GRAND VICTORIA
FOUNDATION

# The Insider's Guide to Outside Advice

## A TOOLKIT

**Toolkit includes:**

| | |
|---|---|
| PROJECT PLANNING TOOL | INTERVIEWING TOOL |
| SAMPLE RFP | SAMPLE LETTER OF AGREEMENT |
| PROPOSAL SCREENING TOOL | CONTRACT GUIDE |
| REFERENCE CHECKING TOOL | PROJECT EVALUATION TOOL |

Prepared for **GRAND VICTORIA FOUNDATION** by Kathleen F. Garcia  www.grandvictoriafdn.org

# Most organizations, at one time or another, will use outside consultants to address a need that internal resources can't meet.

## Typically, we use consultants when…

- A high level of expertise in a particular area is needed to produce a specific outcome. Examples include creating a website, developing up-to-date personnel policies, and structuring a capital campaign. Generally, we wouldn't expect to have the expertise available within the organization, and it's a one-time or sporadic need.
- An "outsider" will be more effective than an "insider" at producing a given outcome. The expertise may be available within the organization, but in terms of process and dynamics, an outsider will get the job done most effectively. Designing and facilitating a strategic planning process is an example, as is training the board to be more effective fundraisers.
- The organization can't afford to hire a permanent staff person with the required skills to address an ongoing need. This is generally referred to as "outsourcing," and involves contracting with an outside resource to address a routine task. Common examples include IT network maintenance and bookkeeping.

While using consultants—whether pro bono or paid—may be common in the nonprofit community, generating the desired results from such projects isn't always the typical outcome.

Carol Lukas poses this definition of consulting: "…a temporary relationship to provide assistance to a person, group, organization, or community wanting to build their capacity, accomplish a task, or achieve a goal. The consulting relationship differs from an employee relationship in that it is time-limited and the consultant is free to determine how and when to work." [1]

There are two key elements in this definition that nonprofit leaders must focus on to get the most from a consulting project. First, a consultant is hired to generate a specific outcome or product—a tangible benefit to the organization. Second, every consulting project should be expected to build the capacity of the organization to solve similar problems or generate similar results on its own, in the future.

### For example:

- A strategic planning consultation should yield not only a realistic roadmap for the organization's work, including an assessment of the resources required to follow it, but also a process for monitoring and updating the plan that organization leaders should be trained to use.
- A consultant hired to install and customize accounting/financial management software should be expected to train appropriate staff to use and maintain the system.
- A workshop for the board on effective fundraising solicitation techniques should include time to formulate an action plan that identifies how the individual directors will apply their new skills to generate increased donations.

The exception to this capacity-building rule is when a specific task is out-sourced to a consultant on an ongoing basis. In these situations it is generally not the expectation that the consultant will spend time building the capacity of the organization to perform the work itself, but will focus on accomplishing the task with consistent quality.

### There are four key steps the nonprofit leader must take to ensure that solid outcomes are generated by a consultant:

**Step 1:** Plan the Project

**Step 2:** Hire the Right Consultant

**Step 3:** Manage the Process

**Step 4:** Evaluate the Project

**What follows are guidelines for undertaking each of these steps, as well as some tools to apply along the way.** (Look for the **tool icon** for appropriate tools.) These guidelines apply to pro bono consultants as well as to those to whom you will pay a fee. This is a critical point to keep in mind since nonprofit executives frequently turn to pro bono resources as an alternative. While it may be difficult or uncomfortable to approach working with a pro bono resource in the same way as you would someone you are paying, it is absolutely essential in ensuring solid outcomes. While the pro bono consultant—whether a board member, a friend or colleague, or a community resource—is most certainly doing you a favor, remember that all volunteers derive great satisfaction from a job well done. In fact, knowing that s/he has performed a service and created change for the better is the volunteer's compensation. So, in structuring and managing a process to ensure that the organization gets the outcome it needs, the nonprofit leader is also ensuring that the consultant—whether pro bono or paid—is getting what s/he needs from the project as well.

