Working with Consultants

Consultants assist nonprofits, collaborative, and community groups with a wide range of organizational challenges and opportunities.

In order to make the most of your time with a consultant, be sure that you have clarity about what your organization needs help with and whether it's the right time for you to seek out a consultant's expertise. It's also important to have an agreement on what qualities and expertise you're looking for in the right consultant.

Check out these resources for more information on working with consultants:

Human Resources Principle Resource Guide

Working with Consultants

Whether it's a consultant to facilitate organizational planning, develop a capital fundraising campaign, or help the board and staff navigate an organizational merger, professionals can often provide the expertise we all need from time-to-time to better manage our nonprofits. There are many considerations when hiring and engaging consultants. This guide is meant to provide you with some basic tips for hiring, interviewing, and working with consultants to ensure that your experience is productive and worthwhile.

Consider Hiring a Consultant When:

- The organization board and staff lack the specific expertise and/or experience, or the issue is of a financial, technical, or legal nature.
- The project length is short, i.e. a year or less.
- Previous efforts made by the organization were not effective.
- There is disagreement among the board and the membership about an issue and the group is struggling to reach consensus.
- Subjectivity is influencing decision-making and an external entity is needed to bring an objective perspective to the group.
- There is resistance among members of the group to the process and a consultant is needed to provide alternatives.
- The group lacks the time to complete the work and/or the work is not defined by anyone's job description.
- The organization has an obligation to a national affiliate, funder, or other group to involve external and/or expert input.
- The discussion or planning requires the full participation of each member in the work group.
- An issue or project is one-time or infrequent, such as building an office, managing a capital campaign, launching a media campaign, developing a multi-year strategic or fundraising plan, or hiring a new chief executive.
- The organization is faced with a crisis.
- The organization needs customized training for board and/or staff.
- The organization needs to explore ideas to create new or streamline existing systems and processes for more operational efficiency.
- The organization has a broad vision that needs focus in order to be realized.
- The organization board and staff don't know where to start a new effort or how to rescue a derailed effort.
- The project seems to have lost energy, momentum, or enthusiasm.

When Not to Hire a Consultant:

- The chief objective is to affirm a decision that has already been made.
- The project lacks the support of board and/or key staff members.
- The organization lacks the time to commit to the process.

Quick Links:

This Principles and Practices for Nonprofit Excellence Resource Guide contains the following topics and resources:

M·N·A

Montana **N**onprofit **A**ssociation

Independent Contractor

To protect themselves from liability, most organizations prefer to work with consultants who own their own business or who have their Independent Contractor Exemption Certificate (ICEC). Business owners and independent contractors pay their own federal and state taxes, and are responsible for obtaining (or opting out of) their own Workers Compensation policy.

By law, independent contractors provide their own work space and equipment, determine how and when to accomplish contracted work, and establish their own fee structure.

When hiring an independent contractor, make sure you receive a copy of the consultant's Independent Contractor Exemption Certificate (ICEC) for your files, AND include language in your contract with the consultant stating that your organization is not responsible for paying taxes relating to fees paid, nor is your organization responsible for providing Workers Compensation Insurance or Unemployment Insurance. If your consultant is not a business owner (sole proprietor, Manager Managed LLC, Main Street employer) and/or does not have an Independent Contractor Exemption Certificate, that individual may be termed an "employee" by the Montana Department of Labor and the federal Internal Revenue Service, in which case you are responsible for paying federal and state taxes, providing Workers Compensation Insurance, etc., and you must comply with all Federal and state employment laws including minimum wage and overtime pay if applicable.

For more valuable information about Independent Contractor rules in Montana, contact the Montana Department of Labor, Independent Contractor Central Unit. Also, check out MNA's helpful Q&A about independent contractors.

Where to Find Consultants

- Contact professional associations, e.g., networks of facilitators, trainers, fundraisers, accountants, lawyers, technology users, etc. (such as the Association of Fundraising Professionals, Montana Society of CPAs, Montana Bar Association, American Evaluation Association).

- Contact your sector peers, i.e. other nonprofit leaders in your area or subsector group. Not only might they have experience hiring and working with consultants, they also might have experts on staff or as volunteers who could qualify.

- Contact institutions that may routinely utilize the expertise of consultants and have experience hiring them such as school districts, universities, colleges, community service groups, state government programs and/or large nonprofit organizations.

- Contact local community foundations or other corporate or private foundations that fund your program.

- Conduct an Internet search and, of course, peruse the yellow pages of your local telephone directory.

- Contact the Montana Nonprofit Association at www.mtnonprofit.org.

