

## Choosing a Consultant: An Investment in Your Business

There are times when running your business brings you new challenges or uncovers opportunities that are beyond your experience. If you do not have the know-how needed to move forward, it may be a good idea to get help from someone outside your business, like a consultant.

Consultants can provide an objective view of your business. Their recommendations can improve the viability and profitability of your business, or help you assess an opportunity you might be considering.

This factsheet offers a perspective on how to look for, hire and work with a consultant. Here are aspects to help you find the right consultant and build a solid relationship:

1. the ways a consultant can add value to your business
2. hiring the right consultant for you
3. how to work together towards success

### How a consultant can add value to your business

The agriculture industry (primary production and food processing) is becoming increasingly complex and technically specialized, which can sometimes make it difficult for business owners to manage all aspects of their business.

While a wealth of information is available to producers and processors, many find that they just cannot do it all themselves. Hiring an advisor or consultant, either regularly or for special situations, is smart business.

Today, consultants are filling the gaps in many different areas of the agriculture industry:

- marketing (contracting, business development and promotion)
- finance (economics, accounting and farm financial management)
- human resources (farm succession planning and mentoring)
- agrology and production (cropping, scouting, horticulture, livestock and soils)
- processing (lean manufacturing, equipment, waste management)

*Getting the know-how you need may mean consulting someone outside your business*

Consultants can add value to your business several ways:

- saving you the time it takes to work through the research and analysis on the options available to your business
- providing specific technical expertise in an area where you do not have knowledge
- acting as a sounding board to help verify or clarify a challenge or opportunity you are facing
- bringing an outside perspective to your business
- providing fresh ideas in an area where you might be stuck in your business
- providing services needed in your business without the full cost of having that expertise on staff

# How to hire the right consultant

Finding the right consultant starts with being clear about what you need. Sometimes, the process takes time to secure the right person to work compatibly with you, understand your business and help you forge ahead in the right direction. Lay the groundwork by understanding your specific needs and how you think a consultant could help.

Selecting a consultant is all about starting a new business relationship. The more specific you are about what you are looking for, the better the resulting match will be.

Consider the following questions:

- Can you clearly outline what you need to help your business move forward?
- Do you have a clear understanding of how much you can realistically do yourself?
- Can you articulate the desired benefit of hiring a consultant for your business?
- Do you feel there are any risks to involving a consultant in your business?
- Do you have a budget in mind?
- Are you willing and able to pay for the consultation?
- Are you ready to consider the recommendations a consultant may make?
- Do you have the time to dedicate to making this new relationship work?

## Get your thoughts down on paper

Creating a Request for Consultation (RFC) can be a great way to clarify your requirements. A RFC should outline the project scope, objectives, requirements, timelines and budget for the consultation. See Appendix 1: Guidelines for Preparing a Request for Consultation (RFC) at the end of this factsheet to help you decide what is important for you.

## Where to find a consultant

Many companies or individual practitioners offer consulting to agricultural clients. Here are a few suggestions on how to find a consultant:

- [Alberta Agriculture and Forestry website \(agriculture.alberta.ca\)](http://agriculture.alberta.ca)
- talk to other producers, processors, industry associations or experts
- research companies online by searching “agriculture consultants in Alberta”

- visit the website [Canadian Association of Farm Advisors \(https://www.cafanet.ca/\)](https://www.cafanet.ca/) and select their Advisor Listing

## What should the selection process be?

Once you have short-listed the consultants who appear to be a match for your business, do your due diligence. Treat this process as thoroughly as you would the purchase of new equipment or hiring a new employee. This consultant will have access to your business information, and you will be forging an important relationship together.

These suggested steps will help you review and select the ideal consulting candidate.

1. Draw up your Request for Consultation that clearly states your objectives, budget and anticipated outcomes (see Appendix 1), and send to the potential candidates.
2. Once you have received the proposals, narrow your selection to the top two or three candidates.
3. Hold interviews, and create your interview questions in advance. During the interview, you will want to explore key information with the candidates:
  - any background information they have, including their areas of agricultural expertise, length of time in the business, other clients they work for, samples of plans they have created, a list of references and confirmation of their business insurance
  - their understanding of your situation
  - their process for working with you (timelines, contact frequency, invoicing, etc.)
  - a written proposal based on your template from Appendix 1
  - an understanding that you are getting competitive bids from other consultants
4. Contact each candidate by email or phone, and arrange a time to conduct an interview in person (if possible).
5. Before or after the interview, check the references provided.
6. Conduct the interview, and bring along your key management team members who may be working with the consultant.
7. Make sure the consultant is a good fit with your operation in terms of expertise, personality and management philosophy.
8. Select the successful consultant, and inform the candidate in writing.
9. Inform the others, either by email or phone, that you will not be working with them.

# Building a successful relationship with your consultant

Now that you have selected your consultant, it is important to understand you are not simply handing the decisions over to someone else, but rather finding the support you need to supplement your knowledge.