# step 1 Plan the Process

## a. Form a work group for the project

Select two or three members (staff, board, volunteers) who have either a stake in the outcome of the consulting project or a high degree of expertise in the subject area. Their role will include:

- Working with the executive director to plan the project, including defining parameters, developing a Request for Proposal (RFP), and identifying and interviewing potential consultants
- Reviewing products generated along the way
- Conducting a final evaluation of the project

## b. Analyze and define the issue

1. **What change needs to occur?** Describe the current situation, then look ahead and determine what the situation will be like when the issue is resolved or the desired result is produced.
2. **Make sure to focus on the real need, not the symptoms of the problem.** It may seem obvious that the need is for a new set of marketing brochures…but as the work group reviews the issue, it could become apparent that the real need is for a comprehensive new communication strategy to reach out to potential clients.
3. **Put the definition of the issue in writing.** It will be helpful in developing the RFP a bit later in the process.

## c. Analyze the parameters of the project

1. **What results need to be generated?** Be as specific as possible in describing the desired outcome. A clear definition of desired results, precisely communicated to the consultant, is perhaps the most critical factor in producing a successful project that will meet your expectations.
2. **What products will be produced, either as a final result or over the course of the project?** Example: The project will result in hiring an IT System Administrator. The consultant will produce a job description and a document that defines performance expectations for the position.
3. **What qualifications are required to get the job done?** You may need a trainer, or someone with technology expertise, or a facilitator. Basically, a consultant should have the same qualities as those of a professional staff member:
   _ Expert knowledge in the subject area of the project
   _ Experience with projects similar to yours
   _ A good track record with other clients
   _ A working style that fits well with your organization

# step 1 continued...

Again, be specific in listing the qualifications you will require.

4. **What is the timeframe for the project?** Decide how much time the organization can allocate for the project and establish a target date for completion. The potential consultants you decide to interview will be able to help you determine how realistic the target date is and will also assist you in identifying benchmark dates for significant events during the process.

5. **Who will be responsible for the project?** It is important to determine who, internally, will be the primary contact for the consultant, will manage the process, and will make decisions as required. This may not be the executive director in all instances. It may be more appropriate and more efficient to designate another staff person, or in some instances a volunteer, as the "project manager." In addition, consider whether other staff and/or volunteers need to be involved in the project. If so, identify who will be involved, what their responsibilities will be, and how much time they should allocate to the project.

6. **What is the budget for the project?** Determining what the organization can afford to spend on the project is the first step. That, after all, is the bottom line. If a gap exists between the amount available for the project and the market rate, then you may have no choice but to rely on a volunteer consultant or scale back the project. Therefore, once you have determined what you can afford, it may be useful to estimate what the project may actually cost. While consultant fees vary widely, it's safe to say that most professionals will charge $50-$150 per hour for their time. Estimating the cost of a project can be very difficult, and in the end you may have to rely on the proposals submitted in response to your RFP to get a clear idea of what the cost will be. Also, most consultants will quote a project fee based on an hourly rate rather than submit invoices for actual hours spent. In spite of the difficulty, it is important to establish at least a ballpark estimate, and always necessary to determine the maximum you will spend for the project.

For example,

- A thorough strategic planning process may take 5 months, or 22 weeks to complete. At a rate of $75/hour and based on an average allocation of 6 hours per week ($450/week), the project cost would be $9,900. Evaluated against available funds, the organization may decide that the maximum budget for the project will be $8,000.
- A 3-hour workshop for the board of directors will generally cost $700 - $1,500, depending on the reputation and stature of the trainer. In estimating costs for training and retreat facilitation, it is important to remember that a trainer will generally spend at least twice the time allocated for the event on preparation. Hence, a half-day workshop requires at least a day of preparation. For retreats the preparation time is typically more intense, and will likely involve meetings with a client planning team and interviews with individual board members. It is not uncommon for retreats to cost $1,000-$2,500 per day.
- It is an easier and more straightforward process to determine the likely cost of hiring a professional on retainer for an ongoing task, such as bookkeeping or website maintenance. In these instances, the potential consultants will quote an hourly rate and will tell you upfront how many hours per month your task is likely to require. The variable will be cost per hour, which can vary greatly in areas like technology consulting.

