

Service bulletin

Consulting Services

2008



Highlights

- Consulting services covered in this report consist of firms that are primarily engaged in providing expert advice and assistance to other organizations on management, environmental, other scientific and technical issues.
- Operating revenues for consulting services reached \$13.1 billion in 2008, a 10.3% increase from the previous year. This increase was driven almost equally by management consulting services up 10.3% and environmental and other scientific and technical consulting services up 10.4%.
- Operating expenses grew by 8.4% over the previous year to \$10.3 billion in 2008. In this knowledge intensive industry, labour costs including the salaries, wages and benefits paid to employees are the largest expense item, accounting for 64 cents out of every dollar spent in 2008.
- The operating profit margin was 20.8%, up from 19.4% in 2007.
- Geographically, businesses located in Ontario contributed the largest portion of total operating revenues at 46% followed by Alberta (22%), Quebec (14%), and British Columbia (12%). There has been little variation in this distribution since 2006.
- Operating revenues increased in Ontario (12.6%), Quebec (9.3%), Alberta (12.6%) and British Columbia at (4.8%). The remaining provinces and territories which generate 6% of total revenues saw operating revenues fall by a small margin (-0.1%), reversing some of the gains achieved in 2007.
- Sales to the business sector made up 72% of total sales in 2008 continuing a downward trend that has seen this proportion drop from 78% in 2006. The government and public institutions share increased to 17% in 2008, up from 13% in 2006.
- Consulting services is dominated by small firms that earn less revenue than the top 20 revenue firms and account for 87.1% of revenues generated by the industry – a proportion that has remained relatively unchanged since 2006.

Note to readers

As a result of changes in methodology, the data starting with 2006 as well as the data released in all subsequent years should not be compared with those that were released prior to the 2006 data.

2008 Survey Detailed Results

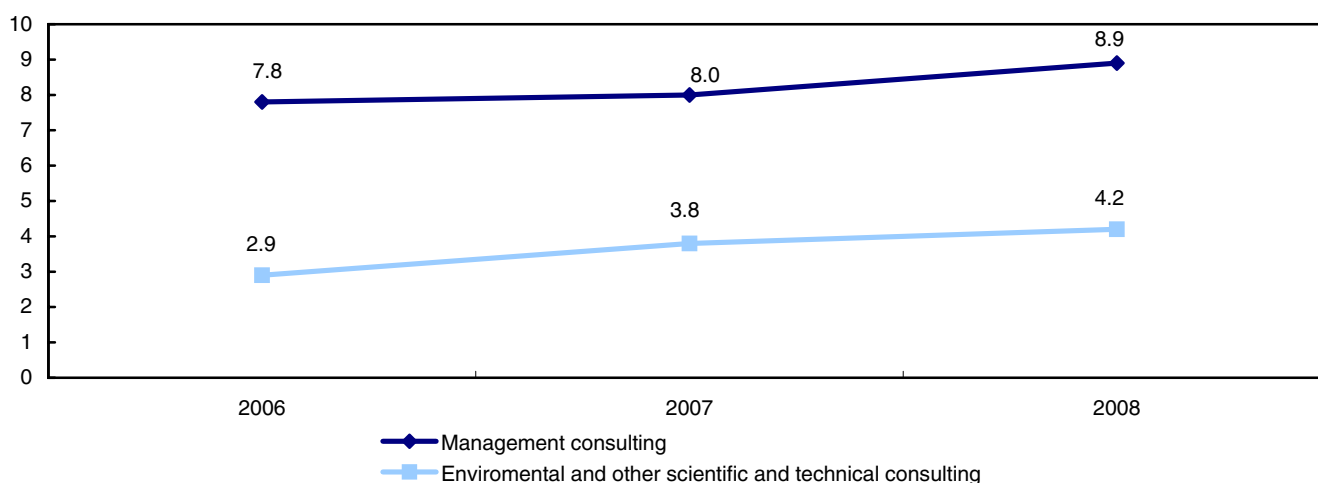
Total operating revenues

Consulting services covered in this report, consist of management consulting services (NAICS 54161) and environmental and other scientific and technical consulting services (NAICS 54162 & 54169).

In 2008, operating revenues rose to \$8.9 billion for management consulting services and to \$4.2 billion for environmental and other scientific and technical consulting services. The total operating revenues for consulting services amounted to \$13.1 billion.

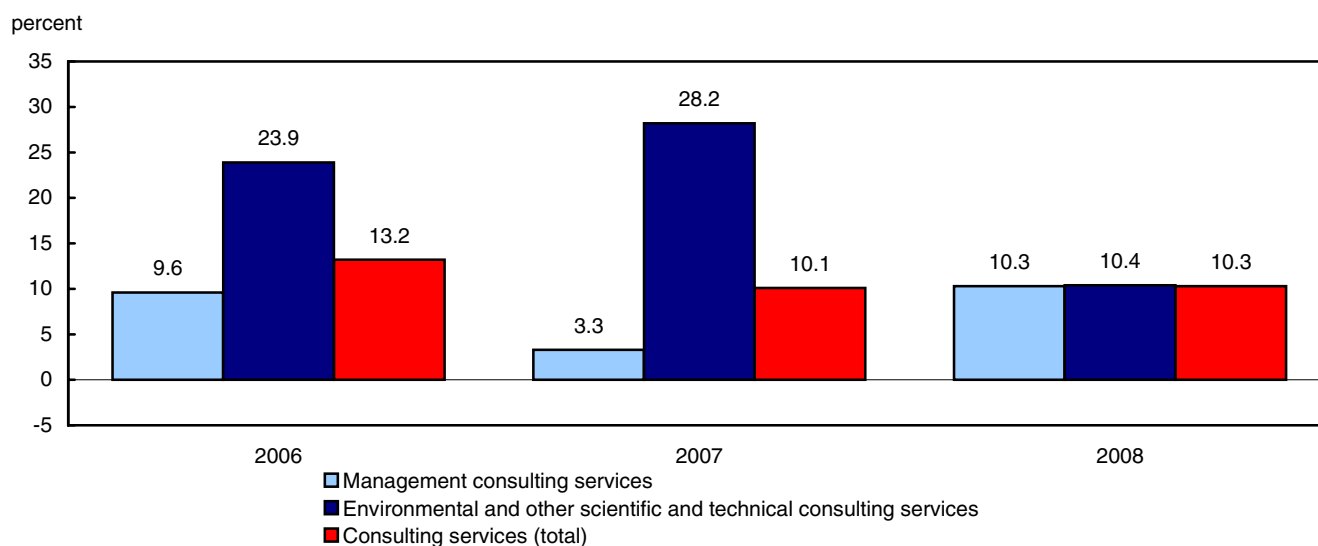
Chart 1
Operating revenues - Consulting Services

