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How to Hire a Consultant A Guide for Nonprofits

By Elaine Fogel

Stanford Social Innovation Review
Fall 2006

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How to Hire a Consultant

A guide for nonprofits

BY ELAINE FOGEL

You're a nonprofit organization that has decided to outsource a project or set of tasks to a consultant. Maybe you're overwhelmed with work, or you don't have the expertise you need for a project, or you can't afford to hire a permanent staff person, or you need outside objectivity. Or maybe it's all of the above.

I've been on both sides of the equation – the internal senior staff person who's doing the hiring and the external consultant who's getting hired. Here's what I've learned about hiring consultants.

1 Don't hire your board president's second cousin once removed. Avoid hiring anyone related to, or good friends with, a board or staff member, unless the referral came from a trusted source outside your organization. It can spell trouble if you're dissatisfied with the service or if the consultant is unethical. Many years ago, my boss strongly encouraged me to hire his brother for a production project. I turned things around quickly so that my boss's brother could meet our deadline. But in the end, all he gave me were excuses and faulty results. I was extremely disappointed because it reflected poorly on my ability to deliver good work on time. The situation also represented a conflict of interest for my boss.

When looking for a consultant, a good starting place is a professional association. For example, if you need a marketing consultant, check with your local chapter of the American Marketing Association. These types of trade associations provide opportunities for consultants to keep on top of their skills and to stay current with their fields.

And while it's not a requirement, consider hiring a consultant who has worked with nonprofits before. Understanding the nature of nonprofit organizations, their unique infrastructure, and how they generate revenue is a boon to a consultant offering services to the nonprofit world.

2 Don't expect consultants to work for free. It's unfair to expect consultants to work for free just because you have nonprofit status. Consultants have to support their families and cover overhead costs like all other businesspeople. Unlike salaried employees, they're responsible for their own healthcare and insurance, office expenses, and administrative duties. And they don't get paid for the many nonbillable hours they take to research and develop new projects.

Most consultants will initially meet with you gratis so that you can brief them and get a feel for their style. To reduce costs, some even offer a non-

profit rate. Consultants may also offer a portion of their services as a tax-deductible charitable donation. In this scenario, they invoice you, you pay the full invoice, and then they return some of that amount as a donation.

That's not to say that pro bono work is never an option. After regularly working with a nonprofit, some consultants offer to do an assignment for free. Others volunteer their services to causes in which they believe, or make a point of helping out a worthy organization every year. Last fall, for example, I ran a contest for nonprofits in my county. As the winning prize, I offered my consulting time to produce either a marketing plan for a fundraising event or the copywriting and project management for a brochure or newsletter. From a basket of submissions, I randomly chose the entry from New Arizona Family, an organization that provides residential and substance abuse recovery programs.

Agencies use many methods to select their pro bono clients. Staff committees may review the requests for help that the agency receives and then select an organization. Senior managers may choose a nonprofit simply because they value the organization's mission. Or they may align themselves with nonprofit organizations that can help give their companies exposure.

If you don't have a budget for consulting, tell nonprofits this on the phone before you meet them. I've even seen some nonprofits advertise their needs in trade publications, such as *Canada's Marketing Magazine*. In this way, not only did organizations gain broad access to advertising and marketing agencies, but the agencies knew on the front end that they would be working for free.

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3 Look for consultants who conduct themselves professionally. There are certain characteristics that speak to the credibility of a consultant's company, such as how the consultants present themselves. Once, our fundraising director hired a consultant who displayed her bare midriff at an upscale corporate golf tournament. Several observers found her appearance highly inappropriate. Had the director outlined her expectations to the consultant in advance, perhaps this could have been avoided. On the other hand, had the director hired a consultant whose presentation was known to be professional in any circumstance, this probably wouldn't have happened in the first place.

Another thing to check for is how consultants present their proposals and credentials. Consultants should present their expectations, fees, and terms and conditions in a written contract once you make a verbal commitment to hire them. If they send their information in a casual e-mail, without attaching bios, materials, or official quotations, they may not behave professionally in other domains, such as representing your organization to outside vendors, colleagues, and partners.

4 Treat consultants as partners. You're no doubt familiar with donor stewardship, but have you ever heard of consultant stewardship? When treated as partners, consultants are often more generous with their experience, expertise, and objectivity. One of my current clients – the American Jewish Committee, Arizona Chapter – has invited me to their annual meeting breakfast, a VIP reception, and a corporate fundraising dinner. As a result, I have gotten to know their leaders and corporate partners even

better, I feel a stronger commitment to their mission, and I often volunteer my additional time.

Another way to show appreciation to your regular consultants is to pay them according to their terms. Most consultants I know abhor playing the role of collection agency, so avoid putting them in that position. Also, asking your consultants to work evenings and weekends may be tricky, unless they've already agreed to it or you're willing to compensate them for the extra time. The best advice is to ask them about their boundaries and try to stay within them. You want to be able to count on them when you need them, so respecting their time will go far.

And if you're satisfied with your consultants' work, why not refer them? When you promote your consultants, you gain a formidable ally. When I was the national marketing and communications director for the Canadian Breast Cancer Foundation (CBCF), I worked with the president of Harbinger Communications Inc., a Toronto-based marketing agency. Pleased with our collaboration, I later recommended Harbinger to be the public relations firm for the Cook for the Cure campaign in Canada. Later, when I was working for another nonprofit, our organization faced an internal issue that had potential negative publicity implications. I called Harbinger for advice, and the company's vice president reviewed my communications plan and made some valuable recommendations. She never sent an invoice, and I assume this was Harbinger's way of showing their appreciation for my referral.

5 A consultant's work is useful only if you use it. Many of us have heard of organizations that have done produc-

tive work with consultants, only to have the work sit on shelves, collecting dust, without ever seeing the light of day. Your organization can benefit from a consultant's work only if senior management embraces it. Try to obtain buy-in right from the start.

When I worked at CBCF, the relatively new CEO and board recognized that the senior team needed to be more cohesive and trustful in its strategic planning. The consultant they hired, Jane Cooke-Lauder, took us through the paces of developing strategic and action plans, pushing back when any of us waffled or avoided issues that made us uncomfortable. She consulted regularly with the CEO to ensure that the board's goals were met, as she earned everyone's respect with her knowledge, integrity, and professionalism.

When the job was done, we were not only committed to our collective action plan, but were also a tighter team. For months after, Jane periodically checked in to see if we were on track with our department's deadlines. All of that work and planning turned out to be highly valuable as we worked through our plan together.

Another obstacle to using the knowledge that a consultant uncovers is cost. When you hire a consultant, there's a good chance that you'll need to follow up on the information or advice you gain – and that can sometimes spell a high price. Put aside time and money to address the outcomes of your consultants' work. Without it, you've wasted a lot of effort.

Consultants can be of great advantage to your nonprofit. Making good choices in hiring them can increase how your organization benefits and prospers from their efforts. ■