**Project Planning Tool**

# step 2 Hire the Right Consultant

## a. Draft a Request for Proposal (RFP)

The RFP provides basic information about the organization and about the need or problem the project will address. It will also establish a general format for the proposals that will be submitted, allowing you to evaluate and compare consultants equally and efficiently. Enough information must be provided so that prospective consultants can develop relevant proposals and accurate bids. At the same time, keep in mind that consultants aren't paid for developing proposals – the RFP shouldn't require an inordinate amount of research or time. A good strategy is to create a format that allows potential consultants to prepare 2-3 page proposals.

### Sample RFP

Following is a list of elements to consider including in an RFP; it should be modified to meet the needs of your organization.

**Agency mission and description:** Provide a brief description of your organization's mission, programs, services and funding.

**Situation and needs:** An initial statement of the results you are seeking – what you want the project to accomplish – and a description of the factors that are causing you to undertake the project.

**Desired outcomes:** A brief, clear statement of the product(s) you expect to be generated. If the final product is a report, list the kinds of recommendations you are seeking. Include information on the timeframe for the project.

**Proposal content and format:** List the specific information you want potential consultants to include in their proposals. In addition to specifying how to submit a proposal (address, to whom, by what date, contact information for questions), consider asking for the following information.

- *Contact information:* Individual (or firm) name, address, phone and fax numbers, email address, website.
- *Scope of work:* The potential consultant should specify activities and process, as well as a detailed timeframe for completion of the project. This section should also identify by name the consultant(s) who will do the work.
- *Budget and costs:* If appropriate to the project, projected hours and hourly rates for each consultant assigned should be listed, and a maximum fee for the project determined. Any anticipated reimbursable expenses should also be itemized. While you can include budget parameters in the RFP – which will serve to avoid fee negotiations later on in the process – you can be sure that the fees quoted in the eventual proposals will equal the amount you've quoted. It is generally best not to inform candidates what you can afford to spend.
- *Resumes of personnel:* A resume should be provided for each consultant who will work on the project, along with the specific responsibilities each will address on the project.
- *References:* A list of references that you can contact should be provided.

## b. Identify Potential Consultants

Foundations, colleagues, and professional associations can be great sources for gathering names of consultants and recommendations. Once you've compiled a list of candidates, distribute your RFP and make sure to specify the due date on which proposals must be received by your organization.

## c. Establish and Implement a Proposal Screening Process

A simple process for evaluating proposals, created upfront, will help to make this work efficient and objective. You have already determined the qualifications you are seeking in a consultant, and by writing the RFP you have clarified the purpose of the project, the desired outcomes, and the expected products. While you will interview at least two or three candidates, you will likely receive a greater number of proposals, which requires winnowing down the number of viable proposals. While price is certainly a critical factor in the selection process, don't allow it to eliminate prospective candidates at this point. You definitely don't want to eliminate a good proposal—maybe the best proposal—based solely on cost. It's always possible to negotiate the fee during the interview phase, and if necessary in order to get a high-quality consultant, even to scale back the scope of work or the products to be generated. It's definitely best to be flexible at this point.

### Consider this simple screening process:

**First, eliminate obviously unsuitable proposals—those that**

- Show a lack of understanding of the project
- Show a lack of understanding of your organization or mission
- Don't provide the requested information
- Are poorly written and/or poorly organized

**Second, analyze the remaining proposals and eliminate any that don't meet these criteria.**

- The consultant's proposed strategy will work in your organization
- The process and techniques proposed are appropriate to your culture
- The consultant's experience and qualifications meet your needs
- The proposed timeline is realistic and meets your expectations

**Proposal Screening Tool**

**Third, check references for the remaining candidates.**

- Has s/he met clients' expectations in the past?
- Is s/he capable of delivering the type of outcome and product you need?
- Is s/he dependable and reliable in meeting deadlines?
- Following this process will yield a qualified pool of candidates to interview.

**Reference Checking Tool**

# step 2 continued...

## d. Interview Consultants

Meeting with prospective consultants is absolutely essential. You, your staff and volunteers may be working with this person for weeks or even months. Personality and communication style are critical issues, as is the person's ability to relate to your organization's mission and culture. Once it's been determined which candidates will be interviewed, it is important to define an interview process.

1. **Decide who will be involved in the interview.** If you formed a project work group at the outset, this team might conduct the interviews. At a minimum, two people should conduct each interview; one of them should be the designated project manager.

