



Don't Do It

10 Mistakes to Avoid in Hiring Philanthropy Consultants

When you need to hire a consultant, the pressure is on. Time and money are at stake, and so is success. My work with foundations and nonprofits over the past two decades has given me the chance to observe firsthand the errors that people commonly make when trying to hire a consultant. The next time you need a consultant's help, I hope you will save your valuable time and resources by avoiding these hiring mistakes.

1. Developing the entire scope of work by yourself

When you hire a consultant, you should not simply hire someone to implement your ideas and plans. A seasoned consultant should bring a toolbox of ideas and a wealth of experience to help you fully unpack your needs and identify a range of approaches and possible solutions. A consultant should help you develop answers to questions you had not yet even considered. Writing down your thoughts about your needs, the solutions you are seeking, the anticipated deliverables and results, and potential approaches will be helpful for you and for the consultant, but that should be the starting point of conversation, not the ending point. Make the most of your consultant's valuable experience and ask for opinions and guidance on the scope of work that is needed.

2. Obtaining bids from dozens of consultants

I was once asked by a community foundation to submit a proposal to conduct an evaluation. I asked how many other consultants the evaluation director was requesting bids from. "Fifty," he said. "Fifty?" I replied, stunned. "Five-zero?" "Yes," he proudly answered. "I prescreened fifty evaluators and I sent them all the RFP." This was to conduct a \$40,000 evaluation.

I politely declined, since my three-year-old could do the math and realize the chances of success were low. (I would rather focus resources on clients who seek us out because of reputation or past success working with their organization). Months later I checked in with the foundation's evaluation director. He was exhausted and overwhelmed, and he'd had to postpone other projects he was working on. It turned out he had indeed received an overwhelming volume of proposals that he had to sort through and vet. Then he'd had to determine finalists and interview them, all before he could make a decision and actually hire someone.

This process probably took him six months from start to finish. The evaluation itself could have been conducted in that time frame. Consider the time and expense of all that staff time: annual six-figure salary of well-paid evaluation director (plus benefits) plus annual salary of decently paid program associate (plus benefits), divided by 2,080 working hours per year (to determine hourly rate). Now multiply that hourly rate times the hours spent identifying and prequalifying 50 evaluators, preparing and disseminating the RFP, responding to dozens of inquiries, reading 40 proposals, vetting and prioritizing them, conducting due diligence, interviewing, declining 39 of them, and finally hiring one. They probably spent half of the \$40,000 project fee just on hiring the evaluator. Meanwhile other important evaluation projects got sidelined. That is not a position any philanthropy professional should put themselves in. Research your options, ask for recommendations, and be choosy up front -- before you send out any RFPs.



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3. Requiring multiple bids for every project

Even worse, some foundations create policies requiring that every single time staff hire consultants, they must obtain multiple bids—at least three of them. This is a common mistake. True, three proposals is not as bad as the 40 mentioned above, but this policy just instills time-wasting across the board. If you or your staff know of a terrific and qualified consultant, one who has worked with you before and given high-quality results, why not hire that consultant again? You will save everyone time and money—surely a better measure of good financial stewardship than reinvesting in an unnecessary, costly, and time-consuming RFP process. You will also avoid micromanaging your staff, who are talented enough to hire good consultants. You can invest less staff time and get a better result by drawing on your own successful experiences working with particular consultants, or by seeking referrals. Then invite two or three of those consultants in for meaningful conversations. Be open about the fact that you're talking to other consultants, and about how you will ultimately make the hiring decision. You will build your network and find the right consultant for your current need—all with a process that is faster and less expensive than blindly requiring an RFP process every time.

4. Failing to source potential consultants

In my experience, the best philanthropy professionals continuously keep track of potential consultants. Do this on an ongoing basis, when you don't actually need to hire anyone. Otherwise, when you do need to hire an outside consultant because you have a sizable and urgent problem, you might rush to hire someone who isn't the right fit.

