sector in Brazil, therefore, is not only a matter of legal adequacy, but also a reflection of the evolving economic and social dynamics. Legislation, while seeking to establish a standard of practice, has become an impediment to the innovation and adaptability needed in a globalized marketplace.

The historical and current contextualization of this regulation are fundamental elements to understand the roots of the current legislation and the reasons behind the voices that call for its reform. This historical overview reveals not only the evolution of the consulting industry, but also



highlights the need for legislation that is in line with the dynamism and demands of the modern market. Given this scenario, the argument in favor of the deregulation of the consulting activity has gained relevance, suggesting the need to align Brazilian practices with international trends. This approach can potentially unlock the innovative potential of the sector, allowing for greater flexibility, diversity of ideas, practices and innovations, and leverage the competitiveness of Brazilian consulting firms on the global stage.

In this sense, this theoretical essay argues in favor of the deregulation of consulting activity in Brazil, arguing that the current legislation no longer meets the needs of an innovative and dynamic business environment. Deregulation is seen as an essential step to align Brazilian companies in the sector with international best practices, creating an environment more conducive to innovation and competitiveness. In this sense, the essay demonstrates the current challenges of the sector and brings proposals to enable this deregulation.

THEORETICAL FRAMEWORK

BRAZILIAN LEGISLATION AND REGULATION OF CONSULTING ACTIVITY

The current legislation that regulates the practice of consulting activity in Brazil was originally created for the CFA to regulate the profession of Administration Technician (CFA, 2024b).

One of the main implications of this legislation for consulting firms is the requirement that the sector's activities be carried out by professionals registered with the CRAs. This condition implies that consulting firms must employ qualified and registered professionals to meet this legal requirement. In addition, the law influences the hiring and personnel management practices of these companies, requiring them to verify credentials, maintain appropriate records, and, in some cases, tailor job descriptions to ensure compliance.

The main criticisms of this legislation are:

- (i) restriction of the labor market, excluding competent professionals without specific training in Administration, but with relevant knowledge and skills;
- (ii) requirement of registration with the CRA as an additional layer of bureaucracy, increasing costs and time required to establish and maintain compliance;
- (iii) questions about the formal qualification guaranteed by law as a true indicator of the quality of services, in contrast to the valorization of practical experience and other forms of formal education;
- (iv) the need for continuing education to meet the requirements of expertise in consulting, not covered only by academic training in Administration;
- (v) limiting market flexibility, making it difficult to adapt to new trends and innovative practices;



- (vi) creation of a professional monopoly, restricting the supply of services and potentially raising prices; and
- (vii) difficulty in free competition and growth of consulting MSEs.

These criticisms reflect a broader debate about the regulation of professions and their impact on the labor market and the economy. The Brazilian legislation, conceived several decades ago, no longer reflects the demands and realities of the contemporary market, limiting the practice to a restricted group of professionals, which restricts the ability to adapt to the current demands of the market.

Originally intended to structure the profession of administrator in Brazil, the law is currently seen as an obstacle to the dynamism of the consulting sector, which requires skills beyond those provided by academic training in Administration. The now obsolete regulation limits innovation and adaptability in fields that require multidisciplinary expertise. In addition, it restricts the practice to registered administrators, excluding professionals with valuable experience in other areas, diminishing the diversity and breadth of perspectives in the industry that present themselves as significant losses for consulting firms.

With the transformations of the market, especially in digitalized and globalized sectors, the current legislation is not aligned with modern practices. The obligation to register with the CRA also imposes an additional layer of bureaucracy, discouraging the entry of foreign consultants and raising costs for professionals, especially novices and self-employed.

For these reasons, it is opportune to include the perspectives of a diverse range of stakeholders in the debate on the deregulation of consulting activity, with forums being held with consulting firms, independent consultants, corporate clients, universities and government representatives to enrich the discussion with a plurality of views.

Another relevant issue for the consulting sector concerns the competitive performance of SEBRAE, a private non-profit entity, which aims to provide support to Brazilian MSEs.

The legislation that deals with SEBRAE comprises laws nº 8029/1990 and 8154/1990, which were fundamental in its creation and structuring as an entity dedicated to the support of micro and small enterprises in Brazil (SEBRAE, 1990). Article 7 of Law No. 8029/1990 provides for the creation of the institution, defining it as a private non-profit entity, with the mission of promoting competitiveness and sustainable development of small businesses. Subsequently, Law No. 8154/1990 established more details about the organization and its functioning, including aspects such as the management of resources and the composition of its board of directors. SEBRAE is financed mainly through a portion of the employer's social security contribution (INSS) from the companies' payroll. These laws establish SEBRAE as a key player in supporting the development and strengthening of



micro and small enterprises in Brazil, offering services such as consulting, training, technical assistance, and research (SEBRAE, 2024).

In this direction, the institution works with a focus on strengthening entrepreneurship and accelerating the process of formalizing the economy through partnerships with the public and private sectors, training programs, access to credit and innovation, encouragement of associations, encouragement of entrepreneurial education in formal education, fairs and business roundtables. The solutions it develops serve from the entrepreneur who intends to open his first business, to small companies that are already consolidated and seek a new positioning in the market.

With regard to the payment of taxes, SEBRAE, as well as any other entity or company that operates in accordance with Brazilian law, is subject to the relevant tax obligations. In the specific case of charging for consulting services to MSEs, SEBRAE, as a service provider, must follow the tax regulations applicable to this type of activity. This includes issuing invoices for services provided and paying taxes on income earned from those services.

