



How to Choose a Business Consultant: A Helpful Checklist

Every business occasionally needs outside help. Even well-run giants such as Hewlett-Packard deliberately choose to bring in consultants on a regular basis.

For smaller businesses, an outside consultant offers the following advantages:

- Objective advice, not geared toward career advancement or promotion.
- Frame of reference and best practices from other clients.
- Models and methodology to gain results more quickly than internal trial and error.
- Permanent transfer of skills to internal people.

How to hire the best possible consultant for your needs:

Referrals:

Ask business colleagues you trust for names of people they have used for similar needs, and find out specifically what the results were. (Don't ask the consultant for references, because they will be hand-selected, wonderful, and meaningless.)

Credentials:

Has the consultant ever worked in a conventional job? What are their academic achievements? How many similar organisations have been clients? Every consultant has to start somewhere, but I'd strongly advise that their start not be with you!

Chemistry:

Meet with the prospective consultant before hiring. Ask yourself if you see the other person as a peer and a potential partner. If you don't respect them, or see them as merely a vendor or subordinate, don't hire them. You don't need another employee; you need a business partner for a particular issue.

Demeanour:

The individual should look professional and act accordingly. (Don't worry if you get their voice mail because good consultants should be busy. The key is, do they get back to you promptly?) Their language should be clear and articulate. At meals, they should know which silverware to use and not spill their soup on your lap.

Proposal:

The consultant should provide you with a proposal that is based on achieving clear business outcomes, *and not on merely delivering technology or methodology*. In other words, running focus groups or delivering training programs is simply a task; improving sales results or enhancing customer satisfaction is a business outcome. Achieving the former and not the latter is worthless.

Fees:

The consultant should provide a fixed fee for the project. Hourly rates are not as effective, because there is a "meter running" as long as the consultant is working, and there is a built in conflict of interest, since the longer the project takes, the more the consultant is paid. Insist on a fixed fee or at least a cap on the hours.

A good consultant frames an issue quickly but doesn't suggest solutions too quickly, because he or she realizes that they don't know what they don't know until they begin to gather more data. A good consultant will not promise the moon and the stars, and will never base an approach on tests or instruments that are purchased for a few dollars from other companies. (You get what you pay for.)

A good consultant is someone you'll hate to see go when the project ends on time, and who you'll want to invite back at the first appropriate new challenge.

Every business reaches a point where an outside opinion and/or a draft of fresh air is required. But just because someone is over 100 miles from home and carrying a briefcase doesn't mean he is a consultant. Use the criteria above and, most importantly, use your judgment: Is this someone you would trust with your wallet?

Source: Alan Weiss PhD of Summit Consulting Group