Here are a few tips to help set you up for success and build a fruitful relationship with your consultant.

**Allow the consultant to disagree with you.** A consultant should not just tell you what you want to hear. You will gain more insight with someone who challenges you and pushes your thinking in new directions.

**Allow time for a learning curve.** Although you will provide a comprehensive briefing for the project, there will always be a learning curve when someone new steps in to help with your business. Give your consultant a reasonable time to get up to speed, and make yourself available early in the process to answer questions.

**Let trust rule the day.** It is not easy letting go, but it is also important to let consultants do the job you have hired them to do. If you micro-manage the project, any outside perspectives or time savings you might otherwise have gained could be lost.

**Expect to be involved throughout the project.** Although micro-managing will not net the best results for the project, you do not want to step away altogether, either. Be sure to commit the time or resources needed for the consultant to get through the project successfully.

**Protect your sensitive data.** A consultant will often need access to some of your business data, like financials or production figures. While any professional will respect your confidentiality, share only the data that relates to the work you have hired the consultant to complete.

**Do not add scope to the project without paying extra.** Sometimes, a project can grow in scope once you start to dig into it. If this happens, remember that your agreement is a business arrangement, and you may need to talk about extra compensation for the consultant or agree to change the scope of the project as it develops.

**Keep communication open.** Any consultation is a two-way street, and you will need to keep information flowing between both of you for it to work. Be clear about how you want to be updated. Be candid about your situation by sharing timely and relevant information. From time to time, it may also be good to explore how the working relationship is going between you.

## Consultant's Contract

Once you've selected the consultant you want to work with, a written contract should be drawn up. See Appendix 2 at the end of this factsheet for items that you should include in the contract.

Consultants can be an invaluable resource in making sound decisions. Properly selecting a consultant is not easy and may take a lot of time. However, the payoffs can be enormous.

## Prepared by

Alberta Agriculture and Forestry

## More information

Alberta Ag-Info Centre  
Call toll free: 310-FARM (3276)

Website: [agriculture.alberta.ca](http://agriculture.alberta.ca)

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# Appendix 1

## Guidelines for Preparing a Request for Consultation (RFC)

### Your company background information

Provide an overview of your business, including a brief history and explanation of the current situation.

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What events, circumstances and issues led to your request for a consultant?

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### What is the goal of the consultation?

Clearly state the goals you want to accomplish, as a result of the consultation.

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Can you detail specifics about what you want help with?

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### What objectives must be met to consider this a successful consultation?

Write three detailed items that you wish to take action on in the future, as a result of the consultation.

1. 

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2. 

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3. 

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**Time period for consultation**

What is the start and end date for the consultation?

Start date: \_\_\_\_\_ End date: \_\_\_\_\_

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**My ideal process**

Describe how you would like the consultant to keep you advised of the status of the project and any significant deliverables. (Examples may include meetings, email updates and/or interim reports.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Deliverables for the consultation**

How do you want the consultant to present their progress? (For example, you may wish to see a preliminary work plan with activities, deliverables, time estimates and a schedule.)

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List the items you want to have at the end of the consultation. (An example may include a written final report and/or a presentation.)

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Assessment of the project**

How will you assess the project’s deliverables?

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Selection process**

Describe how you will select the consultant, the interview process, criteria you will use, etc.

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\_\_\_\_\_  
\_\_\_\_\_

**The project budget**

Detail a range for the budget you wish to pay, including a maximum cost.

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Describe how you would prefer to be charged for the services. (For example, hourly, total project fees, retainer.)

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Describe what you would like to have included – or not – in the quote. (For example, travel expenses, office expenses, outside costs such as soil tests, etc.)

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What are your preferred terms for payment? (For example, invoiced in scheduled payments, monthly, or payment at the end of the project.)

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## Appendix 2

### Drawing up a Consultant's Contract

Once you have selected the consultant you want to work with, a written contract should be drawn up. The contract can take a form similar to the Request for Consultation (RFC). At the very least, the items below should be included in your consulting contract.

- 1. Specify the deliverables.** Identify the specific topics and issues you want the consultant to address. The more detail you can provide, the better.
- 2. Develop a specific action plan and timeline.** Outline the work you want the consultant to do and when it should be completed. Penalties for not meeting the action plan and timeline could also be noted.
- 3. Define who will do the work.** Have the consultant identify who will work on the project, including associates, other companies or contracted individuals.
- 4. Specify the reporting requirements.** Detail when and how you would like reports to be presented. For example, you may want an interim report as well as a final report.
- 5. Specify the compensation arrangement.** Note your budget, plus any cap you have agreed upon, including additional budget items, such as how out-of-pocket expenses will be handled. While it is important that the consultant is paid in a timely fashion, ensure you are satisfied the duties are completed according to the contract before giving the consultant full or final payment.
- 6. Include a provision for non-performance.** Identify what constitutes non-performance in the contract, and what the consequences of that will be. If possible, reserve the right to terminate the contract if the agreed-upon duties are not performed.