However, it is worth mentioning that the institution has a specific configuration and mission, which provides it with exemptions or differentiated tax treatments. This leads to unequal competition in the market, and SEBRAE can, in these cases, do a disservice to the economy by disputing clients with consulting SMEs instead of fostering the growth of these companies, as its institutional mission proposes.

The questioning of the reasons why the CFA and SEBRAE have not yet taken the initiative to suggest the revision of this legislation, particularly with regard to the consulting activity, even though they have resources and easy access to the National Congress, is a point of debate in the consulting sector.

The consultants' associations assess that it may be that these entities consider that the legislation is still adequate for the current needs of the market. Laws are designed to be timeless and comprehensive, and entities can assess that the current provisions are sufficient to regulate the consulting profession. Proposing and implementing changes to existing laws is a complex and time-consuming process that involves multiple steps and the approval of multiple legislative bodies. Entities may be focusing their efforts on other areas that they deem more urgent or effective for the advancement of the profession.

The field of Management is broad and diverse, and the needs and opinions of professionals in the field can vary significantly. Entities need to balance the interests of different groups within their registered base, which can make it challenging to promote a specific review of the laws.

The CFA, like any professional council, and SEBRAE, operate within a broader strategic and political context. Decisions about which initiatives to promote or support can be influenced by a variety of strategic, political, and economic factors. These institutions may be using other strategies



to address issues related to consulting, such as the creation of internal standards, training courses, certifications, and guidance for their consulting professionals.

However, these assumptions suggest a point of view that relates professional regulation and supervision by CRAs to the potential fundraising without a free competition base, and it is important to consider some aspects to understand this relationship.

The main purpose of regulating a profession and overseeing it by a professional council is to ensure that the services provided to society are of quality and carried out by qualified professionals. In the case of the CFA, this applies to the Administration. As part of their activities, professional councils collect fees and annuities from registered professionals. This collection is essential for these entities to be able to exercise their functions of regulation, supervision and promotion of the profession.

The supervision of professional activities, such as management consulting, helps to ensure compliance with professional and legal standards. This can have a knock-on effect on tax collection, as unregistered professionals or companies operating outside of regulated standards may be encouraged to regulate. Decisions on regulation and enforcement are influenced by institutional policies and strategies of the CFA. While fundraising is important to an organization's sustainability, it is typically not the only determining factor in regulatory decisions.

Professional councils must balance the interests of diverse stakeholders, including practitioners, businesses, universities, government, and society at large. Decisions on regulation and enforcement can be influenced by this variety of interests. While it is possible that the collection of fees and dues plays a role in the CFA's enforcement policies, it is important to remember that the primary purpose of a professional board is to regulate and ensure the quality and ethics of the profession, not just to raise funds.

Similarly, SEBRAE's regulation and its impact on consulting MSEs have several effects, including negative and positive aspects that are important to consider.

The institution has access to a vast network of resources, information, and connections, both at the government level and in the private sector. MSEs do not have the same level of access, which limits their opportunities for growth and development. As it is an entity recognized and supported by the government, SEBRAE's services can be perceived as more credible or of higher quality. This influences companies' choices when seeking consulting services, potentially to the detriment of consulting MSEs.

If MSEs become too dependent on SEBRAE's services, this limits the development of a diversified consulting market, in which different providers offer a variety of perspectives and specializations. In this way, the dominance of the institution discourages innovation and diversity in



the consulting industry. The presence of a large dominant entity discourages new entrants and limits the variety of approaches and methodologies available in the market.

SEBRAE's presence in the consulting market, especially because it has significant advantages in terms of resources and tax conditions, has several consequences for free enterprise and the economy in general. This condition limits the participation of consulting MSEs in many market segments, not only when they work directly with clients, but mainly in incentive programs for companies in specific events and sectors.

Competition is a fundamental pillar of free enterprise and is crucial for innovation and competitiveness. SEBRAE's dominant presence limits competition, as entrepreneurs in consulting MSEs find it difficult to compete with services offered at lower prices or free of charge. New entrants face significant challenges when competing with an established and well-funded entity; This discourages entrepreneurship and innovation in the consulting industry. Competition is a driver for innovation and with fewer competitors in the market due to SEBRAE's dominant presence, there is less incentive to innovate as small consulting firms are unable to compete effectively, which limits their willingness to develop new services.

While SEBRAE can offer high-quality services, the lack of competition can lead to complacency about continuous quality improvement. A diverse market with multiple service providers tends to elevate overall quality through competition. When a single competitor dominates a market, there is an unequal distribution of economic opportunities, which negatively affects small businesses, which are critical to job creation and local innovation. Additionally, over-reliance on a single entity for consulting services makes the market vulnerable to failures of that entity. Supplier diversity fosters market resilience. Potential entrepreneurs in the consulting industry may feel discouraged from starting their businesses due to the difficulties of competing with a large, established entity, negatively affecting entrepreneurial spirit. A healthy market is characterized by a wide range of services tailored to the needs of different clients, and the predominance of a single entity limits the availability of diversified and specialized services.

In addition to this issue of impediment to free competition, consulting firms cannot register as MEI due to the limitations established in the legislation that governs this category, created to formalize small businesses and self-employed, with some specific restrictions. It is aimed at small business owners with a maximum established annual turnover. Consulting businesses often exceed this threshold due to the nature and value of the services provided. Not all business activities are allowed under the MEI regime. The CGSN establishes a list of permitted activities and consultancy is not included in this list. It allows the hiring of only one employee, and consulting firms often need more employees to operate effectively, which disqualifies them as MEI. Some forms of consultancy



may require specific training or registration with class councils (such as legal or engineering consultancies), and these regulated professions are often not compatible with the MEI regime.

