

# HOW?

## Employing and using Consultants

Over the last few years there has been a boom in consultancy, which has led to many scare stories of sharp operators, who charge a fortune for telling organisations what they already knew. However, just as it follows that not all double-glazing salesmen are crooks, the vast majority of consultants are honest professionals, earning a living by selling their specialist expertise. Many now concentrate on the voluntary sector and can be a valuable extra resource for organisations to call upon when needed.

### Why use a consultant?

If your organisation has the staff and time available to carry out a project, then it makes sense to do it yourself. Very often, however, the organisation simply lacks the staff, the time, or sufficient specialised knowledge. If the project is a one-off, it may not be practical to employ a person on a short-term contract and you might not be able to find someone with the necessary specialised skills anyway.

The reasons for considering a consultant might include preparing a funding bid, writing a business plan, temporary cover for an absent senior manager, personnel advice, health and safety, or applying to becoming a charity or limited company. You may require a full assessment of the organisation's position with recommendations for future strategy. This last type of assignment is where problems can often arise. If the organisation is not clear about what it wants to achieve from such a review, the results will be similarly unclear. Consultants are not magicians, who will solve all your problems with a wave of a magic wand. Indeed, they may tell you some hard truths about your organisation, which you would rather not hear.

This raises the point that an outsider's view can be very revealing. Most people within a group tend to slip into the established way of doing things without challenging them. First impressions count for a lot. If someone comes into your organisation and asks why something is done in a particular way and the only answer is, "because we've always done it like

this," there may well be a case for reviewing the issue, to see how it could be done better. This is essentially what consultancy is all about.

If, however you are not committed to acting on the results of the consultant's work, nothing will be achieved. Too many organisations blame the messenger for the message after receiving a critical consultant's report, hence the perceived unpopularity of the profession. "The consultant told us we were running things all wrong – who do these people think they are?" Actually, he or she is usually a well-qualified professional who knows at least as much as you do about running an organisation!

***"A consultant is someone who will borrow your watch and then charge you for telling you the time."***

*- Anon*

***"Consultants? A bunch of [numerous expletives deleted]!!"***

*- Sir Alan Sugar*

### All organisations are exactly the same only different

Contrary to popular opinion, you don't have to work for an organisation for years in order to understand it. As anyone who has worked in different sectors or industries will tell you, all organisations face the same problems of management, planning, personnel and finance and the more different ones you see, the more you realise how similar the key issues are. This is why consultants are often able to drop into an organisation and propose solutions after only a brief acquaintance. If you are prepared to admit to yourself that this is true, you might even find you don't need a consultant after all. By keeping an open mind, you can achieve a review of your organisation simply by challenging the way everything is currently done and establishing whether that really is the best way of doing it.

### We need a consultant

Having read all the above and decided there's a job to be done, which can only be achieved by using a consultant, how are you going to pay for it? Having first checked that you can't get it done free by your local CVS, Business in the Community, or a volunteer, such as a retired senior manager, you need to establish if there are any funds available to help with the cost. Depending on the nature of the there are various possibilities. Some of the Lottery boards for example, will fund a feasibility study if you



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are planning a major funding bid. Say you plan to apply to the Heritage Lottery Fund to restore a historic building and turn it into a heritage centre. Before putting the main bid in, you might need a consultant with experience in tourism to evaluate whether it would be sustainable as a visitor attraction. Local chambers of commerce sometimes have funding available towards specific consultancy work. Your local council or health authority might give you a small grant if you provide a service they use, for example a support group for a medical condition.

## The Brief

This needs to be discussed and agreed by your management committee and senior management, so that everyone is committed to the project. Identify the precise issue to be tackled, set out the aims and what you expect the consultancy to achieve, suggest how the work might be carried out and decide on a budget and timescale for the work. Write this up, being deliberately conservative about the time and money available and you have the brief to which the consultant will work.