2. **Develop a written list of interview questions.**

**Interviewing Tool**

3. **Determine a process for the interviews.** Decide who on your team will take the lead in each interview, who will ask each question, and when others on the team may appropriately jump in.

4. **Define a process for evaluating the interview results.** You may want to create an evaluation process using a matrix similar to the one presented previously for assessing proposals, or you may decide that an informal discussion involving the members of the interview team will be adequate. In any case, it is important to seek input from everyone involved in the interviews.

Finally, make sure that the person who will actually be doing the work will be involved in the interview process. In some cases, if you are interviewing a firm rather than an individual consultant, it is possible that the presenter participating in the interview will not be assigned to your project. Because of the factors mentioned previously, it is critical that you have the opportunity to meet and interview the staff who will be working with you.

## e. Formalize the Consulting Relationship

Once you've selected the best consultant for the project it is necessary to prepare a letter of agreement or a formal contract. In some instances the consultant's proposal will serve as the contract. If this is acceptable to you, the proposal should include a space for the executive director (or whoever has the authority to enter into contracts) to sign, indicating that the proposal has been accepted. It is also appropriate for the consultant to draft the letter of agreement or the contract and submit it to the client for review and acceptance. In fact, this is the standard operating procedure for most consultants. In any case, there are standards to adhere to in preparing either a letter of agreement or a contract.

**Letter of Agreement:** acceptable for short-term projects such as a board or staff workshop, a retreat, or a brief needs assessment. The letter of agreement should specify:

- Work to be accomplished
- Expected date of completion
- Project fee and payment terms

**Sample Letter of Agreement**

**Contract:** required for longer-term projects such as a strategic planning process, an executive search, or a fundraising project. A good contract should include:

- *Work plan:* Establish tasks to be completed, outcomes expected, and timetables.
- *Fees:* Determine if fees will be charged at an hourly/daily rate or at project price.
- *Billing terms:* Decide if the project will be billed monthly, upon completion or on a retainer basis. Agree on type of invoice required.
- *Direct costs:* Determine how to bill travel, long-distance phone and fax, subcontracted services.
- *Workplace:* Where will the consultant work? What administrative support, equipment, supplies are expected?
- *Contract dates:* Define when contract begins and ends. Consider how timeline will be amended or extended.
- *Termination clause:* Under what conditions do one or both parties walk away from the work before completion? Notification may be 30 days, 60 days or less. If disputes arise, arbitration may be needed.
- *Rights to products and data:* If proprietary information is collected, determine conditions under which data can be used and who has access once work is completed. If confidentiality is involved, consultant must be informed. The same conditions apply to products such as reports, training materials, etc.[2]

**Contract Guide**

# step 3 Manage the Process

It is the responsibility of the organization's project manager (the executive director or other designated staff) to ensure that the stated expectations are met throughout the consulting process and that the desired outcomes are produced. What you want to avoid is arriving at the end of a project and being forced to ask yourself, "why didn't we get what we wanted?" In many ways the process of managing a consultant is similar to that of managing professional staff. The critical elements are:

## a. Establish clear and specific expectations upfront and communicate them to the consultant

It is appropriate—in fact advisable—to ask the consultant to produce a work plan at the onset of the engagement. The work plan should detail specific tasks to accomplish, activities to address and products to generate with completion dates for each item.

## b. Determine a schedule of checkpoints for the project

This might include scheduling weekly or bi-weekly meetings during which progress will be mutually assessed and any products or drafts of products reviewed. These checkpoints will flow from the consultant's work plan.

## c. Maintain open, honest communication with the consultant

As with staff members, it is critical to immediately discuss areas of dissatisfaction with performance or quality of products. If performance or productivity issues aren't addressed immediately, they become irrelevant—and become the project manager's problem, not the consultant's.