billions of dollars



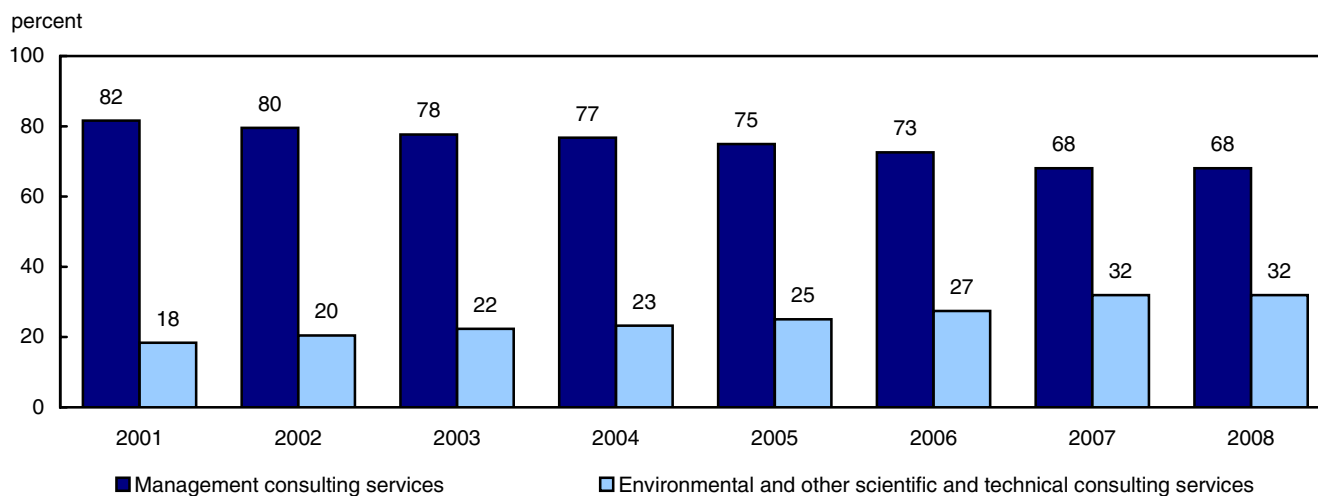
Operating revenues for all consulting services rose by 10.3% in 2008 driven in part by management consulting services which posted a 10.3% increase in 2008. Similar growth was seen in environmental and other scientific and technical consulting services which increased by 10.4%, marking a significant lessening of the rapid growth recorded in the last three years.

Chart 2
Growth of Operating Revenues - Consulting Services



The rise of environmental and other scientific and technical consulting services has steadily changed the composition of total operating revenues in consulting services as a whole. In 2001, the management consulting services industry contribution to total revenues amounted to 82% - a figure that has since gradually decreased to 68% in 2008. Over the same period, environmental and other scientific consulting services has demonstrated steady growth since 2001 levelling off at 32% in 2008.

Chart 3
Distribution of Operating Revenues by Industry



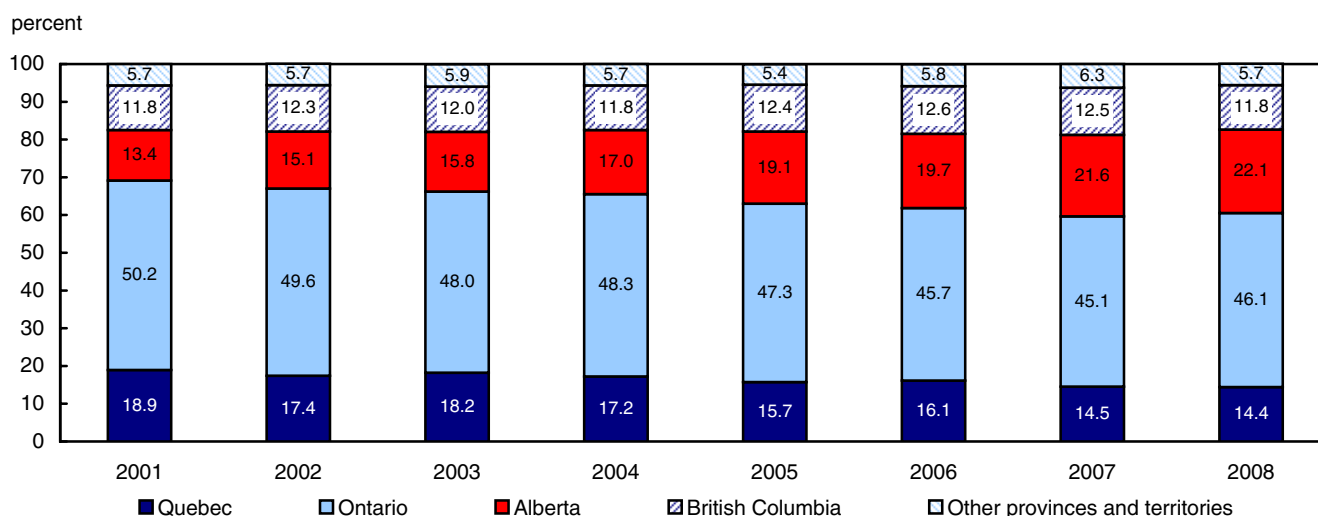
Total operating revenues by province

Ontario contributed \$6 billion worth of revenues or 46.1% of total revenues in 2008. Alberta had operating revenues of \$2.9 billion or 22.1% of the gross output. Quebec and British Columbia posted revenues of \$1.9 and \$1.5 billion respectively.

