



FIVE THINGS YOU MUST CONSIDER WHEN HIRING A BUSINESS CONSULTANT



ADDRESSING THE NEEDS OF BUSINESS EXECUTIVES WHO ARE CONSIDERING HIRING A BUSINESS CONSULTANT

Who Should Read This?

This guide is written for all business owners and executives who want to get help turning their company—one area at a time—into a best-in-class operation. It is especially aimed at CEOs, COOs, CFOs, Presidents, Division Managers, and Boards of Directors—and especially anyone who may need to access capital or implement a succession plan in the next 5 years. The problems discussed are universal and scale from small to large companies. In short, this document applies to *you*.

Within this document, we discuss the problems faced by business executives who want to hire a business consultant. We focus on the importance of

- Using a robust methodology for analyzing your company's performance
- Accurately assessing current operations
- Delivering a plan with detailed tasks
- Making sure you get a maximum ROI for your investment in consulting services

We examine the importance of hiring experts who are additive, as opposed to disruptive, focusing on range of services offered and time spent improving your company (rather than just analyzing it).

We then focus on the benefits of getting started with professionals who can tie the work you do directly to increasing the value of your company—preferable at low or no cost to get started.

IS THERE A PROBLEM?

DO I NEED TO ADDRESS THIS?

Do you ever find yourself thinking...

- Does my competition have a greater share of the market?
- Why aren't we meeting our sales goals?
- Have we stopped growing? Our business seems flat.
- Shouldn't more people know about our company and what we can do for them?
- I'm not sure I know how we stack up to others in our industry.
- I have a better product, so why does it seem like my competitors are ahead of me?
- I've got a great group of really smart people. Why can't we work as a team?
- I need better data on my company to make decisions, and get my team aligned?
- My company depends on me to be at my best every day; I can't take a real vacation!
- I seem to be working more hours and don't have any real progress to show for it.
- I'd like to be spending more time with my family!
- How can I get back to the days when running my business was actually fun?

So What Can You Do?

- **Do nothing.** You could plug along, doing the same thing—but expecting different results (sounds insane—and we all know it won't fix itself—it is just deferring the pain).
- **Keep putting in the time.** You could just hope it happens from hard work and perseverance...so much for more family time!
- **Big Consulting Firm.** You could hire a big consulting firm but you pay outrageous rates (much of it for executive overhead) and usually get a bright, but relatively inexperienced "junior consultant," who hasn't really been in the trenches and is cutting their teeth at your expense. Or you get great advice, but they don't know how to help you execute. Or maybe they can execute for you—at a massive, non-competitive cost.
- **So, the big question is: How do you get the value-added help you need, discover the real issues holding you back, prioritize them and implement a plan to grow quickly? Keep reading!**

THE SOLUTION



WHAT ARE THE TOP FIVE THINGS YOU SHOULD CONSIDER WHEN HIRING A BUSINESS CONSULTANT?

When hiring a business consultant:

Qualified business consultants should deliver services that combine the best methodology, analysis, and results. The firm should be able to deliver all of the services you need – internally or through vetted partners. **Finally, the best consultants will not even engage with you if they do not think you can generate a 10X or more return on your investment in their services.**

FIVE AREAS TO CONSIDER

#1

Using a robust methodology for analyzing your company's performance

To achieve consistent results, top business consultants use proven methodologies to uncover the core problems or inefficiencies your business is facing—and can show you what fixing these core problems is worth.

Your company should be analyzed across all of its operational areas (operations, sales & marketing, brand, senior management, recurring revenue, etc.) that reveal the strength or holes within your current business.

Further, top business consultants use industry databases with real numbers from actual sold businesses within your industry to calculate and predict your company's value (within 5-10% of the accuracy of a full valuation). You should be shown what your company "could" be worth, and how to get there. Look for a firm that can analyze the totality of your company's operational areas and leverage best practices from assessment through execution to maximize results.

#2

Accurately Assessing Current Operations

An accurate analysis ensures you will identify the right areas to work on first. This will help you get the most value in the least amount of time. As with medical care—you must get an accurate diagnosis, from which a comprehensive repair or growth plan can be developed and executed. A misdiagnosis could prove expensive, waste time, and won't get the return you expect.

Quick and Value-Added. The up-front initial assessment should only take about 45 - 60 minutes (as little as 15 minutes if they use a business assessment tool), should be free or have a minimal cost (it is their investment to understand your business), and should include a valuable report with actionable steps - just for participating. You should be able to determine from this initial interaction if your consultant seems capable of understanding your business and whether you can trust their expertise.

Deep Dive Assessment. Once the consultant is selected, and as part of the formal engagement, there is usually a 2nd deeper assessment-- budget at least 60-90 minutes for a thorough analysis. This further personalizes and solidifies the plan with dates, resources and expected ROI.

THE SOLUTION



WHAT ARE THE TOP FIVE THINGS YOU SHOULD CONSIDER WHEN HIRING A BUSINESS CONSULTANT?

#3

Delivering a plan with detailed tasks

You should get a plan of action that includes detailed tasks that are ready to execute. Plus, the best consultants will show you how to get help to get it done right and grow your company to the next level.

Detailed Reports. In addition to calculating your potential business value and rating your operations, your report should benchmark you against your best-performing peers. This allows you to clearly see the risks to your company, how to fix them, and what your company could be worth after implementation.

Value Gap. A thorough analysis will tell you what your business would sell for today, and what it COULD be worth (the value gap)—based on market data showing what the best run businesses actually sell for. The analysis report will include the detailed steps to improve your business to get the highest value, so you can increase profits now and later.

Plan of Action. Best practice is to list specific tasks to increase company strength and value; including a means to track increased value over time. A dynamic, actionable plan will guide you through implementing best practices, strengthening operations and building value.

#4

Single Source

It does no good for your consultant to identify an area that needs help (strategy) if you don't have the proper resource to then fix the problem (tactics)—your consultant should help you solve problems, not just identify them. Once specific projects are identified, the consultant should help with the entire project—with personal or in-house expertise and/or with a *proven network* of pre-vetted specialists who are either managed by the lead consultant or referred to you (your consultant should vouch for their referrals and help insure quality work). Your consultant should be able to provide help with whatever you need to increase your value—Accounting, Tax, Valuation, Marketing (PR, Advertising, Social, Website), Design, Sales, Channel, etc.).

#5

Maximum ROI for your consulting investment

You should never consider hiring a consultant without knowing you will have a much greater return than the cost. Your consultant should be able to cite examples of increased value and growth. Preferably, every recommended improvement should include an associated ROI. You and your consultant would typically review the analysis and then jointly pick the area with the greatest potential ROI... and get started. On average, you should expect a 10X return or more on your investment.

THE SOLUTION

THE WRAP UP

In summary, you should consider a consultant that

1. Uses a *robust and holistic methodology* to analyze your company's performance
2. Ensure they make an *accurate assessment*—wrong diagnosis equals the wrong fix which the diagnosis should be affordable—if not free (their investment to know your business)
3. You should get a *detailed report* and a detailed *plan of action* (including the value gap)
4. Seek someone with deep personal *expertise*, but also a proven *network* of pre-vetted specialist (no reason to introduce a problem—if you can't fix it)
5. Ensure you will get a *HIGH* return for the cost (including an ROI per recommendation)

IMAGINE THIS...

Imagine, a balanced home-work life! Spending more time with your family, made possible when you take control of your business. Peace of mind that comes from knowing that you have a detailed plan proven to grow your business. You can take a vacation without worry! Enjoy running your company again!



Life is good!

What Next?

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