*The Connecticut Nonprofit Consultant Directory offers the following guidelines for managing the consulting process.*

## How to manage a consultant

1. Insist on a work plan from the consultant
2. Give the consultant sufficient information to get them up to speed
3. Request that the consultant provide progress reports on the project as follows:
   - Outlining the methodology used
   - Presenting interim findings and/or progress to date
   - Compiling (one or more) preliminary reports
   - Final report and evaluation
4. Communicate regularly with the consultant to review timetables and responsibilities
5. Establish a process for any necessary changes in the scope of the project
6. Maintain control over the process and product
7. If you're unclear, or not pleased with the work in progress—ask for a meeting to address the situation. Discuss your previously agreed-upon objectives, the work to date and/or problems met.
8. Reach consensus on how to proceed from there
9. Be prepared for resolution of disputes or changes required by a relationship that sours
10. Be prepared to promptly pay the consultant's invoices

Finally, in managing the consulting process, it is important to recognize that the client, as well as the consultant, carries responsibility for generating successful outcomes. Among the most important is the willingness to accept and even promote change. Creating a better situation is, after all, what you are paying for—you've hired a consultant to show you the path to improve some facet of your organization's performance or operations. It is sometimes the case that we confuse our resistance to change with dissatisfaction with the consultant's performance or recommendations. It's easy to say, "That will never work here," or "That recommendation is completely unrealistic." It's much more difficult to accept and acknowledge that we might be resistant to new ideas or procedures, or simply be afraid of attempting to implement change. The executive director, the project manager, and other organization leaders involved in the consulting project must work to maintain continuous and consistent self-awareness throughout the process, and must be committed from the outset to embracing change.[3]

# step 3 continued...

*Barbara Kibbe and Fred Setterberg suggest incorporating this list of client responsibilities in the consulting process.*

**Honesty —** Throughout the relationship, you must be consistently frank and forthcoming about the problems that face your organization. Though it may be difficult, you must put aside your embarrassment and fears and tell your consultant the entire story.

**Follow-through —** Over time, your staff and board will probably agree to undertake a number of tasks related to the consultant's intervention. Some tasks may be routine, such as attending meetings. Others, such as conducting research or writing reports, might prove demanding and time-consuming. Do not make these commitments unless you can keep them. Above all else, the consulting relationship is collaboration. You must hold up your end.

**Communication —** The arrival of a new consultant may spark fear, suspicion, and rumors — particularly if your organization is suffering through a period of acute turmoil and uncertainty. Determine early on how much and what kinds of information regarding the consultant's work needs to be shared with the key staff and board members.

**Learning from the experience —** In some instances, the consultant may be able to teach new skills to the staff and board that they will use again in the future. If you can incorporate the consultant's best insights and techniques into your own organizational practice, you may be able to handle problems on your own next time around.

**Willingness to change —** The consultant's work will often conclude with a recommendation for some variety of organizational change. Whatever its magnitude, only you can finally decide whether the prescription for change is justifiable and correct — and then summon up the energy, flexibility, and courage to take the necessary next steps.

**Ending the unproductive relationship —** Sometimes the collaboration with the consultant simply does not work out. Perhaps you've hired the wrong person for the job. Maybe the consultant doesn't possess the right skills or experience. Whatever the reason, you have a responsibility to end the relationship as soon as you're convinced that it will fail. While firing somebody is never pleasant, this task shouldn't present any special difficulties. Consultants live and die by their reputations; they have everything to gain by making the termination as painless and private as possible.[4]

1. Carol A. Lucas, Consulting With Nonprofits: A Practitioner's Guide. St. Paul, MN: The Amherst H. Wilder Foundation, 1998.
2. ©1999-2002 Association of Consultants to Nonprofits. www.acnconsult.org
3. 2002 Connecticut Nonprofit Consultant Directory, sponsored by the Hartford Foundation for Public Giving. www.hpfg.org
4. Excerpted from Succeeding with Consultants. Copyright 1992, the David and Lucille Packard Foundation, published by The Foundation Center, New York, NY.

# step 4 Evaluate the Project

If the first three steps in this process are adequately addressed, project evaluation should be a fairly simple process. The project work group, along with any other organization staff or volunteers who were involved in the project, should meet to discuss the questions suggested on the Project Evaluation Tool. It is recommended that a written evaluation report be produced for the project file.