Quebec's share fell to 14% of national operating revenues while British Columbia remained unchanged at 12%. The combined revenue of remaining provinces and territories stood at \$0.7 billion in 2008 equivalent to 6% of the national share.

Management consulting services remains the biggest generator of revenues for most of the provinces and territories with the exception of Alberta where the split between the two industries is roughly even. Alberta has shown healthy growth in both management consulting services and environmental and other technical services since 2006.

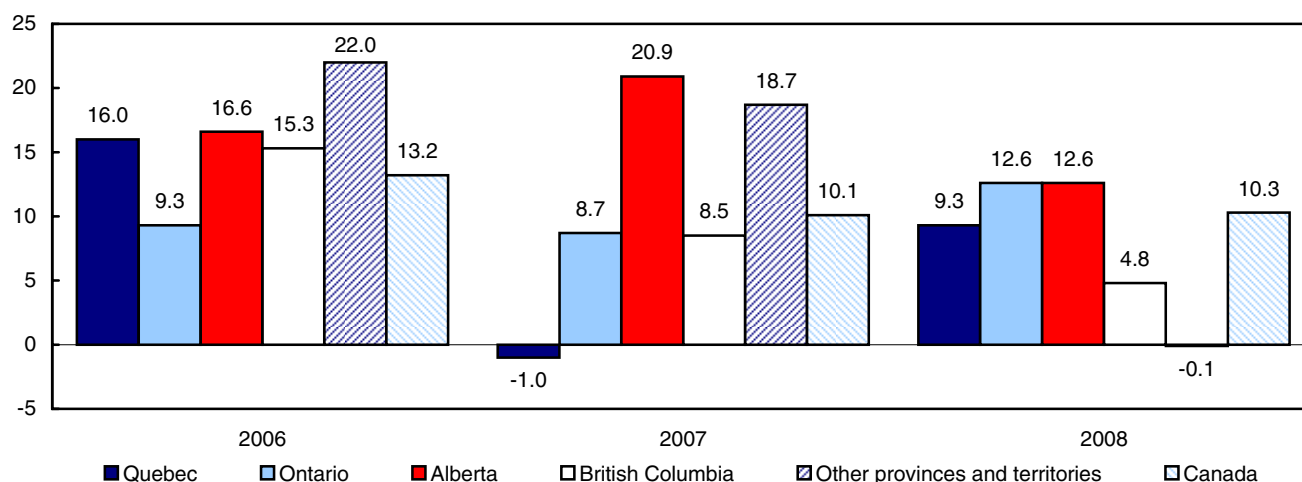
Chart 4
Distribution of Operating Revenues by Province - Consulting Services



All provinces with the exception of Quebec and Ontario posted reduced growth rates with moderate variation across the board compared to previous years. In Ontario, a pattern of stable year over year growth is evident leading to a multi-year high of 12.6% in 2008. Meanwhile, Quebec recouped losses incurred in 2007 thanks to a healthy revenue growth of 9.3% in 2008.

Chart 5
Growth of Operating Revenues by Province - Consulting Services

percent

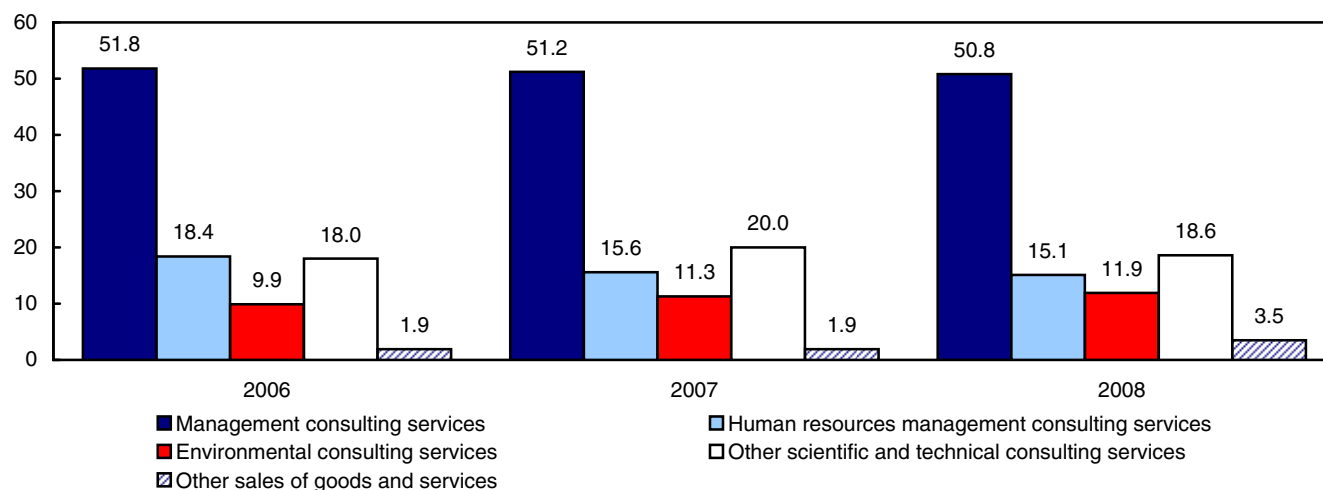


Sales by type of goods and services

In 2008, 51% of sales generated in consulting services can be attributed to the management consulting services. Human resources management consulting services contribution which has been on a steady decline over the last three years garnered 15% of total sales. Combined, these two generate the bulk of revenues (66%) with the remaining portion (34%) coming from environmental and other scientific and technical consulting services and other sales of goods and services.