To promote a healthy and competitive business ecosystem, it is essential that there is a balance between supporting micro and small businesses and maintaining an environment of free competition in which different service providers can thrive and innovate. In this sense, Bianchi and Labory (2018) emphasize the need for regulatory flexibility and appreciation of diversity to promote innovation and competitiveness.

The *Corporate Finance Institute* (CFI) notes that professional deregulation entails the removal or reduction of government regulations in specific industries, allowing for greater operational freedom and better sectoral decisions. Thus, the main objective of deregulation is to eliminate barriers to competition, stimulating economic activity, increasing competitiveness, innovation, and market growth. On the other hand, the risks of maintaining regulation involve the possibility of small businesses being overtaken by large companies, potential lack of protection for contractors' interests, lack of corporate transparency, and the possibility of fraud (CFI, 2024).

REALITY IN DEVELOPED COUNTRIES

Biehl (2019) conducts a comparative analysis of the regulation of consulting in different international contexts, examining how regulation, or lack thereof, impacts this activity. This research offers insights into the regulatory approaches adopted in different countries and their impact on the consulting industry, including aspects such as ethical standards, quality of service, and innovation. Among the regulatory approaches identified are:

- (i) State regulation: Some countries have the activity of consulting regulated by the government, which establishes qualification requirements, ethical standards and other rules for the practice of the profession.
- (ii) self-regulation: In other countries, the consulting industry sets its own ethical and quality standards, as well as inspection and sanction mechanisms to ensure compliance.
- (iii) Voluntary certification: There are cases in which consulting firms choose to obtain certifications from independent organizations that attest to their competence and compliance with internationally accepted ethical and quality standards.
- (iv) Lack of regulation: in some countries, there is no specific regulation for the exercise of consultancy, allowing any person or company to offer this service without restrictions.

In developed countries, the deregulation of consulting activity has been crucial for dynamism and innovation in the sector.

In the United States, regulatory flexibility fosters a wide range of consulting approaches, from independent consultants to large firms. Professional practice is not subject to strict or uniform



regulation at the federal level, and the profession operates mostly under a self-regulatory regime, although certain specialized services may require specific licenses.

Or *Institute of Management Consultants* (IMC-USA) represents U.S. consultants and promotes excellence and ethics in consulting practice. It confers the designation of *Certified Management Consultant* (CMC), an internationally recognized standard of excellence. IMC-USA is a member of the *International Council of Management Consulting Institutes* (ICMCI), a global organization that promotes the consulting profession. The IMC-USA, as well as the Brazilian associations, advocates a Consultant Code of Ethics, establishing high standards for professional practice and ethical conduct (IMCS-USA, 2024a, 2024b; ABCO, 2024b; IBCO, 2024c).

In the UK, the emphasis on self-regulation and ethical standards set by professional associations such as the *Institute of Consulting* (IC) and the *Management Consultancies Association* (MCA) has resulted in a robust and reliable consulting market. Although membership of these organizations is not mandatory, they support the interests of their members and promote the value of consulting (IC, 2024; MCA 2023).

In the European Union, there is no unified regulation for consultancy. Standards and regulations vary between member countries, with some nations requiring more requirements for certain services. The *European Federation of Management Consultancies Associations* (FEACO) is one of the leading entities, representing national consulting associations from various member countries, facilitating collaboration and *networking* between consultants of different nationalities (FEACO, 2024).

In these international contexts, despite the absence of specific regulations for the consulting activity, consultants are still subject to general business and commercial laws, which cover aspects such as contracts, professional liability and copyright.

Professional associations play a key role in setting ethical standards and establishing practices for the profession by offering credentials and certifications that contribute to elevating the reliability and recognition of consultants. These credentials are important indicators of competence and commitment to quality and ethical standards, serving as a differentiator in the market.

This balanced approach, which values both practical experience and academic training, and which promotes self-regulation based on ethical and professional standards, could be the key to a more dynamic, competitive consulting industry aligned with the needs and challenges of the global market.



METHODOLOGY

The methodology adopted in this article is qualitative and predominantly theoretical, focused on the analysis, interpretation and synthesis of the existing literature in the context of the consulting sector.

The theoretical essay method used aims at the development of arguments and theories, placing the main emphasis on conceptual discussion and critical analysis of existing ideas. Although statistical data are presented to support the arguments, the predominant nature of this research is theoretical, with a special focus on building a unified argument and contributing to theoretical development within the field of consulting.

According to Meneghetti (2011), the theoretical essay is used in several disciplines, especially in the applied social sciences. This method is distinguished by its emphasis on analyzing, interpreting, and synthesizing existing literature, with the aim of developing arguments or theories. Unlike approaches based on empirical experiments or the collection of primary data, the theoretical essay focuses on the exploration of ideas and concepts from secondary sources, providing an in-depth and multifaceted understanding of the topics under study.

Booth *et al.* (2020) point out that the theoretical essay requires a detailed exploration of already established concepts and theories. An immersion in different perspectives and interpretations is required, establishing connections between ideas to form a cohesive and well-reasoned argument. Critical analysis, which involves a thorough evaluation of the existing literature, is a vital component of this method. It makes it possible to identify gaps, inconsistencies or possibilities for new interpretations, thus contributing to the evolution of knowledge in the area studied.