**Project Evaluation Tool**

Notes:

# PROJECT PLANNING

TOPIC:

**Work Group**

Members: Responsibilities:

**Issue**

Current situation:

Desired change:

**Parameters**

Result(s):

Product(s):

Consultant Qualifications:

Timeframe:

Primary Contact: Responsibilities:

Others Involved: Responsibilities:

Budget Estimation:

SAMPLE REQUEST FOR PROPOSAL

*The Great Scott Arts Association (GSAA), a new organization in Mosquito Falls, MN, is seeking a consultant or consultants to assist in its initial set-up and in the analysis of possible administrative and performing space. See the associated "Agreement for Services" which would typically follow this proposal, assuming the client finds a consultant that he or she likes and enters into an agreement with them.*

**Situation**

The GSAA was established in 1991 to assist several existing cultural groups in Mosquito Falls and to promote and coordinate arts activities in the area. Mosquito Falls is a town of 7500 people about 30 miles north of Saint Marvin, on Highway 10. Cultural organizations in Mosquito Falls include a community theater, community orchestra, the county historical society and a separate history museum, a small concert series, a community art school and a Comprehensive Arts Planning Program (CAPP) group, among others. To date, GSAA has nonprofit and tax-exempt status and a board of directors, but no staff or office space. No maximum budget for the consultancy has been established at this time.

**Tasks to be accomplished**

Continue development of the Association and plan for its future:

- work with a task force of member organizations to determine what joint needs the GSAA should address and how and to write GSAA by-laws
- implement a general membership structure and campaign
- design a GSAA newsletter and publish the first issues
- develop annual GSAA budget projections for three years

Develop a building use plan (in concert with member organizations):

- determine organizations' individual space needs
- determine how space should best be used
- develop sample schedules of events to be held in the space
- develop recommendations on GSAA's role in operating the space, if any
- develop a list of policy issues that should be dealt with before any building is acquired (i.e., should tenant organizations pay rent? how should space be allocated?)
- meet with representatives of other institutions interested in the space to determine the feasibility of shared use

Research possible funding sources for building remodeling and GSAA operations:

- conduct the necessary library research to identify possible Minnesota and national funding sources, both private and public
- gather guidelines from possible funders
- communicate with most likely funders to gauge their interest
- develop initial plans for seeking organizational and individual funds from the Mosquito Falls community

This consultancy should begin in January 1999 and be completed no later than June 1999.

**How to submit a proposal**
Interested people should submit the following, no later than October 9, to
Jason Johnson, Mosquito Falls Music Center, 116 8th Street, Mosquito Falls, MN 56000.
If there are questions, call Jason at 612-999-9999.

1. A proposal describing your qualifications (or the qualifications of the team of consultants) and how the tasks described above would be carried out.
2. A firm estimate of fees to be charged, and an estimate of expenses that would be incurred.
3. Resumes of all consultants who would be involved in the project.
4. Names, phone numbers and contact people at three nonprofit organizations who have been your clients during the last 18 months, whom we can call on as references.
5. Interviews with finalists will be held during the week of October 12.

*This information may be copied; cite the owner on all copies.*

# PROPOSAL SCREENING

CONSULTANTS →

| CRITERIA | | | | |
|---|---|---|---|---|
| Understands project purpose and outcomes | | | | |
| Understands organization, mission | | | | |
| Provides all requested information | | | | |
| Proposal is well written and organized | | | | |
| Proposed strategy is appropriate to our organization | | | | |
| Process and techniques are appropriate to our culture | | | | |
| Experience meets our needs | | | | |
| Other qualifications meet our needs (specify) | | | | |
| Timeline meets our expectations | | | | |
| Sound references from past clients | | | | |
| TOTAL SCORE | | | | |

INSTRUCTIONS:
Enter a consultant name (or identifying number for each proposal) at the head of each column.
Assess each proposal: determine whether the proposal meets each criteria statement. If it does, place an "X" in the appropriate box.
Count the "X"s to arrive at a total score for each proposal.

The interview process isn't mysterious. Essentially, you'll be conducting your interviews with prospective consultants in the same spirit and format that has successfully served you in the past to fill staff positions.

Nevertheless, there are some crucial differences. Given the broad impact that the consultant can have on your organization, you may want to assemble *a more diverse interview team* — including the executive director, senior staff, a board member, and other people whose working relationship with the consultant will have a direct impact on the success of the project.

You should interview *at least two prospective consultants* — even if you have already identified a probable candidate for the job. Talking in depth with consultants from different backgrounds who may have different approaches or techniques will help you refine your own understanding of your organizational dilemma, while simultaneously allowing you to compare the candidates' respective merits. During the interviews, make certain that you *ask each candidate the same questions* so that you can establish a fair standard for comparison.