Chart 6
Sales by type of goods and services - Consulting Services

percent

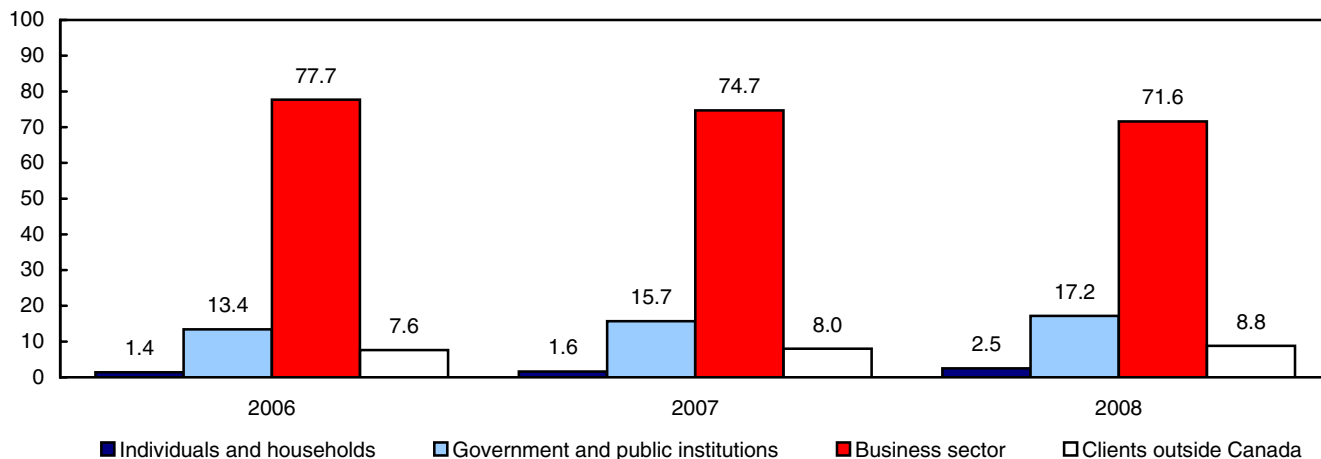


Sales by type of client

In 2008, 72% of total sales were derived from the business sector. Sales to government and public institutions stood at 17% followed by sales to clients outside Canada at 9% and the remaining 2% to individuals and households. Over the last three years, one notable change in this breakdown concerns sales linked to government and public institutions which have risen from lows of 13% in 2006 to a four year high of 17% in 2008.

Chart 7
Sales by Client Type - Consulting Services

percent



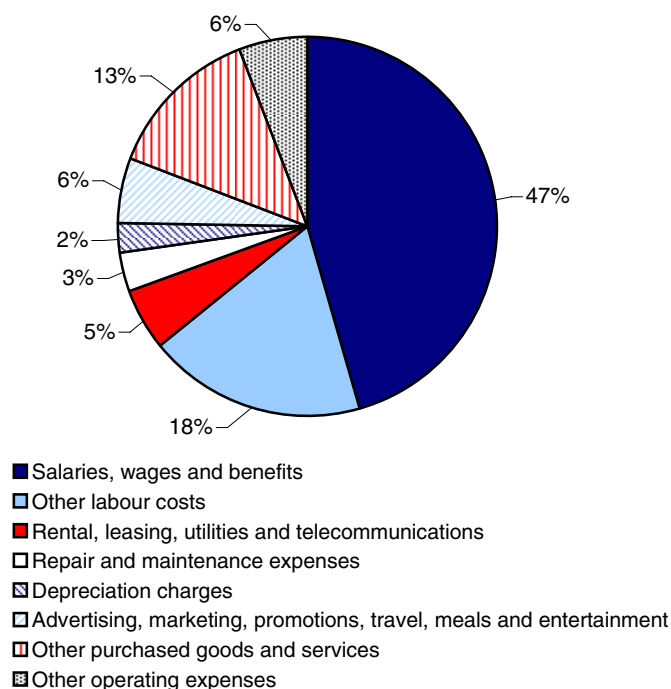
Industry operating expenditures

Operating expenses in consulting services grew by 8.4% overall in 2008 to reach \$10.3 billion.

The expense breakdown shows that salaries, wages and benefits of employees made up 46% of total operating expenditures. This is to be expected in light of the fact that consulting is a knowledge based industry.

All other labour costs (subcontract expenses, professional and business services fees and commissions paid to non-employees) comprised another 18% share of the total operating expenses. There has been little change in this breakdown over the last three years.

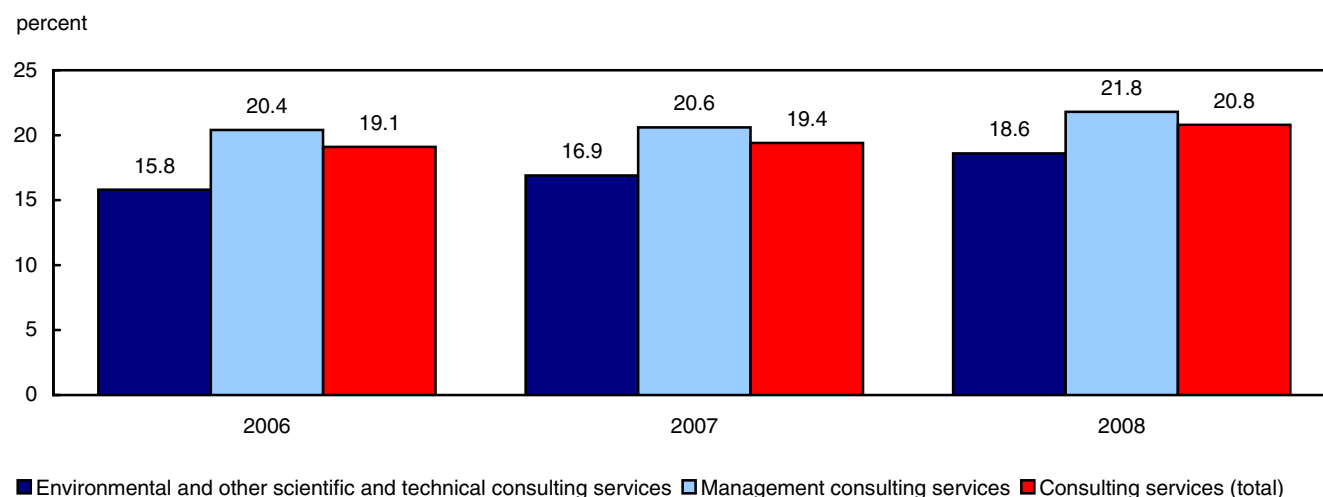
Chart 8
Type of expense as a percentage of total operating expenses, 2008



Operating profits

The operating profit margin for consulting services increased slightly to 20.8% in 2008. This compares well to the profit margins posted in 2007 and 2006. Looking at the details, operating profit margins are generally higher for management consulting services (21.8% in 2008) than for the environmental and other scientific and technical consulting services (18.6% in 2008).