Yan (2020) emphasizes the importance of the synthesis process in the theoretical essay, which consists of integrating diverse sources and perspectives to build a unified narrative or argument, offering new *insights* or a more in-depth understanding of the topic being discussed.

Greene and Lidinsky (2020) point out that the ability to argue and persuade is crucial in the theoretical essay. The essay should present ideas in a logical and convincing way, relying on robust and well-articulated theoretical evidence. The primary purpose of the theoretical essay is to provide meaningful contributions to a field of study, whether by questioning prior assumptions, proposing new interpretations, or theorizing in an innovative way.

Among the strengths of this method are the critical analysis of existing literature and the ability to integrate different sources and perspectives into a cohesive narrative, which is crucial for questioning previous assumptions and proposing new interpretations, contributing significantly to the theoretical development of a field.

However, the theoretical essay also has limitations. Reliance on secondary sources may restrict the introduction of new data or the exploration of aspects not previously addressed. There is



also the risk of confirmation bias, when the author may select and interpret information in a way that reinforces his or her previous hypotheses or beliefs. Thus, maintaining objectivity and impartiality is challenging, given the high degree of subjective interpretation involved.

To improve this methodology, it is beneficial to adopt a more interdisciplinary approach, using theories from various areas to enrich the analysis. Rigorous and diverse peer review can help mitigate bias and ensure the quality of the work. In addition, the combination of the theoretical essay with empirical methods can be an effective strategy to validate the proposed theories and explore new dimensions of the topics covered.

PROPOSALS FOR THE DEVELOPMENT OF ORGANIZATIONAL CONSULTING IN BRAZIL

The examples from different developed countries show how a less restrictive regulatory approach could be beneficial for the consulting industry. As it would promote the entry of new talent and the adoption of innovative methodologies, regulatory flexibility would also stimulate diversity and adaptability, essential aspects for the evolution and dynamism of the sector.

In the Brazilian context, the adoption of similar practices could enhance the competitiveness of the national consultancy, aligning it with global standards of excellence. Adapting international best practices to the Brazilian context implies rethinking current regulations, promoting greater openness and flexibility. This would not only bring Brazil in line with global trends, but also foster an environment conducive to innovation and the development of new approaches in consulting. Opening up to different professional profiles, with diverse backgrounds and experiences, could enrich the sector with a variety of perspectives and competencies essential to meet the dynamic and complex demands of contemporary organizations.

For these reasons, the revision of the regulation of consulting in Brazil, inspired by successful international models, can be a significant step towards revitalizing the sector, favoring growth and innovation in consulting, in addition to expanding access to high-quality services for Brazilian companies, contributing to the country's economic development.

The existence of professional associations, in contrast to specific state regulation for professions, offers several significant advantages. These associations continue to be very relevant, even in the age of the internet, social networks, and online education programs.

Membership in associations provides unique benefits such as a sense of community, opportunities for interaction between like-minded individuals, and active participation in the industry. These organizations are constantly evolving to meet the needs of current members and attract new members by developing innovative programs, products, and membership options.



Continuous adaptation to the market ensures that they remain meaningful and beneficial to their members, playing a key role in maintaining ethical and quality standards (DANIELS, 2017).

Or *Center for Association Leadership* (ASAE) brings studies that analyze the nature and formation of professional associations in relation to the professions they serve. Professions, by definition, provide a service, have a defined body of knowledge, have an advocacy group, a code of ethics, and practice self-regulation. Professional associations support all of these defining factors by providing capacity building and development, creating and disseminating knowledge, offering certification, advocacy and outreach, as well as support and *networking* for its members (ASAE, 2016, 2017).

In Brazil, several associations represent consultants, particularly in the area of management consulting. They enable self-regulation of the profession, establishing ethical and quality standards, and offer greater flexibility than that observed in many government legislations. This flexibility is crucial for adapting to the rapid changes and innovations in the market.

All the leaders of these associations do voluntary work, that is, they carry out unpaid activities, motivated mainly by the desire to contribute to a cause. This involves dedicating time and effort for the benefit of others and the community, without the expectation of financial compensation. This type of volunteering allows professionals in the field to develop and improve skills such as leadership, communication, systems thinking, project management, and problem-solving, in a practical context. Also, by participating in volunteer activities, consultants can expand their professional network by connecting with other professionals and potential clients or partners. They can contribute to the community by improving the image of the association and its members, demonstrating social commitment and corporate responsibility (ABCO, 2024c; IBCO, 2024c).

Volunteering can provide a sense of accomplishment and purpose, improving personal satisfaction and well-being. By engaging in different types of volunteer projects, consultants can gain *insights* into new markets and industries, which can be useful in their professional practice. Working on projects that benefit the community can increase consultants' social awareness and empathy, important skills in consulting. Volunteer projects often provide opportunities to take on leadership roles, which can be excellent training for managerial or executive roles in these nonprofit associations. Volunteer work offers a unique opportunity for personal and professional development, as well as contributing positively to society and strengthening the image of an association (GRANT, 2015; ZWIEG, 2015).

The Brazilian Institute of Organization Consultants (IBCO) focuses on promoting the consulting profession by defining ethical and technical standards, offering a certification for consultants, with the mission of "encouraging ethics and quality in organizational consulting



activity" (IBCO, 2024a, 2024c). IBCO represents IMC-USA in Brazil and also offers CMC certification, an internationally recognized distinction (IBCO, 2024b).