Before Hiring a Consultant
Work you should do within your organization

1. Define the reason you need a consultant, reaching agreement among board and staff. Don't focus on the solution, focus instead on clearly understanding the problem and the product. Define what you want from the consultant and how you plan to use the result.

2. Conduct any environmental research you think will give you a better understanding of the issue you intend to address.
Note: Gathering information and conducting research may be work you have planned for the consultant to do, but any information you can gather before work begins will help reduce costs.

3. Make sure everyone in your group, including board *and* staff, has a basic understanding of the project and that there is agreement among all participants regarding:

   - the tasks for which the consultant will be hired;

   - the person responsible for managing the hiring process;

   - the persons to be involved in the hiring process and their responsibilities; and

   - the roles, responsibilities, and the projected time commitment of each participant including board members, management and support staff, and other key volunteers or community supporters.

4. Make sure that everyone (or at least key decision-makers) who has agreed that a consultant should be hired, is willing to commit to the process, such as conducting research and gathering information, preparing for discussion by becoming familiar with all materials, and attending additional meetings.
Note: Most interaction with consultants does not occur during regularly scheduled meetings, but rather during special planning meetings and/or retreats sometimes organized as multi-day and sometimes involving travel.

5. Make sure everyone who should have been involved in the discussion was at least invited to participate.
   Note: This may include individuals beyond your board and staff including volunteers, funders, partners, parent organization, etc.

6. Make sure you have the financial resources to pay for all of the possible expenses. Some items to consider include:

   - consultant fees;
   - consultant expenses such as travel time, mileage, lodging, meals, materials;
   - facilities such as meeting rooms and other meeting resources/supplies including audio/visual equipment, etc.;
   - meeting meals;
   - potential additional staff hours including overtime pay for non-exempt employees;
   - participants' lodging (for possible retreat travel)*;
   - participants' meals*;
   - participants' travel mileage*.

   * If participants agree to waive reimbursement, ensure prior agreement.

7. Explore with your group the type of consultant you might need (e.g. educator, trainer, resource, facilitator, cheerleader) and the area of expertise (e.g. fundraising, marketing, planning, governance, generalist, etc. or more than one). See [MNA Principles and Practices for Nonprofit Excellence in Montana](#) for nonprofit management practice areas.

8. Develop a timeline for the project beginning with a completion date and work backwards to the date on which you should secure a consultant.

Process for Hiring a Consultant

After you have completed the necessary preparation within your organization consider the following steps for hiring a consultant.

1. Develop a Request for Qualifications (RFQ) outlining the organizational mission and basic background, description of project needs and goals, estimated length of time for project, description of envisioned role of consultant, description of desired outcomes and key deliverables, expectations for skills and abilities of consultant (including experience), project budget, contact information, and application procedures including deadline for receipt of proposal, request for general resume, and request for references. *See links to sample RFQ's in right sidebar.*

2. Distribute RFQ to your selected group of potential consultants or distribute broadly through your communication channels and networks, e.g. advertisements, posting to your website, job target sites, and through social media tools.

3. Assemble a committee to review consultant proposals and determine which applicants receive additional contact.

4. For those consultants being seriously considered for hire, develop questions for reference and contact *all* references supplied by the consultant in his/her proposal. *See Referenc Tips in right sidebar.*

5. Get bids for fees and other expenses from those consultants being considered. It helps to provide your project budget or budget range so that consultants can design accurate and affordable services and approaches.

Reference Tips:

- Contact ALL references provided, even if the first one or two are superb.

- If you don't receive the information you seek from the references provided, request additional references.

- If previous projects are listed on the general resume, but references are not provided for those clients, ask the consultant if you may contact them in addition to the references provided.

- Whereas consultant style, personality, and fit for your organization are important, when talking with references, focus on what the consultant helped the referring client achieve while placing less emphasis on whether they "liked" the consultant or the consulting experience.

- Ask open-ended questions whenever possible as opposed to questions that can be answered with a simple "yes" or "no."

- When evaluating the information provided by a reference, consider the relationship between the consultant and the reference.

Review these questions keeping in mind your organization's needs, goals, and decision-making process, and include or omit questions as necessary:

- Tell us about your philosophical approach to consulting.

- What is one of your most successful (and one of your least successful) consulting experiences? What do you think worked and what did not work? What would you change?

- Why are you the best consultant to work with our organization?

- What will you need from us to ensure a successful consulting relationship?

- Tell us about your experience with projects or issues similar to ours.

- Have you worked with an organization for an extended period, rather than for one-time or day-long sessions? (*Note: You may ask this question in reverse depending on the length of time anticipated for your project.*)

- How do you prepare for a consulting session?

