Hiring a Consultant

In recent years there has been a marked increase in the number of organizations that buy professional services from outside sources. As a result, there has also been a rapid increase in the number of organizations providing those services. There are over 2,500 consulting firms in the United States, and in 1977, American industry paid more than $750 million for their services (Zimmerman and Tobia, 1978).

Consulting is still a relatively new profession, and there is no licensing required for a consultant to open up business. Most consultants are well-trained, competent professionals. Like all of us, they are more skilled in some areas than in others. When you consider hiring a consultant, try to match his or her skills to your problem. Although the consulting fee will probably seem substantial to your group or community, the amount is small when compared to what is at stake when you implement the advice given. Just as with any sound purchasing decision, weigh the cost against the potential benefits when hiring a consultant. Consultants who cannot save an organization more than they cost should not be retained.
Definition

It is important to understand what a consultant does to decide whether or not your community needs one.

A consultant is a person or a firm who is paid for delivering professional advice or services. While most people tend to think of a consultant as an outsider, many private companies are establishing roles for internal consultants. A consultant sells performance in specific subject areas.

All consultants do not work in the private business sector. Many people employed by state and local governments, universities, or the Extension Service possess consulting skills and can provide free assistance to you.

The Consulting Process

A set of steps or phases occurs in almost every consulting process (Lippitt and Lippitt, 1978). It will be helpful for you to be familiar with them. Unfortunately, it is sometimes difficult to judge which phase you are in while the work is in process.

The consulting process is divided into six major phases:

1. **Initial contact.** The first approach is made either by the potential client, the potential consultant, or an interested third party. During the initial phase the consultant will assess the client’s willingness to do something about the stated problems. At the same time, both parties will be testing each other in terms of their ability to work together.

2. **Formulating a contract and establishing a helping relationship.** Phase 1 should produce at least a tentative agreement to proceed. At this point, the discussion should begin to focus on the desired outcomes of the consultant’s work. A decision should be made about who should do what, how much time the consultant will spend, how much he or she will be paid, and the time period allowed for completion of the agreed-upon outcomes. It is certainly desirable for both parties to put together a written contract. Such a contract need not be a lengthy legal document; a simple letter of understanding might suffice. You are establishing a clear understanding of what the consultant will accomplish and by when. Also, more than legal protection, you are establishing some ways to measure the consultant’s success. (See “Identifying Problems and Establishing Objectives,” another publication in the Small Town Strategy series.)

3. **Diagnosing problems.** During this phase the consultant will define in depth the problem and its cause. Data will be collected and analyzed, and potential solutions will begin to emerge.

4. **Setting goals.** The consultant will help the client set clear and meaningful goals which identify what, who, and how.

5. **Taking action and cycling feedback.** The consultant increases the probability that the action agreed upon will be taken and will be successful. A good consultant will constantly ask for feedback and adjust strategies to meet new data that emerges.

6. **Contract completion.** Even if you have decided that you want to establish a long-term consultant/client relationship, there should be some ending point of the contract when both parties can stand back and view the results of the work with mutual satisfaction. At the same time, you will want to make certain that there will be continuity of what has been done. This may require some sort of follow-up and support on the part of the consultant, with provision for a gradual phase-out when it is clear that the client group can maintain the change brought about. This phase-out needs to be considered during the contract phase and written into that document.
When to Use a Consultant

There are three major reasons that prompt organizations to use consultants (Parry and Ribbing, 1976). The existence of any one of these needs may convince you or your organization that you should hire a consultant.

- **The need to expand capability on a “crash” basis** when the need is immediate and it would take too long to recruit, hire, and train staff. Adding a staff member is always an option, however, and it should be examined carefully in light of long-term savings. If the need is re-examined, it may turn out not to be such a “crash” project after all.
- **The need for specialized knowledge or skills**. Again, this decision needs to be examined closely. It may be possible to hire a regular staff person with the needed skills. If you do not foresee the need for such a person on staff over the long term, it would make sense to contract for the services of a consultant.
- **The need for “intangibles”**—such as objectivity and leverage. The saying, “a prophet is without honor in his own country,” is all too true. Sometimes an outsider can provide a fresh insight into an old problem and bring about a solution that an insider could not accomplish.

Roles

There are several different roles consultants can use when interacting with clients (Lippitt and Lipptt, 1978). Explore with the consultant which of the roles listed below would be most appropriate at which time during your work and which role he or she feels most comfortable with.

1. **Advocate**. This role applies to both process and content. A process advocate will attempt to influence the methodology of the problem-solving efforts. A content advocate will try to influence the choice of goals and means.

2. **Information specialist**. This is the traditional “expert” role. The client is responsible for defining the problem and the extent of the consultation.

3. **Trainer/educator**. In this role the consultant may bring new technologies and problem-solving methods to the client.

4. **Joint problem-solver**. The consultant can work closely with the client, as a peer who has special skills and knowledge, to define the problems and help solve them.