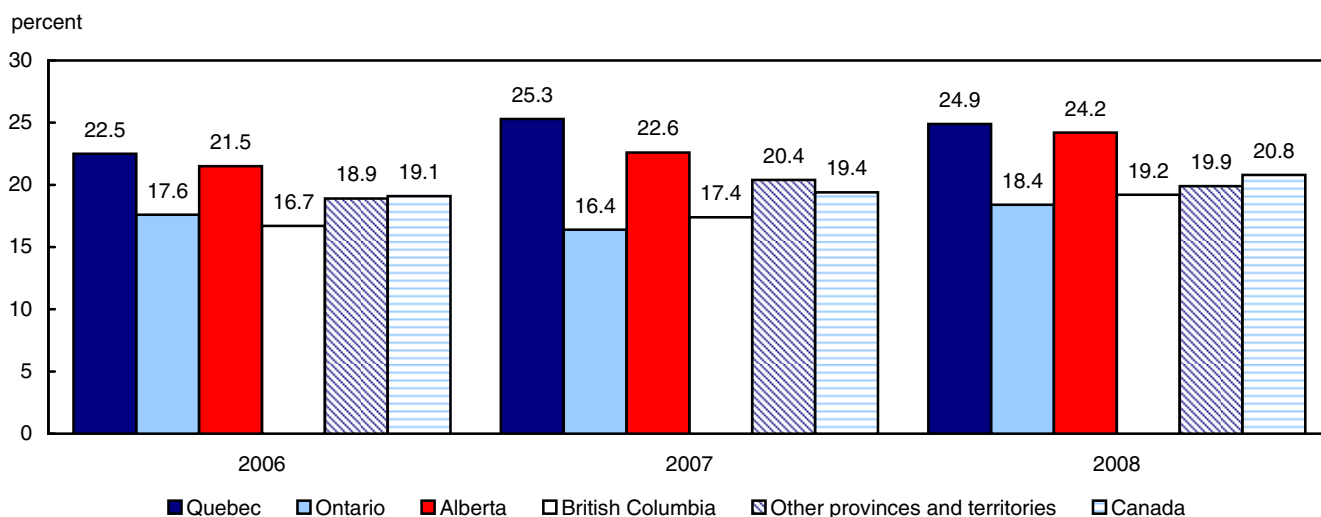
Chart 9
Operating Profit Margin - Consulting Services



Geographically, operating margins varied from 18.4% in Ontario to 24.9% in Quebec. Alberta posted gains in operating margins, growing from 21.5% in 2006 to 24.2% in 2008. Operating margins for other provinces and territories made up about 20 cents of every revenue dollar earned, closely approximating the national consulting services operating profit margin of 20.8% in 2008.

Chart 10

Operating Profit Margin by Province - Consulting Services

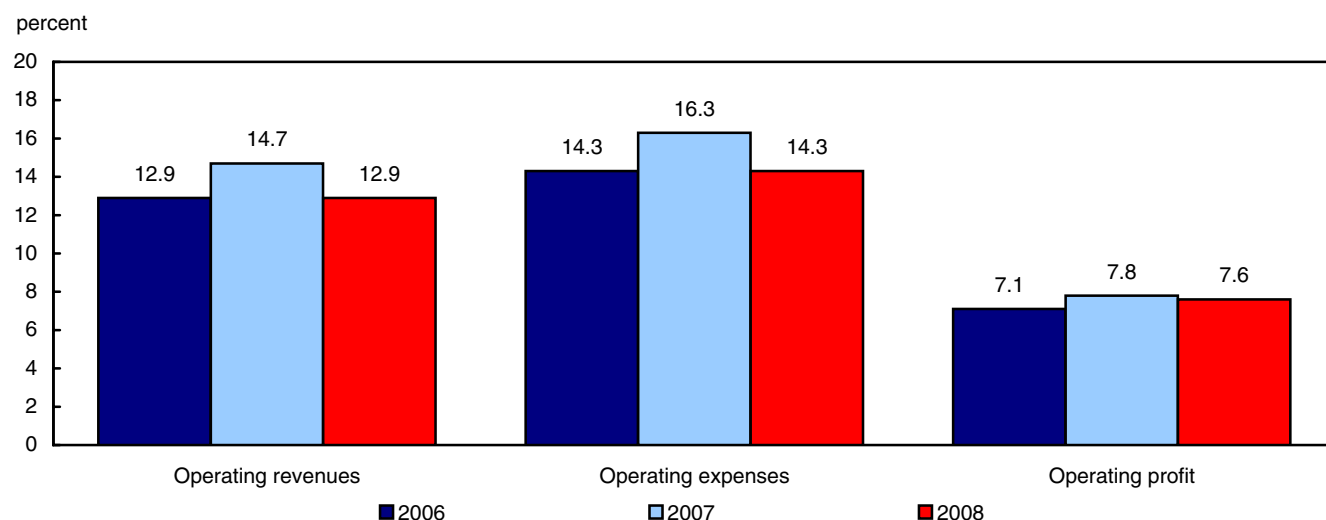


The industry's 20 largest firms

Structurally, small firms generating less revenue than the top 20 firms, dominate consulting services generating 87.1% of revenues – a proportion that has remained largely unchanged since 2006. In a knowledge intensive industry such as consulting services, independent consultants or small consulting firms face low entry hurdles making it possible for smaller firms to prosper alongside larger firms.

