

# THE NONPROFIT FINANCIAL MANAGERS

## Hiring the Right Consultant

February 28, 2013

WELLSPRING  CONSULTING

# OBJECTIVES FOR TODAY

**Review some key underlying considerations for hiring the right consultant**

**Discuss the elements of effective RFPs**

**Give you the opportunity to ask candid questions that you may not want to ask when soliciting consulting work**

# 1. CLEARLY ARTICULATE THE PURPOSE AND END USE OF THE PROJECT

**Consultants are better able to tailor their approach and deliverables to an organization's needs if they understand why the project is desired**

- **If the purpose is not clear, the proposal will likely not set up the project to address the core issues, possibly leading to findings and recommendations that are not useful**
- **One way to think through the purpose is to ask yourself: “What are the issues my organization seeks to address through this work?”**

**It is helpful to provide context for the work**

- **You can assume the consultant will review your website**
- **You can assume the consultant will access your 990**
- **Examples of useful context to share:**
  - **Recent shifts in vision or programming not reflected on your website**
  - **Prevalent trends affecting your specific area of work**

## **2. ALLOW CONSULTANTS THE FREEDOM TO EXPRESS THEIR PROCESS**

**It is helpful to give overall themes to describe what you anticipate the project would entail, then let the consultant develop a framework**

- **It is less productive to set strict guidelines – being overly prescriptive can limit the consultant’s insight into the process**
- **Consultants understand that organizations receive multiple proposals – you may miss information if a firm page limit is set**

**There is value in letting consultants express how they would do the job**

- **The process indicates how the consultant would think through the problem, which is often a significant part of the insight they provide**
- **This flexibility also allows consultants to show their unique experience**

### **3. BE CLEAR ABOUT WHO THE DECISION-MAKER(S) WILL BE And Assign Other Key Roles**

**Internally, be clear about who will make the final decisions**

- **The decision-maker(s) may be senior staff, a steering committee, a board committee, key donor(s), etc.**
- **Assigning this responsibility in advance avoids confusion later**

**The decision-maker(s) may be different than the point person, who has more regular contact with the consultant**

**For the consultant, knowing who the key decision-maker(s) are helps to understand where the project fits into the organization and avoids communication confusion**

## 4. HIGHLIGHT KEY MEETING REQUIREMENTS UP FRONT

**Key meetings often dictate decision points and pacing of the work**

- **Sharing key Board meetings or other fixed dates is useful, then ask the consultant what timeline they would recommend**
- **It can be helpful to work backwards from a deadline, and allot the process – both to choose the consultant and to complete the project – the time it needs**

**Ask the consultant to decide whether meetings should be held in person or by phone**

- **Sensitive subject matter is often better handled in person**
- **Check-in meetings and lower-sensitivity agenda items can often be covered on the phone to avoid increasing costs due to travel**

## 5. ASK AND LISTEN FOR QUESTIONS

**A good consultant should be able to explain in relatively simple terms why each part of the process is necessary and what value it will add**

**The questions that a client asks can inform the project process, helping the consultant understand what is known and unknown to the organization**

**The proposal process also serves to build a relationship, and questions provide insight for deeper conversations**

**It is also valuable to listen to the questions the consultants ask**

- **Listen for an indication that the consultant understands what you are seeking to learn**
- **A consultant's questions can push your thinking forward, even on how the project can be done**

## 6. KNOW YOUR PRICE RANGE AND BE REALISTIC

**Establish a ballpark budget in advance, then consider whether or not to share it**

- **This budget will determine the depth and breadth of work that can be done**
- **If there are various considerations embedded in the project, it is helpful to allow consultants to provide their best effort to meet your needs regardless of price**
  - **Then adjust your budget or work with the consultant to adjust the proposal accordingly**
- **If it is a fairly routine project, it may be helpful to share the budget so the consultant understands the scope**

**Adjust either the budget or the scope of the work to achieve the most effective results**

- **It is helpful to distinguish between “must-have” and “nice-to-have” elements**
- **Ask yourself at what cost a project will no longer sufficiently answer the questions facing your organization**

**Be clear on the type of expertise you need for your situation, as different types of consultants often call for different costs – examples of skillsets:**

- **Strategist, Process Expert, Researcher, Generalist, Specialist, etc.**



## **7. IT IS OFTEN USEFUL TO CONSIDER THE FIRST DRAFT OF A PROPOSAL TO BE A WORK-IN-PROGRESS**

**Proposals are living documents until they become signed agreements. There are a number of reasons a proposal may need to be revised, including:**

- **The price and scope are not aligned with what the organization originally intended, yet the consultant or process seems to be a good fit**
- **The proposal process raises an issue not previously considered by the organization or the consultant**
- **The consultant did not fully understand one or more of the core issues from the RFP**

**Consultants can be flexible based on your needs**

- **At the same time, it is not beneficial for a consultant to be so flexible that they compromise the quality of the project or process**
- **Consultants are hired for their expertise, so their work should build on their experience**

# SUMMARY

- 1. Clearly articulate the purpose and end use of the project**
- 2. Allow consultants the freedom to express their process**
- 3. Be clear about who the decision makers will be**
- 4. Highlight key meeting requirements up front**
- 5. Ask and listen for questions**
- 6. Know your price range and be realistic**
- 7. It is often useful to consider the first draft of a proposal to be a work-in-progress**

# A FINAL NOTE: DEVELOP A RELATIONSHIP WITH THE CONSULTANT

**Projects will generally run more smoothly if you feel comfort and trust with the consultant you choose**

- **Developing a relationship will help both the organization and the consultant feel more comfortable in their interactions, making them more productive**
- **Much of the work is about communication, which flows better with a strong rapport**

**Meeting in-person early in a project can help accelerate the quality of the relationship**

**Any questions?**

# ABOUT WELLSPRING CONSULTING

## Founded in January 2002

- **Strategy approach**
- **Experience base in corporate strategy**

## Dedicated to the nonprofit sector

- **Particularly attentive to the issues and needs of these organizations and institutions**

## Located in Boston and New Haven

- **Client base along the Northeast Corridor**
- **Over 150 clients since we were founded**

## Deep experience

- **Range of fields including civil and human rights, cultural institutions, education, environment, health, international development, social services, youth development, health, philanthropy and others**

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