5. **Identiﬁer of alternatives and link to resources**. The consultant functions not as a participant but as one who identiﬁes alternatives and makes the appropriate link with resources to solve the problems.

6. **Fact ﬁnder**. This is a research role and can include both library work and human relations work.

7. **Process counselor**. The consultant’s major focus is on the interpersonal and group dynamics affecting problem resolution.

8. **Objective observer**. In this role the consultant asks a series of questions that help the client clarify and confront problems and make decisions. The consultant does not communicate his or her ideas to the client and is not responsible for the outcome.
How to Find a Consultant

Now that you have had some exposure to the world of consultants, what they do, and how they do it, how do you find one?

One of the best ways is by word-of-mouth. Perhaps a nearby community has used a consultant for a similar problem. Talk to them, and be sure to ask if they would hire that consultant again.

Your state department of community or local affairs will know a number of consultants. Ask them for some names of firms that regularly do the type of work you want done. University faculties are another excellent source, since many of their members consult in addition to their educational duties.

Many consultants advertise in professional journals or belong to professional associations. In larger cities, consultants place ads in the yellow pages of the phone book. You can also run classified ads in your own newspaper or in the large papers found in the metropolitan areas of your state. Consultants use word-of-mouth techniques too, and will pass along information about such ads.

Guidelines for Selecting a Consultant

A variety of intangible factors influences the hiring of a consultant. Below is a checklist of some of the more common ideas about selecting a consultant.

☐ Does the consultant inspire trust and confidence? Would you feel comfortable giving the consultant sensitive information about your community?

☐ Does the consultant have a real understanding of your community's problems—or is he or she trying to fit your problems into a package that he or she has ready to sell?

☐ What prior successes and failures has the consultant had with other clients?

☐ Does the consultant focus on results and successes or does the talk center on products and services to be provided?

☐ Is the consultant concerned with success for your community—or is he or she on an ego trip?

☐ How fast does the consultant grasp your operation, constraints, and opportunities?

☐ Will the consultant fit into the social and cultural environment of your community and be a credit to you?

☐ How much time will the principals of the consulting firm be spending on your work? Are you getting the first team—or the second string?

☐ Is the consultant a good business person?

☐ Does the consultant have the skills and information to do the job?

☐ Can the consultant work with other staff members and professionals in the community?

Hiring a consultant commonly starts with a request for bids on specific work which you or your organization have identified. Normally, the work to be performed is spelled out in the form of work elements. These are the same as goals and objectives.

In addition to the work elements, a request for proposals (RFP) identifies the performance standards you expect of the consultant, the pay schedule, reporting times, meeting times, and a termination clause.

Identify who will be the consultant's primary contact and who has the authority to approve work and authorize payment.

You should ask for the consultant's references on jobs which are similar to the one you propose. By all means, check a representative number of those references.

There are many sources of assistance in developing a request for proposals. If you are working with a specific funding source, they often can provide assistance. For example, the Federal Aviation Administration publishes a brochure on the work elements for an airport master plan study. They also publish a list of airport consultants, and the staff can help you write the document and review it for completeness. State departments of local or community affairs can assist you with an RFP, as can staff from councils of governments. You might also check with your local municipal or county government for a staff person who deals regularly with requests for proposals. And, of course, consultants can help you with this process.
Conclusion

The most important step in hiring a consultant is to decide why you want to hire a consultant, what you expect the consultant to accomplish, and by when.

There are a number of methods for hiring a consultant; use the one best suited to your situation. Remember that hiring a consultant is like any other purchasing decision. If you plan to use public money to hire a consultant, you will probably want to advertise for bids and hold formal interviews. If you are not representing a public body, you may not wish to be so formal in the hiring process, but you will still need to establish the process you plan to use and set up the criteria for selection.

Decide what the role and responsibilities of your organization will be in terms of monitoring progress, participation, and evaluating the final product. It is a mistake to assume that a consultant can go off to a corner, do the agreed-upon work, and deliver a finished product with no participation or guidance from the client. Active involvement in monitoring the work, redefining goals, and evaluating the final product will produce a higher quality effort more likely to meet the identified needs.

You may wish to use a consultant to help you decide whether or not you need a consultant. If you review your problem and decide to hire a consultant, it is also appropriate to use a consultant to develop a work program, goals and roles for the consultant, and roles for your organization. The important thing is that these elements be specified before a consultant is hired.

References


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- Helping Small Towns Grow
- To Grow or Not to Grow: Questions on Economic Development
- Identifying Problems and Establishing Objectives
- Basic Grantsmanship
- Marketing the Uniqueness of Small Towns
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Copies may be obtained from the Extension Service at cooperating universities or from the Western Rural Development Center, Oregon State University, Corvallis, Oregon 97331. Two related series of WRDC publications might also be of interest: the Coping with Growth series and the Municipal Bonds series. Please write to WRDC for a complete list of available publications. WRDC programs are available equally to all people.
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