The Brazilian Association of Consultants (ABCO) is dedicated to the promotion of ethical standards, excellence in the provision of consulting services, and offers ample opportunities for training and development. With the purpose of "leading the representativeness of the professional category, sharing knowledge for the training and development of consultants, fostering business generation and valuing organizational consulting as an activity that drives the economic and social development of Brazil" (ABCO, 2024a), the association guides Brazilian consultants and requires its members to adhere to the Consultant Code of Ethics. This code covers principles of sustainability and social responsibility, professional responsibility, integrity, management of conflicts of interest, and digital ethics in the exercise of its activities (ABCO, 2024b).

The Brazilian Association of Business Consultants (ABRACEM), although it is a company and not a professional association, acts in the support and representation of consultants. It promotes the profession, offering training and development and encouraging the exchange of experiences and business among its members. Its objective is to "consolidate and improve the practices of business consultants, entrepreneurs, and service providers" (ABRACEM, 2024).

These associations offer valuable opportunities for professional development through conferences, courses, *workshops*, seminars and study groups. They also provide a platform for *networking*, enabling its associates to share knowledge and experiences, as well as create opportunities for collaboration in business partnerships. In addition, they provide support and resources to address professional challenges, including legal, market and management issues, and offer accreditation programs that increase the credibility of consultants in the market. In addition, these associations advocate for the interests of consultants by representing them in discussions about public policies and regulations that impact the profession. They establish codes of ethics and standards of professional conduct, promoting responsible and ethical practices in consulting, and influencing the development of educational curricula that meet current and future market needs.

The main difference between a professional association and a state regulation is the approach taken. While state regulation imposes mandatory and uniform rules, a professional association proposes a more flexible and adaptable model, based on voluntary adherence and commitment to standards of excellence defined by the professional community it represents.

The global trend of deregulation of certain professions, with the aim of promoting flexibility, innovation and competitiveness, is particularly relevant in the consulting market, a sector in constant technological evolution and changes in work preferences. This deregulation, by reducing bureaucracy and the costs associated with it, would encourage the entry of new professionals into the market, increasing the competitiveness of the sector. Despite legitimate concerns about maintaining



quality and ethical standards, an appropriate balance could be struck through self-regulatory measures and voluntary certifications.

In the Brazilian context, criticism of the current legislation and proposed amendments point to the need for a more inclusive and adaptable approach in the regulation of consultancy. These proposals include the relaxation or even repeal of certain laws to allow professionals from other areas to work, updating professional requirements, simplifying bureaucratic processes, recognizing international qualifications and experiences, encouraging continuing education, and focusing on the quality of services and results obtained by consultants. These critiques and proposals reflect a growing desire to make the consulting industry more dynamic, adaptable, and inclusive by leveraging a broader range of talent and experience.

The current laws are seen as obsolete, they no longer correspond to the dynamics of the globalized market. Rigid regulation limits innovation, favors incumbents, and devalues practical experience and diversity of knowledge. The restriction of the practice of consulting only to graduates or postgraduates in Business Administration and registered in the CRAs and the impossibility of fair competition of consulting MSEs with SEBRAE contrast with the global trend of flexibility and tends to limit the competitiveness of the sector in Brazil.

Common criticisms of the Simples Nacional legislation and the MEI regime, particularly in relation to the Brazilian consulting market, include:

- (i) the invoicing thresholds for MEI and companies in Simples Nacional may be restrictive for growth consulting firms, preventing them from expanding their business or forcing them to migrate to more onerous tax regimes.
- (ii) not all consulting activities are allowed for MEI, which may limit the entry of new self-employed professionals into the market.
- (iii) the constant changes in the rules and the complexity of the legislation can make it difficult for micro-consulting firms to plan and comply.
- (iv) the differentiated tax regime may create competitive inequalities between companies that qualify for Simples Nacional/MEI and those that do not.

These critiques highlight the need for a balance between tax simplification and supporting the growth of consulting MSEs.

Therefore, the deregulation of consulting activity in Brazil, combined with self-regulatory measures and voluntary certifications, have the potential to significantly transform the market. This would not only foster innovation and excellence in the sector, but also contribute to economic development, job creation, and the training of qualified professionals in line with the demands of the global market.



To support the proposal for self-regulation in the consulting sector in Brazil, the following actions are suggested:

(i) creation of a Brazilian Federation of Consultants (FBC): this new entity, composed of the directors representing the consultants' associations, would be responsible for establishing professional and ethical standards, developing guidelines for practice and conduct to ensure the maintenance of high standards of quality and ethics in the profession (VAITSMAN; LOBATO; ANDRADE, 2013; NNCG, 2015).

(ii) development of a system of continuous certification and recertification for consultants: this system would ensure that professionals keep their competencies up to date. Professional certification, a formal recognition of competence in a specific area, would be obtained after completing an assessment and education process, ensuring the quality of the services provided and offering advantages such as recognition in the international market, constant updating with industry trends, and strengthening the professional network of contacts (EDHAT, 2023).

(iii) Consequences for non-compliance with the Code of Ethics: If an independent consultant or a consulting firm violates the code of ethics established by the associations, it could face significant consequences, including loss of reputation, sanctions from the associations, termination or non-renewal of contracts by clients, hesitation of other companies to do business, and potential legal consequences and financial hardship. Associations could have specific procedures in place to deal with violations of the code of ethics, and it is crucial that consultants are aware of industry rules and the consequences of non-compliance (KREHMEYER; FREEMAN, 2013; HOWARD; KORVER, 2020).

