



How to Choose a Business Consultant

WHITE PAPER

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Consultants are often called on to solve problem others cannot solve. For many business owners, however, choosing a consultant is like shooting in the dark. According to a recent study, only 7% of businesses feel they know all the questions they should be asking when hiring a consultant. This white paper takes the mystery out of selecting a business consultant and will help you choose the best consultant for your business.

The process of choosing a consultant is not any different from purchasing other business services. After identifying the problem(s) with which you need help, you must put together a list of candidates, and send out *requests for quotation* (RFQ's,) which could be followed by *requests for additional information*, or RFI's. After gathering the information you need to make a decision, you need to agree on project objectives, desired outcomes, and a project budget with the consultant. Before negotiating a final agreement, remaining concerns on both sides are discussed, and references are checked before selecting the best consultant or consulting firm.

Because so much of the success of a consulting engagement depends on the "human element," there are a handful of specific questions you should be asking the consultant during the selection process.

Using the following categories and questions, create a checklist to perform your due diligence as illustrated below. Grade each candidate on a scale of one-(1) to ten-(10,) and total the points earned for each category to help you evaluate the best candidate for your business.

1. Knowledge Competence: What is the consultant's educational background and experience ? How well does the consultant or consulting firm know your industry and the specific problems you are trying to solve ? Another question to ask is how well the consultant knows your marketplace – i.e., the competitive forces, political, legal, social, economic & tax environments, etc. To learn more about the consultant's education and experience, ask for the firm's statement of qualifications and the consultant(s)' resume, which should summarize a lot of this information.
2. Technical Expertise: Some consultants are generalists, and some are specialists. Others can claim both general and specific knowledge. The consultant's level of expertise is important to know. Is the consultant considered an industry thought leader ? What certifications does the consultant possess ? "Certified Management Consultants," for example, have been vetted for their understanding of consulting and have a history of success; moreover, there are continuing education requirements they must fulfill, and ethical standards to which they must adhere.

3. Process Compatibility: What models and methodologies does the consultant(s) use to implement change ? Does their process fit with your business ? How intrusive will the process be on your business ?
4. Methods of Knowledge Transfer: This refers to not only the human element -- that is, the consultant's communication skills and how they interact with managers and employees -- but also how practical and "hands on" the consultant will be to ensure project alignment and attainment. Additional questions to ask include: what is the demeanor of the consultant ? and how is his or her chemistry with your management team ?
5. Performance Assurance: Does the consultant offer any kind of performance guarantee ? Do they have a follow up process ? Do they have a track-record of success in similar situations ?
6. Character & Ethics: What do their past clients (references) have to say about them ? Do they have past legal issues, BBB complaints, or negative Internet reviews ?

Illustration -

CONSULTANT SELECTION REPORT CARD						
Criteria	Candidate A	Candidate B	Candidate C	Candidate D	Candidate E	Candidate F
Knowledge Competence:						
Questions – A,B,C.						
Technical Expertise:						
Questions – A,B,C.						
Process Compatibility:						
Questions – A,B,C.						
Methods of Knowledge Transfer:						
Questions – A,B,C.						
Performance Assurance						
Questions – A,B,C.						
Character & Ethics:						
Questions – A,B,C.						
TOTAL:						

Hiring the right consultant offers many benefits, like the ability to: (a) solve business problems the business is unable to solve, (b) introduce new ideas and industry best practices, (b) jump start change by circumventing organization dysfunctions, for example, (c) improve employee morale, and (d) get you where you want to be more quickly - in terms of improved sales, cash flow, profits, quality, customer service, employee safety, and/or overall competitiveness in the marketplace.

If you are looking for a top notch small to mid-sized business consultant, feel free to reach out to James J. Talerico, Jr., CMC © at 1-800-828-7585, or you can review the Institute of Management Consultants USA web site for more choices.

About the Author



James J. Talerico, Jr. CMC ©

A nationally recognized small to mid-sized business (SMB) expert, Jim Talerico has consistently ranked among the "top small business consultants followed on *Twitter*." With more than thirty - (30) years of diversified business experience, Jim has a solid track-record helping thousands of business owners across the US and in Canada tackle tough business problems and improve their organizational performance.

A regular guest on the "*Price of Business*" on *Bloomberg Talk Radio*, Jim's client success stories have been highlighted in the *Wall St. Journal*, *Dallas Business Journal*, *Chicago Daily Herald*, and on *MSNBC's Your Business*, and he is regularly quoted in publications like the *New York Times*, *Dallas Morning News*, *Philadelphia Inquirer*, and on *INC.com*, in addition to numerous, other industry publications, radio broadcasts, business books, and Internet media.

Jim Talerico is also a *Certified Management Consultant CMC®*, an honor bestowed on only 1% of all consultants worldwide.

For more information about Jim's practice go to: www.greaterprairiebusinessconsulting.com.