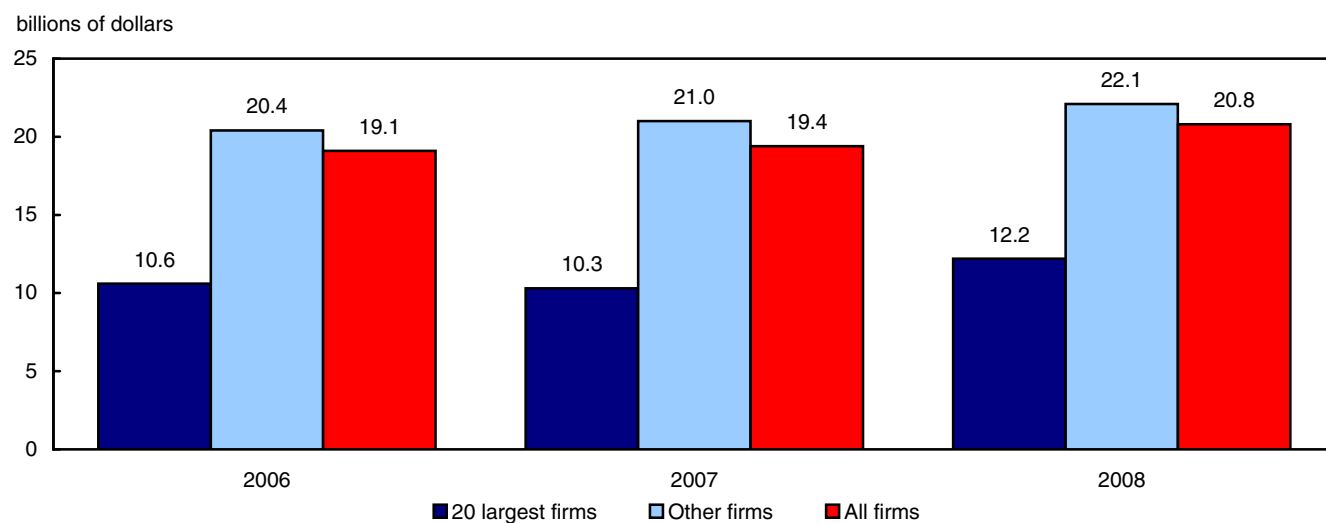
On the other end of the spectrum, the 20 largest revenue firms have maintained the same proportion of revenues over the last three years accounting for 12.9% of all revenues generated in 2008.

Chart 11
Share of the Industry's 20 Largest Firms in Consulting Services



Operating profit margin for the top 20 firms was 12.2% in 2008 compared to 22.1% for the remaining firms. Overall, the operating profit margin for all consulting services has been stable from 2006 to 2008 within a narrow range of 19.1% in 2006 to 20.8% in 2008.

Chart 12
Operating Profit Margin - Consulting Services



Statistical tables

Table 1

Summary statistics for management consulting services (NAICS 54161), by province and territory, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 p				
Newfoundland and Labrador	23.4	15.3	6.6	34.6
Prince Edward Island	x	x	x	x
Nova Scotia	99.1	74.2	36.0	25.1
New Brunswick	46.7	36.6	14.8	21.6
Quebec	1,463.3	1,083.4	464.5	26.0
Ontario	4,404.4	3,521.3	1,567.8	20.1
Manitoba	149.2	128.8	53.1	13.7
Saskatchewan	111.1	94.0	46.7	15.4
Alberta	1,480.6	1,093.2	470.7	26.2
British Columbia	1,053.5	857.2	372.2	18.6
Territories ¹	x	x	x	x
Canada	8,870.3	6,934.0	3,046.7	21.8
2007 r				
Newfoundland and Labrador	24.5	16.2	6.7	33.7
Prince Edward Island	x	x	x	x
Nova Scotia	98.1	69.2	35.0	29.4
New Brunswick	39.9	29.5	11.6	26.1
Quebec	1,385.4	1,029.9	470.0	25.7
Ontario	3,977.8	3,236.0	1,388.1	18.6
Manitoba	143.1	111.9	52.2	21.8
Saskatchewan	123.3	102.1	46.7	17.2
Alberta	1,229.7	959.0	378.0	22.0
British Columbia	987.5	810.7	380.2	17.9
Territories ¹	x	x	x	x
Canada	8,040.8	6,388.0	2,778.4	20.6
2006 r				
Newfoundland and Labrador	21.1	16.8	6.6	20.5
Prince Edward Island	x	x	x	x
Nova Scotia	55.6	41.6	19.8	25.1
New Brunswick	31.0	22.6	10.0	27.3
Quebec	1,375.6	1,021.2	427.8	25.8
Ontario	4,007.8	3,257.9	1,508.5	18.7
Manitoba	120.0	88.7	46.1	26.1
Saskatchewan	105.2	85.3	35.7	18.9
Alberta	1,107.3	872.6	364.7	21.2
British Columbia	937.9	773.5	380.8	17.5
Territories ¹	x	x	x	x
Canada	7,786.5	6,198.7	2,807.6	20.4

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 54161). See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 2

Expenditures as a percentage of total operating expenses for consulting services, by province and territory, 2006 to 2008

