



10 Things to Ask When Hiring a Consultant

It would be cliché to say consultants are a dime a dozen ... but in reality, they are! Why? Several reasons, most of which focus on company failures and layoffs. Finding a job is tough in a recession-oriented economy, so rationalizing the idea of going into business by becoming a “consultant” – or a hybrid of a consultant and perhaps another title – is getting easier and easier. People seem to understand the motivation behind working for themselves, admire the entrepreneurial aspects of the consulting lifestyle, and certainly comprehend the cost savings associated with hiring talent when you need it versus always having it around when you possibly can’t use it.

However, while there are many options in the consulting continuum, finding and choosing the one that most matches your needs is another story altogether. These days it seems you almost need a consultant to help you hire one!

What can you do to locate and find the consultant that will do the best job? Consider these 10 questions you should ask when hiring a consultant. Some of these are questions to ask yourself, and your company or organization, while others are intended specifically for the consultant.

Question #1: Have I done my homework?

First, do your homework by understanding your needs so that you know how to set engagement expectations. Ask questions to assess your situation. What areas are not running as efficiently as possible? Have you carefully written out your business plan for the next three to five years? What is it going to take to realize your goals? Where do you see yourself in the future, and what will you specialize in at that time? This helps focus the discussion with your prospective consulting firm.

Question #2: What kind of consultant do I need?

Once you’ve assessed the situation, you next must ask what kind of help you need. Often a problem is actually a symptom of a larger issue. Make sure you are being honest with yourself. Consulting engagements only work when companies and people are ready to make necessary changes.

Question #3: Can’t I educate someone internally to handle the responsibilities?

Life-long learning is great, but is it really viable to think you can train someone within the organization to handle additional matters that fall outside the realm of his or her current knowledge? Will the resources spent on training be more than it would have been just to hire a consultant?

Question #4: Should I hire a “firm” or “individual?”

Okay, so you’ve made the commitment to hire a consultant, and are faced with two choices – firm or individual. What are the pros and cons of each? A firm brings you several options and schools of thought, while an individual brings learned knowledge from years of experience. Which is better? The answer probably lies in how consistent the consulting firm is in its approach to use the same staff each time you need help. With an individual, you always get the same person, but with a firm, changes in staff may occur. If this is important to you, and you think the consulting engagement will be long-term talk to a prospective firm about their turnover rate.

Question #5: Do I need a specialist?

Working with a consultant that is certified in a particular technology, holds a specialty designation, or is committed to a particular consulting field will reveal many benefits that a general consultant won’t. These professionals commit many hours and several thousand dollars every year to ensure their skills are up to snuff. If you’re uncertain what a particular specialty is, ask the consultant to explain it and its significance to his or her work.

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10 Things to Ask When Hiring a Consultant (cont.)

Question #6: Who will be the liaison to the consultant?

Even the freest spirit enjoys some order, and in the case of working with a consultant, someone within your organization must be appointed as the person responsible for working directly with the consultant or consulting firm. While the reasons may be obvious, consider the chaos that might ensue if several firm personnel were to ask the consultant questions or assign work without anyone prioritizing the list. You'll end up with confusion and unproductive time.

Question #7: How much should I pay the consultant?

What is your own time worth? Consultants are in the business to make money just as you are with your firm or business, and to a consultant, any moment not spent conducting business is considered a loss. Ask the consultant about his or her rates, and be prepared to pay top dollar for the best talent. Network with peers in similar size companies to find out what they pay their consultants. If a return on investment (ROI) is critical, consider asking the consultant to work out a contingency deal based on results. This is becoming more commonplace in today's competitive market.

Question #8: Does the consultant have to be local?

Not necessarily. Many companies enjoy a tremendous relationship working with consultants who are located across the country, and much of the business may be handled online or through conference calls with personal visits scheduled sporadically. Just because a consultant may be local doesn't give he or she an edge, unless you're looking for consultants who can "drop names" or assert influence in your local community.

Question #9: Should I interview several consultants?

Why not? Unless you are strapped for time, interviewing another firm can do nothing more than let you know you are making the right choice. Of course, if you have an established relationship with a firm that has just begun to offer specialty services, you are probably safe in presuming that their high customer service standards apply to their new consulting.

Question #10: Should I check the consultant's references before hiring?

Absolutely. The best way to obtain a reference is to ask the consultant for a name of a client with whom the consultant did a similar engagement as the one you're doing. If you're hiring a consultant to update your technologies, you wouldn't ask for a reference in human resource systems to offer an observation.

These are just 10 questions for consideration; the rest is up to you. Be smart and savvy, and understand that even though consultants may indeed be a dime a dozen, their actual net worth is based on how well the consultants helped you make solid, informed decisions and incremental changes that positively impacted your bottom line. If you have questions about any of these questions, give us a call.