(iv) political and legislative strategies: include the revision or repeal of current legislation, with changes based on studies and concrete data. Actions such as dialogue with authorities, engagement of the professional community, formation of alliances and ethical lobbying, in addition to awareness campaigns and participation in public hearings, would promote the importance of the consulting sector and the problems with the limitations of the current legislation (MACHADO, 2021).

(v) Use of statistical data and case studies: To substantiate the arguments in favor of deregulation, it is possible to use data and case studies. Research could indicate that countries with deregulated consulting markets show higher growth in the sector. Case studies of Brazilian companies that have implemented innovative consulting practices derived from international experiences could demonstrate significant improvements in



competitiveness, illustrating the potential of deregulation as a catalyst for economic growth and innovation (DOUGHERTY; YAHMED, 2017).

(vi) establishment of strategic partnerships: encourage collaborations between consulting firms and SEBRAE to promote a more balanced field of action, involving joint projects, sharing best practices and mutual training, benefiting both independent consultants and SEBRAE, and contributing to a fairer and more competitive market (EGAP, 2020).

(vii) market monitoring and analysis: conducting periodic studies to assess the impact of self-regulation policies on the competitive balance between consulting firms and SEBRAE, helping to identify any inequalities and provide bases for adjustments in policies and practices, ensuring fairer competition conditions (EGAP, 2020).

(viii) implementation of a discussion platform involving representatives of consultants' associations, SEBRAE and other stakeholders. Such a forum would allow for the exchange of ideas, discussion of concerns, and development of collaborative solutions to ensure fair and equitable competition in the industry (QMP GROUP, 2014; NNCG, 2015).

(ix) development of mentoring and support programs: initiating mentoring programs whereby experienced consultants and successful consulting firms could offer mentorship to independent consultants and small businesses, leveling the playing field and promoting greater equality of opportunity (MENTORINK, 2023).

(x) promotion of transparency and accountability: encourage practices of transparency and accountability in all consulting activities, including those carried out by SEBRAE. This could include disclosing information about contracts, projects, and deliverables, helping to build trust and ensuring that all players operate under the same rules and expectations (VAN DER MANDELE; VOLBERDA; WAGENAAR, 2022; WATSON; CLARKE; SALIMI, 2023).

(xi) adjust revenue thresholds to accommodate the growth of micro-consulting firms, including more consulting activities on the list of those allowed for MEIs, and establish tax and training incentives to promote professionalization and qualification in the sector (AMANN; AZZONI; BAER, 2018).

(xii) make legislation clearer and more stable, reducing the frequency of changes and simplifying the tax structure (AMANN; AZZONI; BAER, 2018; REZENDE, 2022).

These proposals aim to create a more flexible and adaptable regulatory environment for the consulting sector in Brazil, with a view to promoting innovation, competitiveness, and ensuring quality and ethical standards in the profession.



Dougherty and Yamamed (2017) point out that regulatory reforms, especially those that liberalize market entry, tend to stimulate investment and exports, and that less restrictive regulations are related to an increase in investments, suggesting that deregulation can reduce market concentration and redistribute income, leading economic agents to adjust to a new context.

According to Hodges (2017), many organizations are investing in consulting capabilities to understand the changes needed to remain competitive and future-proof their business. Contracted consulting services must address critical issues, including adapting to rapidly changing needs, dealing with emotional and ethical aspects, and ensuring that managers take ownership of their organizational transformation projects through knowledge transfer by consultants.

In the analysis of the deregulation of consulting in Brazil, it is essential to address the divergent perspectives that permeate this debate. On the one hand, proponents of deregulation argue that current legislation no longer reflects the modern business environment, characterized by rapid technological change and globalization. They argue that deregulation can stimulate innovation, increase the competitiveness of Brazilian companies, and align Brazil with international practices, promoting a more dynamic and flexible business environment.

Vaitsman, Lobate and Andrade (2013) discuss the significant increase in demand for professional services due to the growth of the industry, leading to legal and ethical challenges. They highlight the importance of its legal regulation to ensure ethical and professional performance. The authors discuss various legal and ethical issues that arise in the service industry, including consulting, and explore regulatory approaches, self-regulation, government regulation, and industry-specific standards.

On the other hand, there are those who see regulation as an essential safeguard of professional quality and ethics. They emphasize the importance of maintaining a minimum standard of qualification and competence, protecting the market from inappropriate or harmful practices. They argue that regulation contributes to the credibility and trustworthiness of the sector, which are crucial elements for preserving professional integrity and ensuring high-quality consulting services.

The controversy in the discussion about the role of regulation in promoting or inhibiting innovation is complex. While deregulation can be seen as a path to creative freedom and entrepreneurship, there is a risk that the absence of regulatory standards will result in the proliferation of unethical or low-quality practices. This dilemma highlights the need to strike a balance between flexibility and maintaining certain professional standards.

A relevant consideration is the issue of social responsibility and the wider implications of deregulation for society. Regulation, while it can be seen as a restriction on market freedom, also plays an important role in ensuring that professional activities are carried out in an ethical and socially responsible manner.



By exploring the various perspectives on the regulation of organizational consulting in Brazil, a complex and multifaceted scenario is revealed. The decision to maintain, amend or repeal existing legislation reflects deep considerations about quality, ethics, innovation and social responsibility in the consulting industry. A balanced approach is necessary to ensure that any legislative change meets the needs of the sector, protects public interests, and maintains professional integrity.

