Nonprofit Assistance Initiative

How to Hire a Consultant

Purpose of Consultants

A consultancy can be used to bring together your key people to clarify needs and develop plans in a specific time frame. A successful consulting project is insured by engaging your entire organization in the process from beginning to end. Don't look to a consultant for diagnosis and prescription like a doctor but as an outside analyst / facilitator who helps your organization develop its own solutions.

Preparing to Hire: Overall Considerations

Develop a plan that identifies:

- What are your needs? Is there a problem or are you looking for change?
- Why can't you handle this in-house?
- What are your expectations for the project?
- What are your goals and objectives?
- What skills are required (what type of consultant you will need)?
- What work will be expected of board and staff members?
- Who will lead the project from board and staff?
- What is the time-frame of the entire project?

Request For Proposal (RFP)

The RFP provides the information your organization has developed on the project to prospective consultants to insure all bids cover the same work. The RFP should also establish a general format for the proposals, which will allow you to evaluate and compare consultants equally and efficiently. The following covers the basics needed in a RFP, which can be modified to fit the needs of your agency:

Agency Mission & Description

Brief description of your agency's mission, programs, services and sources of funding.

Background

A brief statement of the final product you are looking for.

The Problem or Need

The issues, factors and/or problems that are driving you to undertake this project at this time.

Anticipated Outcomes

What you would like the project to accomplish. If the final product is a report, list the types of recommendations you'd like included.

Contact person

Person available to consultants with questions on project.

Outline what consultant should provide in proposal

1. Consultant or Firm – Include complete name, address, phone and fax numbers and e-mail address.
2. Anticipated Scope of Work and Time Frame – Specify the activities, format, and time frame required to complete the required task. Provide a timeline that includes each phase of the project. Include a description of expected time commitments of board, staff and volunteers.
3. Budget and Cost – Provide number of hours and hourly rates for each of the consultants assigned, and specify their respective duties. Include the cost for each phase, as well as the maximum fee for this project. Identify personnel and non-personnel items separately within the total budget.
4. Resumes of Personnel – Provide resumes of each consultant who will work on the project, and their respective responsibilities for this project. Include a summary of relevant experiences of each of the consultants in working on similar projects with similar agencies.
5. References – Provide a list of references for each of the consultants assigned to the project. Briefly describe the scope of the work for these references, the year completed and a contact name and phone number for each one.

Proposal Selection Criteria

Specify criteria by which proposals will be evaluated and compared. These criteria can include: clarity of proposal and work plan, timeline, capability for establishing an effective working relationship with the client, budget and costs, etc.

Timeline for Selecting Consultant

Indicate deadlines for submission of letters of interest and proposals, and selection of consultant.

Proposal Submission

Indicate name, address and phone number of agency contact.

Factors to Remember

Offer as much useful information as possible so prospects can develop relevant proposals and accurate bids. At the same time, make sure your format won't require an excessive amount of time and work for the respondent. Remember that consultants are not paid for developing their proposals. If your RFP entails a huge time commitment, it may deter qualified, but busy prospects that simply don't have the time to respond. The best bet is for you to create a format that allows your prospects to answer in a two or three page proposal

Also make sure your design allows for flexibility in the response, making it easier for respondents to present their ideas. And don't design the RFP with the expectation of soliciting conclusions from the consultant. The purpose of the proposal is to specify how the consultant will approach the problem.

Finding Consultants

Once you've developed your RFP, you must compile a mailing list of potential candidates for the job, and/or seek out places you might be able to publish the RFP.

There are many ways to go about finding consultants for your mailing list. The best is asking your friends, associates and other nonprofits for recommendations. Professional and technical associations, foundations and organizations that support nonprofits are other sources.

Research using the Southern New England Nonprofit Consultants Directory:
www.sneconsultant.org/home.asp

When asking for recommendations on consultants, determine whether the prospects have demonstrated the following capabilities:

- Ability to diagnose problems
- A track record of presenting workable solutions to clients
- The ability to implement those solutions (e.g., installing equipment, training personnel, re-vamping a budgetary procedure, etc.)
- The ability to facilitate consensus and commitment to the plan of action among staff
- Once you've settled on a list, you can send your RFP to the most promising candidates, and/or publish in a place that's likely to attract the attention of the type of person you seek.

Evaluating Potential Consultants

Develop a screening process, utilizing information submitted and references to:

- Evaluate the consultant's qualifications
- Establish consultant's dependability as contractors
- Assess the strategy and proposed actions
- Balance cost with strength of the proposal

It is possible to give promising respondents the opportunity to rewrite their proposals but that is not required. You may specify the areas in which they need to improve to give their proposal a better chance of being accepted.

Sample questions when checking references:

1. Were deadlines met?
2. Did the project stay on budget?
3. Was the consultant's analysis of the problem accurate?
4. Did she/he offer solid recommendations?
5. How well did he/she interact with the agency representatives?
6. How well was the agency's mission understood?
7. Who did the work? Who was expected to do the work?
8. How well did the consultant prepare for/and follow-up meetings?
9. What evaluation process was used?

Meeting the Candidates

Consultants can sometimes be stationed in your organization for weeks or even months. You'll want to take into account the applicant's personality as well as the proposal in the interview.

Sample questions for consultant interviews

1. What are your areas of expertise? (For example; strategic planning, Board development, fundraising analysis.)
2. How long have you been in business?
3. How large is your organization?
4. What experience do you have working with nonprofits?
5. What other projects have you worked on that are similar to this? How are they similar, different?
6. Who would work with us on this project? Can we interview that person?
7. Can you give references, including the type of projects and outcomes you provided?
8. Can you provide samples of your work? (For example; if the project is marketing or PR, a sample of a brochure.)

9. What type of reports will we receive from you?
10. What are your expectations of our board/staff's involvement in this process? What can we expect from you? What do you require of us?
11. What does a typical session with you look like, in terms of time and work? How many sessions, typically? What follow-up is there once we have completed the process?
12. How would you describe the way you go about a job?
13. Will your written scope of work include a timeline and statement of fees?
14. What is your fee structure? Is it hourly or a lump sum? What is included? (For example; travel, photocopying.)
15. Will there be a rate breakdown by task and an allocation of the number of hours per task? How do you relate costs to work completed?
16. What is the average size project that you prefer? How many hours? Cost?
17. Are you willing to take on short-term projects and projects that would be $2,500 or less?
18. What is your project workload at present? How long will it take to complete our project?
19. Why do you think you're the best suited for this project? Why should we hire you?

Evaluate the consultant's personality, chemistry and working style by observing:

- how well the consultant listens to what is being said
- what questions the consultant asks
- how well the consultant analyzes the situation
- what solutions are presented and how realistic they are.

Letter of Agreement

Once you have conducted all your interviews and made your choice of consultants, you will want to write a letter of agreement. This letter should list the following:

- Services to be provided by the consultant;
- Specific reports or presentations that are anticipated;
- The beginning and estimated ending date of project;
- The fee for the service and hourly rate;
- Whether a retainer is to be paid, and balance due to the consultant.
- Have both the director and the consultant sign the letter.
- As you begin working with the consultant, be sure that you agree upon the objectives of the project and the method of evaluation to be used at its completion. Allow for change in the approach if necessary.

For longer, more complex projects, a formal contract developed with legal advice is appropriate.