



CONSULTING CORNER

Straight answers to tough questions related to owning and operating a small business.

by Ruth A. Sheets, MBA

When to Hire a Consultant

As a small business owner, when should I seek outside help (consultants)?

The freedom of being one's own boss and the cost of that autonomy often means that small business owners are required to wear many hats. In doing so, entrepreneurs tend to think that they should or must do everything themselves.

During each business growth phase—from start up to fix up to build up—entrepreneurs must reexamine every facet of their businesses including the skills and abilities that they as individuals bring to the table. This process can be difficult, time consuming, even sobering, yet fruitful. Entrepreneurs must be willing to accept their limitations and come to an understanding of what they don't know and when they need help.

Often small business owners also believe that they do not have the money to hire a consultant to help them with a business issue. If time is money, then entrepreneurs must consider what their time is worth. In truth, there are times when companies can ill afford not to seek outside help.

There are three basic reasons for retaining a consultant: expertise, time, and objectivity. Perhaps the most common reason for hiring a consultant is a need for expertise. Consultants can deliver quality that a company might find unaffordable on a full time basis. For instance, most businesses require design work—business cards, brochures, and web sites. Since these marketing materials convey a company's identity and professionalism, this design work is a job best left to a trained professional.

When time is the constraint, consultants can help solve problems without diverting the attention of managers who are already heavily committed to day-to-day operations. Bookkeeping and payroll services often fall into this category.

Outside specialists provide an unbiased view of the client's business, help identify problem areas and recommend strategies to keep the business on track. Often, an outside presence is useful in providing a fresh eye to evaluate existing operations to suggest improvements and enhance profitability, or to bring ideas or resources that otherwise would have been unknown. This outside perspective is probably the single most important advantage a consultant brings to an organization.

Sometimes it's also a matter of capacity and efficiency. Although all stakeholders should be directly involved in strategic planning, business expansion, and new product launches, these are excellent examples in which bringing in a third party whose experience and expertise can only benefit a company.

The field of consulting is huge with specialties ranging from e-commerce to finance, from general management to human resources to marketing, and from operations to start up planning. Consultants are advisors, not miracle workers. They will not have all the answers, but they should know where to find them. Companies should consider seeking outside assistance during periods of transition, such as when an organization experiences cycles of growth or shrinkage, changes in funding resources or opportunities, or transitions in leadership. Third party assistance is also valuable when a company seeks to improve its current level of performance, establish or reform operations, train staff, or make constructive decisions regarding key strategic or operational issues.

Although consultants' fees may seem high, utilizing their services can be a more cost efficient way to add expertise to a staff while eliminating the need for ongoing salaries and benefits. Consultants provide the best of both worlds. They have the skills, time, experience, and expertise to complete the project while offering independent perspectives and insights. And once consultants have finished the job, they are gone. A good consultant returns many times the cost of the service in added profit and the avoidance of expensive mistakes. The hiring of a consultant is an investment in future profits.

Ruth Sheets of Ducks in a Row Consulting provides strategic business consulting to start ups, fix ups, and build ups to turn business pains into business gains. With an operational and marketing focus Ruth works with companies in various stages of transition to launch new products and services, target new markets, eliminate barriers to business viability, and establish and achieve business goals. To obtain more information about Ruth Sheets and Ducks in a Row Consulting please visit www.ducksinarowconsulting.com or call **978-463-2264**.

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