It is crucial to reassess, reformulate or repeal the current legislation on the consulting sector, with a focus on easing barriers to entry into the profession and valuing the diversity of experiences and skills. Emphasis should shift from rigid state regulations to self-regulation by professional associations, which are able to set ethical and quality standards.

This move would promote a more dynamic and competitive market environment, bringing Brazil in line with global consulting practices. Deregulation would pave the way for innovation and talent diversity, enriching the industry. It is essential to mobilize stakeholders to review the legislation, aligning consulting in Brazil with global best practices and ensuring its effective contribution to the country's economic and social development.

Quality assurance in the consulting industry faces the challenge of its intangibility and the difficulty of ensuring practices of high ethical standards and competence in a profession that is not regulated. Despite efforts, the sector has yet to achieve an accreditation standard comparable to other professions such as Law and Accounting. The global standardization of consulting services could lead to professionalization, but obstacles exist due to the variety of specializations and environments in this industry.

Large consulting firms have their own codes of behavior and ethical standards, leaving smaller firms and independent consultants without consistent models of quality assurance and competence. Responsibility for ethical conduct and the quality of services usually lies with the individual consultant. Attempts have been made to establish good practices in the activity to improve quality, with codes of conduct and professional practices standardized by consultants' associations. While many countries have pursued the formulation of national standards, ambiguity is common in attempts to encompass a more comprehensive approach to advisory service delivery guidelines.

Because there are issues of professionalism and ethics when consultants attempt to solve a variety of managerial problems with limited and standardized solutions, the adoption of quality standards is one way to establish frameworks that help inform clients by establishing detailed requirements and specifications to guide service delivery. However, there are also benefits for the consulting side, including increased productivity and, consequently, customer satisfaction.

Consultants' associations can promote, for example, the adoption of the ISO-20700:2017 standard, which provides guidelines for management consulting services, as an alternative to regulation of the profession (ISO, 2017). This standard provides a set of best practices that help



consultants deliver services effectively, emphasizing an understanding of client needs to ensure consistent and effective projects. Implementing the guidelines of this standard increases transparency and understanding between clients and consultants, which is crucial for the success of consulting projects. Adhering to this standard contributes to the competitiveness and business performance of both consultancies and their clients, based on the transparency of the service offer and on quality criteria that are clearly defined and accepted internationally.

In a deregulation scenario, ISO-20700:2017 can become a valuable resource by providing a set of best practices that help consultants deliver services effectively. The standard highlights the need to understand customer needs and ensures that projects are carried out consistently and effectively. Implementing these guidelines promotes transparency and improves communication between consultants and clients, which is crucial for the success of consulting projects.

Adhering to the standard can bring benefits to both consultancies and their clients. For consultancies, it contributes to competitiveness and business performance, based on the clarity of the services offered and well-defined quality criteria. For clients, it offers the assurance that they are hiring services that follow internationally recognized standards of quality and ethics.

In addition, the standard promotes innovation, ethical behavior, differentiation and excellence in services, in addition to encouraging continuous improvement. The guidelines facilitate the development of stronger and more productive working relationships between consultants and clients. By adopting these guidelines, consultancies can not only improve the quality of their services but also strengthen their reputation and reliability in the market.

In the context of less restrictive legislation, as proposed by the deregulation of consulting activity in Brazil, it is essential to reassess, reformulate or repeal the current legislation on the sector. The focus of this strategic action for the consulting sector should be on easing the barriers to entry into the profession, valuing the diversity of experiences and skills. The emphasis should shift from rigid state regulation that privileges the action of CRAs to self-regulation by professional associations, capable of establishing ethical and quality standards, and that of SEBRAE in terms of free market competition.

With deregulation may come a concern about the quality and reliability of consulting services. Adhering to the standard can serve as a seal of quality that would increase clients' trust in consulting firms, ensuring that services are provided with a high standard of professionalism and ethics.

In the context of professional deregulation, self-regulation gains importance. The standard can serve as a tool for consulting firms to demonstrate their commitment to professional ethics and best management practices, filling the gap left by the absence of state regulation. It encourages the



review and continuous improvement of consultants' processes. In a dynamic and deregulated market, this flexibility and adaptability are essential for the survival and growth of the industry.

Thus, the adoption of the standard in the Brazilian context of deregulation of consulting activity can offer a balance between market freedom and the maintenance of high standards of service, contributing to a more ethical, transparent and competitive consulting sector.

There is no single or best way to manage quality in consulting. The intangibility, the variation in deliverables, and the complexities of standardization, in the absence of certification and regulation, foster the continuous pursuit of excellence in service delivery. Professional standards pave the way for this, guiding consultants towards competence and professionalism in the profession. However, limited to guidelines and lacking codified knowledge to regulate and professionalize the industry, quality assurance remains variable, and it is up to consultants to ensure results to maintain professionalism across the industry.

The value of a regulated approach to quality assurance is questionable; It is not the standard that will provide quality, but the implementation and adaptation that the standards promote. However, a set of rules and regulations to professionalize the sector is a substantial way to optimize this search. The adoption of such standards demonstrates consultants' commitment to quality and professionalism in a profession that relies on experience, trust-building, and professional ethics. It is these standards that provide the greatest regulation of quality assurance, rather than regulation of the activity through laws and state intervention.