As with most evaluative tasks, your ability to gauge the consultant's skills will be informed by your own degree of organizational self-knowledge. In the best of all possible worlds, you would be able to define your group's problem, stipulate the background, expertise, and services you're seeking, and characterize the kind of relationship you want to cultivate with the consultant for a prescribed period of time. In reality, you may find that you need to hire a consultant initially to help articulate the problems you face. Indeed, this is inevitably the first step in solving them.

As you interview your candidates, pay attention not only to their answers — but also their personal manner and professional style.

GOOD LISTENING: Does the consultant pay attention to what you're saying and respond appropriately — or does he only talk about his own accomplishments?

PRACTICAL DISENGAGEMENT: Does it seem that this candidate will be able to provide the objectivity you need in an outside expert?

BROAD EXPERIENCE: Does your candidate have relevant experience to draw on in helping put your issues in perspective?

INSIDE INFORMATION: Does the consultant grasp your mission and organizational style? Has he bothered to learn anything about your group prior to the interview?

**What questions should I ask a prospective consultant?**

- What *strengths* do you possess that will prove particularly helpful in connection with this project?
- Have you worked on similar projects or consulted with other groups facing problems similar to ours? What did you learn from the experience? What would you do differently if you could repeat the experience?
- How would you describe *the challenges* we face from the limited amount you now know about us?
- Describe your *work process*. How would you work with our staff, board, and executive director?
- Are there other members of your *consulting team* who would be working with you? Who are they? How would you propose to divide up the tasks among your team members? When can we interview them?
- What *problems* do you anticipate as we begin to work together? How can we best address these problems early on?
- Talk about the responsibilities we must assume in order to make our work together successful.
- Are you available to complete this work during the time we've specified?
- And finally: What else should we be asking you? What else should we know about you, your experience or about what it would be like to work together?

*In addition to the questions above*, you may want to include two additional topics if it seems that the candidate is a serious contender for the project.

- Discuss interim products and tasks — such as reports, meetings, etc. — that you will be expecting and establish target dates for their completion in relation to the project timeline.
- Discuss the quoted fee and make sure you are in agreement. If you intend to negotiate for a reduced fee, now is the time to initiate the discussion. You may also want to discuss payment terms.

**Questions To Ask**

Checking your consultant's references is absolutely essential. It's the only way you can distinguish between an accomplished professional with a track record of genuine success and somebody who merely excels at interviews.

Ask your prospective consultant for a recent, complete client list. Pick from this list rather than the two or three names the consultant might otherwise give you. You should look for at least three organizations similar to yours—or groups that have worked with the consultant on problems related to the ones you now face.

In each case, call the person who supervised the consultant's work directly — in most cases, the executive director or a board member. Begin your talk with an open-ended question. For example: "We're thinking about hiring Joanne Expert to train our board in fundraising. I understand she did some similar work for you. How did that work out?"

In the best case, you'll have a brief conversation covering the nature of consultant's duties, her strengths, any problems that may have arisen during the collaboration, and the palpable results of the consultant's efforts. But, you might run into somebody who's reluctant to talk. Today many managers will not comment about the performance of their former employees or consultants because they fear a law suit if their negative recommendation results in a loss of work.

If you meet resistance, ask the reference to simply verify the basics: 1) the kind of problem that the consultant addressed; 2) her duties; and 3) the duration of the work.

Then prod gently with another question to gain more subjective insight, such as: "Would you hire this person again?" or "Would you recommend this consultant to a colleague?"

Whether the reference is forthcoming or reserved, you should pay attention to what's not being said. If the reference talks only about the consultant's punctuality, good attitude, and pleasing manner, be sure to ask if her intervention actually achieved the desired results. Ask as well if the job was accomplished at the negotiated price — or whether any troubling cost overruns occurred.

At some point, you may find it helpful to express your own theories. ("I have this sense that Joanne Expert may not be completely comfortable working with a large board. What was your experience?)

Finally, you should end with another open-ended question that gives the reference one last chance to expand on their previous comments. "What else would you tell me about Joanne Expert?" or, "If you had it to do over again, are there any aspects of the project or of working with Joanne Expert that you would approach differently?"