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Territories ¹	Canada
	percent											
Salaries, wages and benefits												
2008 ^p	46.5	x	59.0	45.5	44.9	46.8	42.4	46.2	43.2	44.9	x	45.6
2007 ^r	47.1	x	50.4	49.0	48.1	44.0	48.1	37.4	40.5	50.8	x	44.7
2006 ^r	48.1	x	53.6	52.1	42.9	48.8	51.4	32.5	41.0	50.7	x	46.4
Other labour costs												
2008 ^p	21.9	x	10.1	20.8	17.9	18.4	27.1	18.3	18.5	18.9	x	18.5
2007 ^r	21.5	x	17.2	21.8	17.8	18.0	21.4	35.5	25.2	15.3	x	19.6
2006 ^r	18.3	x	16.7	18.2	16.2	17.4	21.4	36.2	21.6	17.3	x	18.5
Rental, leasing, utilities and telecommunications												
2008 ^p	5.8	x	4.4	5.1	6.1	5.0	5.1	5.0	5.2	5.6	x	5.3
2007 ^r	4.9	x	4.7	5.8	6.5	5.2	5.4	3.6	5.0	5.6	x	5.3
2006 ^r	7.4	x	5.7	6.5	6.3	5.1	6.0	3.0	4.6	5.2	x	5.2
Repair and maintenance expenses												
2008 ^p	3.1	x	1.6	5.5	2.8	3.1	4.0	4.9	4.4	3.2	x	3.4
2007 ^r	2.8	x	5.5	3.9	2.8	3.4	3.6	3.5	4.9	3.9	x	3.7
2006 ^r	2.7	x	2.0	1.8	1.4	2.5	2.5	3.0	4.7	2.5	x	2.7
Depreciation charges of tangible and intangible assets												
2008 ^p	2.4	x	2.1	3.4	3.7	2.0	2.6	3.2	2.9	2.1	x	2.5
2007 ^r	3.0	x	2.4	2.6	2.5	2.0	2.6	2.4	3.2	2.0	x	2.4
2006 ^r	2.0	x	2.4	3.0	3.4	1.9	2.1	1.9	3.1	2.2	x	2.4
Advertising, marketing, promotions, travel, meals and entertainment												
2008 ^p	6.1	x	6.3	7.2	6.9	5.2	6.9	5.4	5.8	5.4	x	5.7
2007 ^r	5.5	x	5.8	6.9	7.7	4.8	7.2	3.5	4.9	6.8	x	5.5
2006 ^r	8.6	x	4.6	6.0	7.4	4.7	5.2	3.6	4.8	5.7	x	5.3
Other purchased goods and services												
2008 ^p	10.6	x	11.7	9.5	9.6	14.1	7.5	7.8	14.1	14.4	x	13.2
2007 ^r	11.9	x	10.0	7.3	8.6	17.4	8.5	9.8	12.3	11.8	x	14.0
2006 ^r	8.1	x	11.7	8.1	11.1	12.5	6.6	9.8	14.4	10.6	x	12.2
Other operating expenses												
2008 ^p	3.6	x	4.7	2.9	8.0	5.3	4.4	9.3	6.0	5.5	x	5.9
2007 ^r	3.2	x	4.0	2.7	5.9	5.1	3.2	4.3	4.0	3.9	x	4.7
2006 ^r	4.8	x	3.4	4.3	11.3	7.1	4.9	9.9	5.7	5.7	x	7.3

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 5416). See "Data sources, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in the estimates of this table. These firms account for a relatively small portion of total industry revenues.

Table 3
Sales by type of client for consulting services, by province and territory, 2006 to 2008

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Territories ¹	Canada
	percent											
Clients in Canada												
2008 ^p	95.7	x	90.7	96.2	91.6	89.1	95.2	98.2	95.6	88.3	x	91.2
2007 ^r	96.6	x	93.3	97.9	94.4	89.6	95.5	96.2	96.4	88.9	x	92.0
2006 ^r	97.2	x	97.4	96.2	89.1	91.1	95.6	97.4	98.1	91.1	x	92.4
Individuals and households												
2008 ^p	0.8	x	2.5	2.1	3.9	2.4	2.3	1.6	2.4	1.5	x	2.5
2007 ^r	1.6	x	1.0	4.0	3.9	1.2	4.8	3.4	0.8	1.3	x	1.6
2006 ^r	1.3	x	1.8	2.8	0.7	1.3	2.3	3.1	0.8	2.8	x	1.4
Governments, not-for-profit organizations and public institutions												
2008 ^p	19.9	x	21.3	26.3	19.1	19.9	19.2	13.9	9.9	16.4	x	17.2
2007 ^r	16.6	x	21.5	23.6	14.8	16.2	23.1	12.5	11.5	19.8	x	15.7
2006 ^r	20.9	x	19.6	22.1	11.7	14.5	11.7	11.0	8.3	18.1	x	13.4
Business sector												
2008 ^p	75.0	x	66.9	67.8	68.6	66.8	73.7	82.7	83.3	70.4	x	71.6
2007 ^r	78.4	x	70.8	70.3	75.6	72.1	67.7	80.3	84.0	67.8	x	74.7
2006 ^r	75.0	x	76.0	71.3	76.7	75.3	81.6	83.3	89.0	70.2	x	77.7
Clients outside Canada												
2008 ^p	4.3	x	9.3	3.8	8.4	10.9	4.8	1.8	4.4	11.7	x	8.8
2007 ^r	3.4	x	6.7	2.1	5.6	10.4	4.5	3.8	3.6	11.1	x	7.8
2006 ^r	2.8	x	2.6	3.8	10.9	8.9	4.4	2.6	1.9	8.9	x	7.6

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 5416). See "Data sources, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in the estimates of this table. These firms account for a relatively small portion of total industry revenues.

Table 4
Sales by type of goods and services for consulting services, by province and territory, 2006 to 2008

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Territories ¹	Canada
	percent											
Management consulting Services												
2008 ^p	32.9	x	38.8	41.0	51.0	54.0	59.6	54.6	41.3	57.8	x	50.8
2007 ^r	41.9	x	39.4	38.8	50.4	57.4	55.7	46.6	39.1	53.1	x	51.2
2006 ^r	38.7	x	27.9	34.7	46.8	58.3	55.9	46.0	44.0	51.2	x	51.8
Human resources management consulting services												
2008 ^p	7.6	x	21.2	7.7	26.7	16.5	21.8	6.9	7.5	9.9	x	15.1
2007 ^r	7.7	x	19.1	10.5	28.8	16.0	18.3	6.9	8.3	12.3	x	15.6
2006 ^r	11.9	x	11.6	13.2	29.9	19.8	21.7	9.4	8.5	15.4	x	18.4
Environmental consulting services												
2008 ^p	28.7	x	20.5	38.0	4.8	9.0	7.0	9.8	18.6	16.1	x	11.9
2007 ^r	35.7	x	21.9	34.3	4.9	7.4	7.7	6.5	17.6	19.2	x	11.3
2006 ^r	22.5	x	30.0	24.5	5.1	6.7	5.6	5.0	15.8	16.1	x	9.9
Other scientific and technical consulting services												
2008 ^p	27.7	x	18.2	11.5	12.8	17.1	10.3	25.7	28.4	13.8	x	18.6
2007 ^r	13.6	x	16.9	15.5	13.5	17.7	15.5	33.6	32.5	14.0	x	20.0
2006 ^r	26.1	x	29.6	25.7	16.0	13.4	14.1	37.7	29.8	15.7	x	18.0
Other sales of goods and services												
2008 ^p	3.2	x	1.3	1.8	4.6	3.4	1.3	3.0	4.2	2.4	x	3.5
2007 ^r	1.2	x	2.7	1.0	2.4	1.4	2.8	6.3	2.5	1.4	x	1.9
2006 ^r	0.7	x	0.9	2.0	2.2	1.8	2.7	1.9	1.9	1.6	x	1.9

