

PERFORMANCE MATTERS

Considering a Consultant? Get What You Bargained For!

By: Mike Dorsett, President of Portfolio Performance LLC

Simply stated, the role of a consultant – no matter what type of consulting services they provide – is to help their clients succeed. The consultant should be a collaborator with and partner to the client, providing skills, behaviours, content, advice, experiences, and other factors.

Benefits of using a consultant:

- They provide varied experience and competence not available in-house.
- They provide an independent view.
- They provide knowledge of best practices within your industry.
- They focus on pre-existing, value-added, and anticipated needs and solutions for each.
 - Pre-existing needs are the traditional and valid needs of today and tomorrow.
 - Value-added needs are needs identified during the consultancy that were not initially anticipated by the client. No one at Sony® knew they needed a belt-mounted device connected to headphones to play music, but after some consultation, the Walkman® was born!
 - Anticipated needs are predicted needs during the consultancy to enable the client to continue to move forward at a greater speed.

Should the consultancy focus on process or results?

The answer is YES! Owners, employees, and those you serve deserve both. Owners should be concerned about ROI and how quick the payback will be on the consultancy, as well as future dividends. Employees should be interested in improved workflow. Those you serve want speed, ease, convenience, and a fair price. Your consultant should balance both process and results. Failure to do so may mean superior performance in one at the expense of the other!

Demand a theoretical foundation and a practical application.

Be certain your consultant has “walked in your shoes.” You are not paying for yesterday’s solutions to today’s challenges or tomorrow’s opportunities! While a theoretical foundation is critical, a practical application is vital. Ensure that your consultant delivers on both. Just like “process” and “results,” settling for one without the other could be a costly mistake.

Consultancy fee's come in all shapes and sizes.

Fee arrangements include:

- Hourly
- Fixed
- Value-based
- Retainer

And remember, if you think it's expensive to hire a professional to do the job, wait until you hire an amateur!

Other things to keep in mind when working with a consultant:

Insist on a guarantee. Obtain a commitment from the consultant to do what they say they will do or refund their fee.

Also, get everything in writing. Your contract with the consultant should include the following components:

- Situation appraisal - a brief description of what your issues are
- Objectives - a conceptual agreement of the goals of the consultancy
- Measures of success – a definition of what metrics and tools will be utilized to define success
- Value - a definition of what will be gained from achieving the objectives
- Methodology and options – Your choices of what the consultancy will focus on
- Timing – the length of the consultancy
- Terms and conditions – a review of the final report, guarantee, payment, and level of service of the consultancy
- Acceptance – agreement of the aforementioned seven components

Mike Dorsett is President of Portfolio Performance LLC. He has more than thirty years of experience in the financial services industry and has worked with start-ups, turnarounds, credit unions, banks, mortgage companies and \$95 billion international financial services companies. His accomplishments have been highlighted in the *Wall Street Journal* and *Credit Union Journal*.

Phone: 614.570.2312

Email: mike@portfolioperformancelc.com

www.portfolioperformancelc.com