## SAMPLE CONSULTANT'S PROPOSAL/LETTER OF AGREEMENT

Dear Executive Director:

Thank you for the opportunity to meet with you and your staff last week to continue our discussions about how I might be of assistance to ABC Agency. Based on our conversations, I understand that you would like me to focus on two critical areas:

*grant accounting, monitoring and reporting*
*resolution of identified financial systems problems*

Attachment A includes a list of the action steps I will follow to complete this assignment. Based on my current understanding of your needs, I estimate that the work will require 3-5 days to complete. This includes the important step of coming back to review the status of my recommendations no later than 6-8 weeks after I leave. My fee for this project will not exceed $2000, unless the scope of the assignment changes, and you and I have agreed to such a change in writing. One half of the fee ($1000) is payable before work begins and the other half ($1000) is due upon completion of the project. Assuming you accept this proposal by June 30, I will complete the project in accordance with your deadline of July 31, with follow-up evaluation completed by September 30.

Being sure that information listed under step #1 is gathered prior to the start of the project is an important first step. It will also be important that appropriate staff members set aside a block of time (probably 2-4 hours) to help me with step #2. Finally, your availability to discuss progress and recommendations will also be critical to project success. If you have other suggestions for accelerating my learning curve, please let me know.

I continue to believe that my strong financial and systems background, together with my extensive knowledge of all aspects of non-profit organizations, will benefit ABC Agency as you, the staff and the Board of Directors move through this critical transition period.

I will call you within a few days to schedule a project start date and to discuss other next steps. In the meantime, please contact me at 289-9999 if you have any questions or require additional information. Thank you for your consideration.

Sincerely,

Carla Consultant

*Signature below by an authorized representative of ABC Agency indicates acceptance of this proposal:*

Signature

Please Print: Name, Title, and Date

Please sign both copies of this proposal and return one to me. Thank you.

Excerpted from "How To Hire A Consultant." Connecticut Nonprofit Consultant Directory, sponsored by the Hartford Foundation for Public Giving. www.hpfg.org

Satisfactory client/consultant collaboration rests upon the shared understanding of project needs and agreement about how the project will be executed. A written statement is crucial to completion of the project in an effective and efficient manner.

I. The work agreement should include the following:

   A. Services to be completed by the consultant and services to be completed by the client.

   B. Arrangements to be made and/or paid for by the consultant and arrangements to be made and/or paid for by the client.

   C. A timetable for completion of key tasks or products, including the start date and ending date of the agreement.

   D. Description of fees (project based or time based), expense reimbursements, and/or payment schedules and method of payment. If the project is time based, the contract should also include a projection of the hours necessary for the work.

   E. Reporting requirements of both parties to the agreement.

   F. Names of persons acting as liaisons for both the consultant and the client; and the name(s) of the person(s) authorized to commit the client organization to key decisions regarding the execution of the agreement.

   G. A statement regarding conditions, policies, and/or procedures for cancellation of the agreement by either party.

   H. A statement regarding the confidentiality policy used by either the client or consultant, or both.

   I. A description of ownership of materials produced as a result of the agreement.

   J. A statement of the employment status of the consultant in relation to the client.

   K. Signatures of persons authorized to execute the agreement with dates of those signatures.

II. The agreement should also include all current requirements of the State of Illinois regarding contracts between consultants and not-for-profit organizations according to those terms decided upon (above) which have application to Illinois law.

III. The agreement may also state how the records or products prepared in the course of the work relationship shall be held, for how long, and in what manner by either party.

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# PROJECT EVALUATION

To what degree were our expectations met?

· *Were our desired outcomes generated?*

· *Were the products we specified produced?*

· *Were outcomes generated on time?*

· *Were outcomes generated on budget?*

Would we use this consultant again? Why or why not?

Would we recommend this consultant to other organizations? Why or why not?

What were the strengths and weaknesses of the consulting project?

· *What were the best elements of the project?*

· *What changes should we make in the process next time?*

To what degree has our organizational capacity to address the subject area of the consultation increased?

· *What have we learned that we didn't know before?*

· *What new skills do we have?*

· *The next time this need arises will we be able to address it ourselves?*

To what degree did we fulfill our responsibilities as the client?