Key Issue Roundtable 3: Overcoming Obstacles for Success: Consultant Survival

Sponsored by: Consultants Practice Specialty

Recorder’s Notes: Tim Page-Bottorff, CSP

Session Facilitator: Carol Keyes, CSP

Roundtable Info & Demographics
Nineteen attendees were present at the beginning of the roundtable. Introductions were made. The makeup of attendees included consultants, potential consultants and customers of consultants. The session had many different points of discussion, but the roundtable’s primary focus seemed to center around utilizing subcontractors and when to hire employees.

Major Discussion Topics
1) Business Development
2) Rate Setting
3) Subcontractors vs. Employees
4) Defining Scope of Work
5) Insurance and Liability

Business Development
No discussion took place about business development, although it was brought up as a topic for potential discussion. The attendee who brought this up mentioned that they would like to learn more about how to set up common and standard proposals for customers.

Rate Setting
This discussion was brought up at the end of the session, and there seemed to be conflict on what and how to charge. The discussion was limited to the difference between day rates or hourly rates. (It should be noted that no specific amounts to be charged were discussed. Rather, attendees discussed general approaches to calculating rates.)

Subcontractors vs. Employees
This was the major topic for discussion throughout the roundtable. To facilitate the discussion, the following subcategories were identified:

1) Liability of hiring a subcontractor
   a. Stealing your business
   b. Using their personal business cards
   c. If they get injured, who carries liability?
   d. Errors and omissions
   e. Do they carry insurance, or are they covered under the consultant hiring?

2) Insurance
   a. Requirement to carry insurance for the subcontractor, if any?
   b. Do you add a sub to your professional/error and omissions?
   c. Will the customer require additional insurance?

3) Contracts with subs
   a. Handshake agreement?
   b. Who makes contact with client, especially if there is a class where specific logistics need to be managed?
   c. How is the relationship between you and the sub?
   d. Is it understood?
      i. Is it in good standing?
ii. Is it discussed?

e. Do they wear your shirt/logo?
   i. Do they have business cards that reflect the nature of the relationship so there is no client ambiguity?
   ii. Should they bring their own business cards?

f. Should you create a non-compete clause within a contract?
   i. Some were concerned with the clout of a non-compete.

Several points were made regarding consultants and the use of subcontractors:

- Clients expect consultants to be competent and capable. They will not develop a consultant as they would an employee.
- Subcontracting to another consultant may be one avenue to establishing your consulting business.
- If a client is hiring a specific consultant, they may not find it acceptable for someone else to show up, whether it is a subcontractor or employee of the consulting firm. This final point was made by a consultant’s customer.

**Defining Scope of Work**

The topic was brought up by a consultant who was worried about client scope creep. (“Scope creep” is a term utilized by the recorder who had experience with customers changing the scope of a project to increase services supplied, which were not identified in the original scope of work.) Time ran out before this topic could be fully discussed.

**Insurance & Liability**

This discussion did not occur as a major topic; however, it was brought up during the discussion about hiring subs and employees.

**What Do Clients Look for in a Consultant?** (This topic was not part of the original brainstorming, but it came out in many of the above topics. A summary of the points made follows.)

1) Personality that will fit for their employees.
2) Credentials are important but are not a deal-breaker.
3) How competent are the consultants who are working, and can they deliver the “message” the customer is looking for?
4) How effective is the consultant’s marketing efforts? Does it stand above the other consultants whom they need to hire?
5) Is it the right place at the right time? Do my needs meet their offerings?

**Photos**