- How do you evaluate consulting sessions?

- Would you bring in other consultants to aid in this project? If so, what can you tell us about them?

- Generally how many other projects will you be managing during the duration of our project?

- Share a consulting experience you've had in which you disagreed with the project direction and/or the decisions being made. How did you handle it?

- What strengths do you have that will be particularly useful for this project?

6. Assemble a committee to interview your final candidates. Allow enough time to conduct a thorough interview and provide opportunity for all involved to ask questions.

   Draft questions that explore the candidates' expertise, experience, knowledge of issue/project, ability to listen and understand, ability to adapt and exercise flexibility, and willingness to professionally challenge your initial views and articulate their views clearly and non-aggressively. *See sample list of interview questions in left sidebar.*

7. Don't select someone just because they submitted the lowest bid; be prepared to negotiate. Many consultants can and will be flexible with fees and other details – don't forget to ask.

8. Find out how much time and attention you can expect your project to receive. Consultants typically manage several projects simultaneously.

9. Write a contract or request a contract from the consultant, which includes the following provisions:

   - an outline of fees to be paid, including reimbursable expenses and a process for expense review; (If necessary, note how state and federal taxes on fees paid, Workers Compensation, Unemployment Insurance, etc. will be handled. *See Independent Contractor sidebar on page 2.*

   - a schedule for payment;

   - a description of scope of services including expectations of the organization, any specific or unique expectations of the consultant, and expected deliverables/outcomes;

   - a project completion date;

   - a confidentiality statement including a policy describing the management of proprietary materials and/or products. This may vary depending on whether materials are developed as part of customized deliverables, such as an assessment, strategic plan, or market study, or are training materials that are altered for each client, but are the property of the consultant;

   - a cancellation/termination clause to include a statement whether cancellation/termination must be written, length of prior notice for cancellation/termination, and payment for work partially completed at the time of cancellation. *Note: Contract law may dictate acceptable cause for termination and contract payment fulfillment.*

   - process for altering the contract, including a provision to extend or expand the contract by mutual agreement in writing;

   - the name(s) of person(s) in your organization with the authority to agree to expenditures or approve work;

   - indemnification clause; and

   - conflict of interest.

   Depending on the nature of your project, you may also consider including the following in your contract:

   - a project reporting schedule;

   - a project evaluation schedule;

   - parameters for utilizing staff time and staff interaction; and/or

   - the names of persons in your organization who will be involved with the project including board and staff.

Note: It is always recommended to consult legal counsel in matters of contract law.

Tips for Working with Your Consultant

1. Be prepared and prepare your consultant by providing him/her with the most recent version of as many of the following documents as you have available and are applicable to your project. Consider working with your consultant to identify core documents important to the project such as:
   - vision, mission, and values statements;
   - program plan;
   - fundraising plan;
   - board development plan;
   - financial management plan;
   - risk management plan;
   - operations plan;
   - crisis management plan;
   - board recruitment materials;
   - communications plan (internal and external);
   - annual report;
   - organizational charts; and
   - promotional materials such as brochures, flyers, etc.
2. Give your consultant a sense of office and board culture, particularly how staff and board members work together (i.e. independently or as a team) and how decisions are made (i.e. consensus vs. majority). Also, share with your consultant the lifecycle stage of development of your organization (e.g. beginning, developing, growing, evolving, stagnating, re-inventing, etc.) The better informed your consultant is about your organization and its management culture, the more customized service you will receive and the better the outcome.
3. Be open to new ideas you are bound to hear, including constructive criticism.
4. Make yourself and other team members available to your consultant – sometimes meeting times must be changed and most consultants are flexible, but constantly altering schedules can slow progress and add cost to your project.
5. Practice good and open communication. Speak up: Don't be afraid to ask questions. If you are confused, frustrated, or feel that the project is not progressing in the right direction, voice your opinion.
6. Set reasonable, measurable goals rather than broad, vague ones.
7. Conduct periodic assessments and provide feedback to your consultant.
8. Stay involved with the project and retain decision-making responsibility.
9. Make sure you understand "what's next," that is, what needs to happen when the consultant leaves.

Consultant Fees

Consultant fees vary widely depending upon experience, education, market conditions, and availability.

Most consultants will work with you to determine a fee system that works best for you, whether flat fee, flat fee with negotiable caps, hourly, or hourly with a cap. Some consultants charge separately for service fees and direct expenses such as mileage, lodging, meals, photocopies, supplies, etc. Others charge a flat rate and include projected expenses in that rate.

