



# Hiring a business consultant to optimize your market strategy

As businesses grow, owners need to ensure that they are receiving the best advice and guidance in all areas of their business. This is when hiring a business consultant makes sense.

Even the most involved and engaged business owner may struggle to do every necessary task. In fact, many companies depend on consultants. A recent study found that 50% of chief financial officers (CFOs) planned to hire a performance improvement or business systems consultant within the next 12 months. Additionally, 76% planned to hire a consultant to help with finance, accounting, or taxation within the year.<sup>1</sup>

## Bringing a consultant on board

A business consultant can be beneficial in just about every stage of a business. When first getting started, a consultant can provide expertise and a specific skill set in areas that a business owner may not be familiar with, such as human resources or technology.

When scaling up an existing business, a consultant can be an extra set of hands to help pitch in on a major project without hiring another employee. And when an older business is facing a setback, a business consultant can come in to make tough decisions.

A consultant can also be useful when you need a new perspective or when a business owner needs to focus on day-to-day operations.

### Key takeaways



Consultants can offer fresh perspectives on how a business runs.



Business owners can find consultants across a wide range of expertise.



Utilizing the expertise of a consultant can help complete a project without adding to headcount.



## Finding the right consultant for your business

A consultant can help business owners who want to develop their business in the most efficient way possible, along with those who are ready to hire a dependable and professional partner to simplify and guide them in the process. But first, you have to know what kind of consultant you need. Here are some common areas of expertise:

**Strategy** A business strategy consultant helps generate high-level questions such as, “Where should my business aim to go in the future?” “How can I grow my business?” or “What are the greatest threats to my business?” They compile market and competitor research and analysis; monitor customer, market, industry, and other business-related trends; and provide guidance on strategic plans and goals.

**Operations** An operations consultant is focused on how a business can operate more efficiently, effectively, and profitably. They crunch the data to figure out optimal production lines, how to shorten order lead times, inventory management, and how to respond to shifts in market demand and changing customer requirements.

**Human Resources** Similar to an operations consultant, a human resources consultant is brought in to ensure that the company is effectively using its workforce to achieve its stated business and strategy goals, while also ensuring that the employees are performing at a high level of productivity and efficiency. They may establish company policy and procedures that comply with applicable laws, make recommendations on leadership, or conduct training sessions.

**Accounting and Finance** This type of consultant goes far beyond running the day-to-day bookkeeping or office operations. An accounting or financial consultant analyzes financial information, sets up invoicing and payment systems, prepares financial reports and tax documents, ensures compliance with relevant financial regulations, and offers advice on improving profitability based on future costs and revenues.

**Technology Information and Security** This is one of the fastest growing areas of consultancy.<sup>2</sup> With the rapid growth of technology and the need for related tech support, many companies have found consultants invaluable in helping improve their systems and resulting customer experience.

## What to put in the contract

When hiring any consultant, it's important to have a contract in place that specifies what services will be delivered, in what time frame, and the price and payment terms of those services. This would include when payment is due, what form it will take, what expenses will be covered, and how the invoicing and approval processes will occur. A contract should also have timelines and benchmarks for when main tasks or deliverables have been completed and how they will be recognized over the course of the project.

You may also consider a confidentiality clause and ownership and accountability language to deal with any problems or issues that might arise, as well as disclaimers and language to deal with errors or omissions. Finally, it's a good idea to spell out any cancellation terms or notices required on either side.

## Where to find the right consultant

If you own a business, chances are pretty good you've already been approached by business consultants. If not, getting a personal referral is always a good start. Businesses have several options when it comes to finding and hiring the right consultant, including their local lending institution.

## Steps to consider

- Review your business plan and make note of areas in which you could benefit from additional perspectives. Honestly reviewing where you lack expertise will help you select the best person/team to advance your business.
- Ask people in your network about their experiences with consultants. Learn the pros and cons about bringing in a subject matter expert and ask for recommendations regarding consulting firms or individuals.
- Meet with a consulting firm to better understand how their business works and what benefits they would offer you.

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<sup>1</sup> "Consultant Demand and Benefits," <https://www.roberthalf.com/blog/management-tips/consultant-demand-and-benefits>, Robert Half International Inc., October 29, 2018

<sup>2</sup> Grant Cardone, "When to Hire a Consultant," <https://www.entrepreneur.com/article/320051>, September 17, 2018

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