## Find a consultant

Depending on the nature of the work, you could ask your local CVS, who will probably know a few locally based consultants specialising in charity issues. If it is something more general, like health and safety or planning, then the local chamber of commerce should be able to help. The National Council of Voluntary Organisations (NCVO), 8 All Saints Street, London N1 9RL (0207 713 6161) publish a directory of consultants working in the not-for profit sector. For larger organisations, the Charities Aid Foundation has a bureau of senior management consultants at 114-118 Southampton Row, London WC1B 5AA (0207 400 2322). All these bodies should be able to give you some idea of what fee levels are like in their sectors.

Having contacted at least two consultants who have expressed interest in the brief, ask them to submit a proposal. (If you are getting a grant to cover the cost, the number of quotes required may be specified in the grant conditions).

This should cover how they intend to approach the work, how they will report on it during and after completion and most importantly, how long they think it will take and what their fee will be. If all the proposals you get are way over your budget, you may need to rethink whether the project is realistic.

Conversely, if someone reckons they can do it in half the time you had in mind, have they really understood the brief properly? Always ask for references and follow them up.

Compare the proposals and select the one you prefer. Ask the consultant to come in and go through their proposal in detail. You may ask two or more consultants to do this if the decision is not an easy one. Make sure the consultant gets a feel for your organisation and its objectives. If you really don't think the consultant is right for the job, thank them for their interest and get someone else – you're paying the bill after all!

## The Fee

Find out how the consultant wants to charge for the work. Obviously it's better if you can agree a one-off fee for the whole job. That way you know exactly what you're letting yourself in for. It may be, however, that they want to charge a daily rate – this may be more appropriate if the work is spread out over some time in short batches but beware of committing yourself to an open-ended agreement, where no maximum number of days is specified. If the work is going to stretch over, say, more than two months, it is only fair to agree part-payments after key stages of the work have been completed satisfactorily. Check whether the consultant has professional indemnity insurance – this allows you to claim against them if you incur losses from following advice which turns out to be incorrect.

## The Contract

Ideally you should try and get the consultant to accept a contract you have prepared. Most consultants will naturally want you to sign up to their own contract. Which you do is up to you, provided both sides are absolutely clear as to what is being agreed and there is nothing in the consultant's small print which allows them to increase charges or bill for extra time without agreement. A model contract is included with this factsheet which should cover most eventualities, though you may wish to vary it to suit your needs.

Make it clear in writing if there are any requirements on the consultant, such as abiding by your organisation's equal opportunities policy or not disclosing certain information to third parties.

Consultants are not employees of the organisation and are responsible for their own tax and National

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Insurance payments. The only relationship between the consultant and the organisation is the contract and no other employment rights exist. The organisation's only duty is under health and safety legislation, to ensure safe working conditions for all workers and visitors to the premises. Check whether VAT is included.

## The Consultancy

Let everyone in your organisation know about the consultant, what they are doing and make them welcome. If you treat them as an outsider, people may not open up to them and their report will not address the real issues in sufficient depth. If they are to work within the organisation, provide them with some space plus any equipment or materials they require. Decide who is to be the main contact person. Make appointments for staff to see the consultant, if the project involves gathering information. Keep in regular touch, via feedback sessions with the contact person and make sure everything is running smoothly. Don't wait until the end of the work to address any problems. Discuss and overcome them as you go.

You will have agreed with the consultant what the final form of their report will be. This could be just in written form, or, more usefully, a presentation to those involved within the organisation, backed up by written conclusions for you to consider and implement. It is often better if the consultant remains involved to see the recommendations put into place and to overcome any minor hiccups which their introduction may cause.

## Evaluate the consultancy

Did it achieve what you wanted? If not, what could you have done to improve things? Note down the key points you have learned from the experience, so that any future consultancy can be specifically targeted and maximum benefit gained.

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## Who are we?

High Peak CVS works to ensure that local voluntary and community groups can access as much support, advice and information as possible. We help groups in many different areas, such as funding, charity registration, practical services including printing, training and links to training and with legal issues. We have resources, including a meeting room, computers and OHP for use by groups.

**To find out how we can help you, please contact us on 01663 735 350 or email [hello@highpeakcvs.org.uk](mailto:hello@highpeakcvs.org.uk)**