You may be able to save costs by hiring a consultant who has a long-term contract with a neighboring organization and who is willing to schedule visits to coincide with work being performed at the other organization to share travel costs.

Project Evaluation

The consulting project should be evaluated regularly, including briefly at the end of each meeting (about that meeting's process), at mid-point in the planning effort, and at its conclusion. Specify in the contract that certain deliverables (e.g., reports, presentations, project reviews, etc.) be delivered during the project. Ideally, the project is evaluated at three months and six months after completion of the project, particularly about whether the consultant's recommendations were implemented or not and whether the project's goals were reached or not.

Establish criteria early on from which the overall consulting effort can be evaluated at the mid-point and end of the project. Establish criteria by having your group and the consultant specify what constitutes a successful consulting project and process. Detailed descriptions of expectations will aid in determining if the project was a success or not and will help identify the specific areas of success and failure.

Don't base evaluations mostly on feelings. Avoid this mistake by specifying, as much as possible, behaviors and outcomes that will reflect a successful consulting project.

Nonprofit Leadership and Organizational Development Consulting and Coaching Resources

The following list is compiled by the team at HAF + WRCF to provide information about the training, coaching, and consulting resources in the Northern California region that may be helpful.

Training and Coaching

- [Acumen Academy's Adaptive Leadership Course](#). Provides online courses focused on adaptive leadership.
- [Center for Nonviolent Communication](#). Training, conflict resolution, projects and organizational consulting services centering Nonviolent Communication.
- [Cities & People.](#) Focus on public sector decision making, addressing structural inequities, systemic oppression and power building. Services in research and evaluation, organizational development, project design and sustainability, strategic planning and meetings/trainings/convenings.
- [Fierce Conversations](#). Leadership development and training with a focus on conversation skills.
- [Gibrán Rivera](#): Rivera is a master facilitator, coach and trainer with expertise in supporting leaders and groups to develop capacity to work with complexity, including dynamics of power, equity and inclusion.
- [HSU Extended Education's Leadership Studies Program](#). Interdisciplinary program focused on building leadership skills and strategies that promote an understanding of equity and inclusion for personal, community, and organizational transformation.
- [Issac Carter](#). Coaching, consulting and organizational development with strong focus on equity and inclusion and guided by emotional and cultural intelligence.
- [Kate Trompetter](#). Coaching in systems, communities and organizations through deep change work.
- [Keshnee Nadoo](#). Coaching and training in leadership development with experience in K-12 education.
- [Leadership Learning Community](#). Leadership Learning Community is a national nonprofit organization transforming the way leadership development work is understood, practiced and promoted, primarily within the nonprofit sector by facilitating learning and relationship building through online and in-person convenings.
- [Lou Knows Good](#). Social impact consulting and training with a lot of experience with youth and education.
- [The Management Center](#). Facilitation and coaching to help leaders working for social change build and run more equitable, sustainable, and results-driven organizations.
- [Minnesota Council of Nonprofits Practical Leadership Program with Lisa Negstad](#). Organizational culture strategy firm for nonprofits and foundations providing leadership and communication training and coaching.
- [Rockwood Leadership Institute](#). Training for social change leaders with tools and skills to become effective leaders.

- [UC Berkeley's Executive Leadership Program](#). Communication-intensive leadership development training program offered both online and in person.
- [UFacilitate](#): UFacilitate coaches leaders to create the conditions that drive inclusion and collaboration, harnessing the diversity and creativity of their teams and stakeholders.

Consulting Firms

- [Adelante Coaching + Consulting.](#) Coaching, team development and training for leadership development, manager effectiveness, employee engagement and team performance.
- [A/V Consulting](#). Facilitation, coaching, community engagement and organizational development with an emphasis on conflict resolution and cultural humility.
- [Cleveland Consulting Group](#). Executive, team and organizational development; emergent and transformative change; and visioning.
- [CoCreative Consulting](#). CoCreative provides consulting, training, and coaching services for shared prosperity, equity, and sustainability.
- [Communicore Consulting](#). Organizational consulting, leadership coaching, facilitation, training and wisdom retreats to grow regenerative organizations through alignment on vision, goals, commitments and ways of working together to guide meaningful change.
- [Gelinas James Consulting](#). Humboldt County based facilitators providing coaching, consulting, and trainings to help leaders, organizations, boards, and communities create their desired futures through innovative, collaborative, and practical approaches.
- [Mmapeu Consulting](#). Organizational development, change management, and coaching.
- [Tusk Consultants](#). Tusk works to bring forward social, economic and environmental justice in organizational life through a focus on organizational culture, structural change, and design of organizational services and products.