You can find consultants for your virtual stable in a variety of ways. You might meet consultants at conferences or workshops; you can talk with colleagues who are working with consultants and ask whether they are happy with the performance; you might know colleagues at other organizations who have recently left their jobs to begin consulting; you can turn to the National Network of Consultants to Grantmakers' online directory of consultants. Keep track of these consultants (categorize them in your contact software, keep business cards in an envelope in your desk, create a simple spreadsheet -- whatever works for you). Note how you met or learned about each consultant and why you thought they might be helpful (since you won't remember a year later, when you need them). If you have the opportunity, schedule time to talk with each by phone or over coffee to learn more about their work and what they have accomplished for other philanthropic organizations. That way, when you need someone, you have a group of consultants to turn to that you know, like, and trust.

5. Forgetting to ask colleagues for suggestions and advice

All around you, your colleagues are hiring consultants. Their experiences with consultants vary from fabulous to mediocre to flat-out painful. You want to make sure that you talk to colleagues and learn from their experiences. Who have they worked with? Who do they recommend? Which consultants didn't work out, and why? If they could hire the consultant all over again, who would they hire this time (and what else would they do differently)?

These colleagues may come from your own organization, they may be people you know through funder networks and affinity groups, they may be funders involved in your local regional association of grantmakers. Try to talk to people who have had similar projects and needs. If you need an evaluator, check in with people who hired evaluators. If you need someone to facilitate a series of stakeholder meetings and summarize recommendations, then suggestions of fabulous evaluators won't be as helpful. Don't reinvent the wheel if you don't need to. Ask for suggestions and recommendations.



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6. Blindly following your colleagues' suggestions

This probably sounds like I'm contradicting myself, but just because a colleague strongly recommends a consultant doesn't mean that consultant is the right fit for you. Your considerations and needs may differ widely from your colleague's. The size and scale of the project, project time line, expertise required, and familiarity with certain communities or organizations are all variables, so what worked for your colleague may not work for you.

For example, an independent consultant might not be able to scale up to a national project requiring hundreds of interviews and focus groups in multiple cities; a large firm might be perfect but committed for several months, and you need to start right away; or you might need someone who is not only a great facilitator but is already known and trusted by your key stakeholders. Ask for recommendations, but consider the unique needs that your colleague's consultant was meeting as you try to evaluate whether that is the right consultant for you.

Also, bear in mind that there is one difference between your needs and your colleague's needs that trumps all others: trust. At the end of the day, you need to trust your consultant, and trust is something that only you can know and feel. This brings me to the next mistake to avoid.

7. Ignoring your instincts

If I could advise funders to do one thing when hiring a consultant, it would be to trust your instincts. Do your due diligence, yes, and do everything you can to avoid the mistakes we're discussing here, but ultimately you must trust your consultant. Trust means getting in touch with your instincts during the hiring process. The consultant might look great on paper -- all the right experience, impeccable client list, glowing references -- but if that voice inside of you is saying, "Get me outta here," then you need to go. Move on. Take the time to find someone who knocks your socks off, whom you can't wait to start working with, whom you feel you can trust to guard your deepest concerns about your work and your organization, knowing that this information will not get shared elsewhere. This can be the hard part, because you probably needed to hire the consultant last week and launch the project yesterday. But I am asking you to trust me: You will save yourself tremendous amounts of time, money, and frustration if you spend a little more time now finding the right consultant for you.

8. Assuming any consultant can do everything

When I started my consulting practice in 1999, I was surprised by how many people asked me to help them with projects in areas I knew nothing about, had no experience in, and was not promoting among my services. For example, I've been asked countless times to help with fund development, often by people who know me quite well and claim to have reviewed my website and marketing materials. Fund development is important work, but we don't do it and you'll never see it mentioned on my website. I've concluded that this happens because I have the word consultant associated with my name, and somehow we have all collectively concluded that if someone has the confidence to put out their shingle and declare themselves a consultant, then they should be good at . . . well, everything.

In reality, you want a consultant who has tackled your problem successfully for many similar organizations. You don't want to be on their learning curve. A focus group is a qualitative research method requiring trained facilitators; it's not simply a matter of getting a bunch of people in a room, asking questions, and taking notes. If you



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need to conduct focus groups, hire someone who is a fabulous focus group facilitator. (Better yet, hire someone who's familiar with a range of research methodologies and pushes back a bit to help you determine whether focus groups are the best way to get the information you need.)