FINAL CONSIDERATIONS

This article emphasizes the urgency of deregulating the consulting profession in Brazil, highlighting the need to update or repeal existing legislation to reflect the realities of a rapidly evolving market. Current legislation, perceived as outdated and restrictive, limits the sector's ability to adapt and innovate. Deregulation is seen as a crucial step in unlocking the creative and diverse potential of Brazilian consultancy, aligning it with international standards of excellence.

Several important issues are addressed in relation to the regulation of the consulting activity in Brazil, specifically in relation to the laws in force for the sector. This scenario can also be correlated with the inertia of the CFA and the situation of SEBRAE in the consulting market:

The current legislation establishes that consulting activities are carried out by professionals registered in the CRAs. Criticism of the regulatory framework highlights market restraint, additional bureaucracy, and limited market flexibility. The CFA's inertia in proposing changes to legislation can be seen as maintaining a *status quo* that favors registered management professionals, but which may limit innovation and diversity in the consulting industry.



SEBRAE, by offering consulting services, often under favorable tax conditions due to its nature as a support and non-profit entity, may be competing directly with consulting MSEs. This situation is exacerbated by the current legislation that restricts the practice of consulting to professionals registered in the CRAs. This dynamic can be seen as a disservice to small consultants, which SEBRAE should ideally support and foster, as it limits fair and equitable competition in the market.

However, it should be clarified that SEBRAE does not operate in medium and large companies, and registers consultants to act as accredited members of the entity, which characterizes business opportunities. Also, in intellectual property products, there is an opportunity for consultants to offer methodologies, with rules different from those practiced in the application of the entity's methodologies. In these opportunities, the pricing of services is attractive. Currently, the qualification process is not only documentary, but requires technical training to maintain accreditation, aiming at the decharacterization of economic dependence and tax regularization.

In addition, SEBRAE provides access to knowledge, innovation, and support to consulting MSEs that demand with a focus on the institutional mission, which takes into account a broader scope than the consulting sector (SEBRAE, 2020). For these reasons, part of the Brazilian consulting sector does not see SEBRAE as a competitor, but rather as a strategic business partner.

However, despite intellectual property, when these interdisciplinary projects are implemented, government funding is obtained from companies that are hesitant to participate in these programs. On the other hand, SEBRAE's public notices for the accreditation of consulting MSEs are bureaucratic, serving as an internal regulation (or maintenance policy), which causes highly capable companies to evade the system.

On the other hand, many business consultants consider SEBRAE to be the largest *hub* of knowledge on entrepreneurship in Brazil, and the criticism of its performance, with regard to consultancies, is restricted to business management only, which in fact limits the competitiveness of start-up consulting companies that are not yet able to project their *know-how* in medium and large companies, being restricted to the list of small enterprises that use SEBRAE's services.

Current regulation limits innovation and adaptability, which are essential in a dynamic industry like consulting. Not only does this restrict the ability to adapt to market demands, but it can also limit the entry of new talent and prospects into the consulting field. The discussion of deregulation suggests that removing or reducing regulations can stimulate economic activity and innovation. However, it also carries risks, such as the overtaking of small businesses by large companies and the lack of protection for the interests of contractors.

This debate needs to include several stakeholders in questioning the regulation of consultancy. This implies that both the CFA and other entities, such as SEBRAE, as well as other



professional councils, must actively participate in this dialogue to ensure that legislation reflects current market needs, promotes fair competitiveness, and supports innovation in the sector.

There is a need for a critical review of the current legislation, with the active participation of consultants' associations, government agencies, the CFA and SEBRAE, to ensure a fair business environment conducive to innovation and development of the consulting sector in Brazil.

To challenge the law that restricts the activity of consulting firms to professionals with undergraduate or graduate degrees in Business Administration registered with the CRAs, consultants' associations can adopt various political advocacy strategies, including:

- (i) Work with legislators: collaborate directly with legislators to propose legislative changes.
- (ii) awareness campaigns: sensitize the public and professionals about the importance of diversity in the exercise of consulting activities.
- (iii) Formation of partnerships: joining forces with other sectoral entities to strengthen opposition to current legislation.
- (iv) legal actions: challenging the constitutionality of the law in the courts.
- (v) Research and studies: conduct and disseminate studies that highlight the benefits of a more inclusive approach to consulting.
- (vi) Mobilization of members: encourage the consulting ecosystem to actively participate in the campaign against current laws that harm the sector.

To deepen the understanding of the deregulation of consulting in Brazil, future studies may focus on:

- (i) International comparative analyses: investigating countries where consulting is not limited to a single profession, assessing the impacts on innovation and diversity of practices.
- (ii) economic impact: analyze the market's growth potential, job creation and influence on international competitiveness.
- (iii) Case Studies and Diversity: Explore examples of success in countries with deregulation or less stringent regulation and focus on diversity and inclusion.
- (iv) Legal Studies: examine the constitutionality of current legislation by comparing it with international norms and suggest legal changes.
- (v) Impact on quality and innovation: investigate how the inclusion of professionals from different areas can enrich the consulting sector.
- (vi) Public perception and advocacy strategies: understanding public support and developing effective advocacy strategies for deregulation.



(vii) post-deregulation longitudinal studies: assessing the long-term impacts on the economy and consulting practices.

The implementation of these strategies and the conduct of new in-depth studies are essential to pave the way for effective deregulation in Brazil, promoting a more dynamic, innovative and competitive consulting sector.



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