1. Territories include: Yukon, Northwest Territories and Nunavut.

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Table 5
Summary statistics for consulting services, Canada, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 ^p				
Management consulting services	8,870.3	6,934.0	3,046.7	21.8
Environmental and other scientific and technical consulting services	4,162.6	3,387.6	1,430.4	18.6
Environmental consulting	1,640.5	1,449.0	677.5	11.7
Other scientific and technical consulting services	2,522.1	1,938.6	753.0	23.1
Consulting services	13,032.9	10,321.7	4,477.2	20.8
2007 ^r				
Management consulting services	8,040.8	6,388.0	2,778.4	20.6
Environmental and other scientific and technical consulting services	4,162.6	3,387.6	1,430.4	18.6
Consulting services	11,810.6	9,519.2	4,027.1	19.4
2006 ^r				
Management consulting services	7,786.5	6,198.7	2,807.6	20.4
Environmental and other scientific and technical consulting services	2,939.5	2,474.5	1,013.9	15.8
Consulting services	10,725.9	8,673.2	3,821.6	19.1

Note(s): According to the North American Industry Classification System (NAICS 5416). See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 6
Breakdown of sales for consulting services, Canada, 2008

	percent
Management consulting services (NAICS 54161)	
Strategic management consulting services	25.2
Financial management consulting services	11.5
Marketing management consulting services	7.5
Compensation and benefits consulting services	8.1
Other human resources management consulting services	14.3
Operations and supply chain management consulting services	4.2
Other management consulting services	24.4
Other Sales	4.9
Total	100.0
Environmental consulting services (NAICS 54162)	
Environmental assessments	23.5
Environmental audits	3.3
Site remediation planning services	11.7
Natural resource management consulting services	6.5
Waste management consulting services	5.2
Environmental policy development consulting services	7.6
Other environmental consulting services	27.6
Other Sales	14.6
Total	100.0
Other scientific and technical consulting services (NAICS 54169)	
Economic consulting services	3.6
Geological and geophysical consulting services	10.2
Soil management, crop and animal production consulting services	1
Heritage consulting services	1.5
Occupational health and safety consulting services	7.7
Other scientific and technical consulting services	61.5
Other sales	14.4
Total	100.0

Note(s): According to the North American Industry Classification System (NAICS 54161, 54162, 54169). See "Data sources, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in the estimates of this table. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Consulting Services in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client. These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Consulting Services industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Target population

The target population consists of all establishments classified to the Consulting Services industry (NAICS 5416) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in providing a range of consulting services, such as management, environmental, scientific and technical consulting services.

Industry structure

Under the North American Industrial Classification System (NAICS), the Consulting Services Industry consists of Administrative Management and General Management Consulting Services (541611), Human Resources Consulting Services (541612), Other Management Consulting Services (541619), Environmental Consulting Services (541620) and Other Scientific and Technical Consulting Services (541690).

Management Consulting Services – NAICS 54161

This industry is the grouping of Administrative Management and General Management Consulting Services (541611), Human Resources Consulting Services (541612) and Other Management Consulting Services (541619). This industry comprises establishments primarily engaged in providing advice and assistance to other organizations on management issues, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies; human resource policies, practices and planning; and production scheduling and control planning.

With the adoption of the NAICS 2007 classification, Executive Search Consulting Services were removed Human Resources Consulting Services (541612) and reclassified to Employment Placement Agencies and Executive Search Services (561310).

Environmental and Other Scientific and Technical Consulting Services – NAICS 54162 and 54169

This industry is the grouping of Environmental Consulting Services (541620) and Other Scientific and Technical Consulting Services (541690). The Environmental Consulting Services industry comprises establishments primarily engaged in providing advice and assistance to other organizations on environmental issues such as the control of environmental contamination from pollutants, toxic substances and hazardous materials. The Other Scientific and Technical Consulting Services industry comprises establishments primarily engaged in providing advice and assistance to other organizations on scientific and technical issues. These establishments provide services such as agricultural, agrology, agronomy, economic, energy, hydrology, livestock breeding, motion picture, nuclear energy, occupational health and safety consulting services.

The main activity of an enterprise engaged in consulting services is to provide expert advice and to make recommendations to client firms on matters such as the adoption of approaches and processes and the establishment of strategies. For the benefit of client firms, such a consulting enterprise can also undertake the work itself that arises from its own recommendations (i.e. their actual implementation). However, for this survey, to be considered as a consulting enterprise, the enterprise must generate the majority of its revenues from advice that it provides to client firm and not from the implementation of its own recommendations.

Data users who wish to learn more about NAICS, its underlying principles, and many of the other statistical concepts discussed in this brief summary, are referred to the Introduction section of the Statistics Canada publication “North American Industry Classification System: Canada 2007” (catalogue no. 12-501-X).

Sampling

This is a sample survey.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2008 was 2,382 collection entities.

Quality evaluation

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 89.9%. CVs were calculated for each estimate. The CVs are available upon request.

Related products

CANSIM

Available on CANSIM: table 360-0001 - Summary statistics for consulting services (all establishments), by North American Industry Classification System (NAICS), annual (225 series)

360-0001	Consulting services, summary statistics, by North American Industry Classification System (NAICS), annual, 1998 to 2008
360-0020	Consulting services, operating expenses, by North American Industry Classification System (NAICS), annual (percent), 2007 to 2008
360-0021	Consulting services, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent), 2007 to 2008

Survey(s)

Definitions, data sources and methods: survey number 4717 - Annual Survey of Service Industries: Consulting Services

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: May 2010

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

To access this product

This product, Catalogue no. 63-259-X, is available free in electronic format. To obtain a single issue, visit our website at www.statcan.gc.ca and browse by "Key resource" > "Publications."

Frequency: Annual / ISSN 1916-9957

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Cette publication est également disponible en français.

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