Of course, there are transferable skills, and the consultant doesn't necessarily need to have deep content knowledge to help you design your new funding initiative -- but avoid consultants who bill themselves as a jack of all trades. They might try to do a lot, but they can't excel at all of it.

9. Failing to check the consultant's references and work product

You've identified consultants, talked with them about the project, reviewed their websites, and found one you're excited about. You hit it off, and he or she really understands what you are trying to accomplish and brings tremendous experience both as a grantmaker and consultant. Terrific.

Now you need to do three things:

- (1) **Request information or deliverables from similar projects** -- copies of reports, videos of presentations, strategic plans, evaluation findings summarized for boards. Request whatever is similar to what you need, and review it all. Carefully.
- (2) **Request several references from relevant clients.** ("Relevant" might mean other community foundations this consultant has worked with, because yours is a community foundation. Or it might mean other clients for whom the consultant has facilitated "theory of change" planning projects, because that's what you need.) Now, identify a few clients that the consultant worked for but did not list as references and call them, too. You can figure this out by looking at the consultant's project or client list, or by talking to people you know at other foundations where he or she has consulted. Listen carefully to what they have to say and take notes. Be sure to inquire about any concerns and ask whether they would hire this consultant again.
- (3) **Trust your instincts regarding any red flags that emerge.** Follow those instincts by obtaining more information. Do this by talking to more references, reading more writing samples, and talking to the consultant himself or herself about your concerns.

I often hire other consultants as subcontractors, and I always check multiple references and review samples of their work. Once I hired a consultant but ignored the red flags -- and paid the price. Two references were glowing, but one hesitated to recommend her. This reference reassured me that the consultant was dealing with a family emergency at the time she worked for him, so that was probably the cause of the poor deliverable. When I read one of her writing samples, I had a hard time following it. But I concluded that it was an academic paper (not the style we generally use) on a topic I knew nothing about, so the problem was probably me, not her. Months later she sent me her draft report for our project. It was poorly written and horribly organized. I spent one week of my two-week vacation reorganizing and completely rewriting her report -- exactly what I could have anticipated if I had paid attention to the red flags. Needless to say, that is not an experience I will ever repeat, and I hope to save you from just such a mistake.



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10. Taking more time to hire the consultant than you allow for the project

I once received an RFP from a foundation looking for a consultant to do the following: Conduct a comprehensive review of youth development services in the community, facilitate a series of conversations with local stakeholders to prioritize needs, and develop a written set of recommendations to guide the foundation's grantmaking. The consultant was given two months to accomplish these goals from start to finish, which was completely unrealistic. The foundation gave itself more time -- three months -- to find the consultant!

If you think you need three months to hire a consultant, consider that the consultant might need more time to do the job. When it comes to a productive working relationship with a consultant, expectations are critical. No consultant can succeed when pressured to do a job with unrealistic expectations (insufficient time or resources to meet the goals). My best advice, as I'm sure you would guess, is to learn from others. Ask coworkers as well as colleagues at other organizations about how much time they've allotted for similar goals and initiatives. Then ask your prospective consultant how much time is necessary to complete the work. I'm not suggesting that you don't set deadlines or that you allow the consultant to set them. I am simply suggesting that you set realistic deadlines, and those are best developed with some quality input.

The best time to find a consultant is when you aren't in desperate need of one. Many of these mistakes can be avoided by setting up some good practices and procedures right now. Do your research and stay in touch with colleagues and consultants. Talk to coworkers and colleagues about their projects and experiences. Above all, ask questions. Build a virtual stable of consultants to pull from, and don't neglect to check in and update that list. These simple steps will help you to avoid critical mistakes when you can least afford them.

As a consultant, I love to uncover what works, but I know that it's just as valuable to understand what does not work. Let's help one another learn what to do and what not to do. If you've made a mistake in the past when hiring a consultant and you don't see that mistake addressed here, I would like to hear about it. Please email me your story at kris@putnam-consulting.com.

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