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How to Find the Perfect Match

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Sometimes, businesses require consultants: individuals who come in to accomplish a project-specific task or to give project-specific advice. Because they are project-oriented, consultants do not need to engage deeply with the business leaders or employees. They may play a critical role in the company, but that role is nevertheless limited in scope, duration, and involvement.

At other times, however, businesses face issues that are more extensive and complex. When that is the case, the company's leaders require more than a consultant: they need a trusted advisor. A trusted advisor will help the company's leadership:

- Set and prioritize business goals
- Create a strategic development plan
- Grasp opportunities in the company, industry, or market
- Address internal and external business challenges and obstacles
- Increase employee motivation and engagement
- Gain traction through enhanced operational processes
- Improve productivity and ROI

Put simply, a trusted advisor is brought in to a company because of his or her wisdom. The company is not looking for an extra pair of hands to accomplish a task: they are seeking advice, information, and insight that will transform the way their business runs and the results they get.

Unfortunately, wisdom can be hard to find, and companies all too often get burned in the process. Sometimes they bring in an advisor only to find out that he or she is great at theory, but terrible at practicality. Or, the advisor doesn't have the business experience needed to turn the company around. And occasionally, it becomes clear over time that the advisor is really looking for fees, not seeking solutions.

Because of these dangers, companies may hesitate to call in an advisor. The good news is that with careful preparation, the risks can be significantly lowered and companies can make sound decisions about who to bring in. They can then reap the outstanding rewards that a trusted advisor delivers.

Eight important questions should be raised prior to contracting with an advisor: four are directed to the company, and four are directed to the advisor.

4 Questions for the Company

1. "Do we need a trusted advisor?"

Advisors are not the answer to every problem that a company faces. Therefore, it is important to examine the reasons that an advisor-client relationship is being considered.

A trusted advisor brings value when the following three statements are all true:

1. The business is not experiencing desired or expected growth and development.
2. The growth and development are being hampered by complex issues.
3. The issues cannot be solved internally.

Typically, a company will not call in an advisor if everything is going well. Neither will an advisor be called if the issues are obvious and readily fixable. Where companies can err is on the third point: determining whether issues can be solved internally.

Company leaders will sometimes hire an advisor even though they know the solution to the problem(s) at hand. In these cases, the advisor is being called in not for his or her expertise and wisdom, but to:

- Validate a difficult or unpopular business strategy.
- Cover for a leader's lack of self-confidence.
- Provide a scapegoat in case a solution misfires.
- Act as the "heavy" to implement tough business decisions.

In these cases, every party loses. The company loses both momentum and money as leaders delay making important decisions they already know they need to make. The employees become frustrated as they realize that their time is being wasted in interviews, meetings, and assessments … all to solve a problem for which the answer is already internally known. The advisor is demoralized as he or she realizes that the company has hired them as a rubberstamp or to carry out the "dirty work."

The bottom line is this: if company leaders already know what needs to be done to resolve their business issues, then it is up to them to make those hard decisions. An advisor should only be called in when internal leadership cannot see their way through to a solution.

2. "What do we want the advisor to accomplish?"

After determining that a trusted advisor's wisdom and expertise is necessary for continued business growth and development, it is essential for the company to define what they expect the advisor to accomplish. Ultimately, a company's satisfaction with their trusted advisor will be based upon whether or not those expectations are met.

Companies tend to err in one of two ways with regard to setting expectations:

First, **unclear expectations**. Calling in an advisor and telling them, "Things aren't working well," is insufficient. Is the bottom line the issue? Is the leadership team experiencing problems? Is there a lack of employee motivation involved? Are business operations in need of an overhaul? While company leaders may not know all the factors that brought them to their current impasse, they should specify as many as possible so that they will be able to evaluate the results of the advisor-client relationship over time.

Second, **rigid expectations**. A company should not bring in an advisor and proceed to over-define desired outcomes, i.e., "We want to see a 23% increase in revenue, a 70% reduction in employee turnover, and a 44% improvement in operational efficiency over the next 10 months." This is inappropriate for two reasons:

- *The expectations may not be reasonably attainable.* It's easy – and tempting – to give an advisor a challenge that no internal leader would accept. But that is only setting up both the company and the advisor for failure.

- *The expectations may not address the core issues involved.* If the core issue is one of leadership skills, then setting an expectation of a revenue increase is inappropriate. The leadership issue must be addressed first. The problem of revenue is secondary, because any increase hinges on having a skilled leadership team in place.

A balance is called for when it comes to expectations: the company should identify as many issues as possible and express in general terms the changes they hope to see. They should then allow the advisor the freedom to fully evaluate the situation and come back with a professional analysis of all the factors involved, what will be required to effect change, and what results that change can be expected to bring.

3. “Are we willing to engage fully in the advisor-client relationship?”

A trusted advisor is not a silver bullet. He or she cannot single-handedly solve all a company’s problems. In fact, he or she cannot even arrive at the solutions without the whole-hearted cooperation of both the company’s leaders and employees. This cooperation involves:

- **Transparency.** The company leaders cannot withhold information from the advisor if they expect a valid analysis and a well-grounded solution.
- **Openness.** The advisor may very well uncover unpleasant truths during the course of his or her assessment. It is essential that the leadership be open to these truths and to the necessity for change.
- **Effort.** Since people are at the core of every business, *every person involved* must be committed to putting forth the effort required to make personal changes.
- **Time.** Gaining new leadership skills, establishing new business processes, and creating a new corporate culture doesn’t happen instantly. True transformation requires dedication over time.

It may be hard for company leaders to make these commitments when they are already under pressure because business hasn’t been going well. However, to receive 100% value from the trusted advisor, leaders must be willing to put forth 100% engagement. A successful advisor-client relationship is always a true partnership.

4. “What qualifications should our trusted advisor have?”

The choice of which advisor to bring in is one of the most important decisions a company’s leadership can make. Unfortunately, sometimes advisors are chosen for the wrong reasons, including:

- **Friendship.** Certainly, an advisor should have a good relationship with the company’s leaders and employees once he or she is onboard. But friendship by itself is an inadequate reason to choose one advisor over another. The first priority is to determine if the advisor has the *skills and experience* necessary to address the problems that a company faces. All else being equal between two advisors, friendship may tip the balance, but it should never be the sole determinant.
- **Data.** Some advisors make a show of using the newest techniques for analyzing information, inundating client companies with a mass of data, reports, assessments, and the like. However, data by itself is useless. A qualified advisor uses his or her perspective, experience, and insight to evaluate the data, identify issues, and propose solutions.
- **Price.** Cost will obviously be a consideration when choosing a trusted advisor. However, like friendship, price should not be the sole determining factor. Choosing an advisor based on price alone will all too often result in hiring an inexperienced individual. A company should set a well-considered budget for hiring an advisor, and then seek the most highly-qualified individual they can find for that amount.
- **Degrees.** The role of higher education should never be minimized: an advisor who has degrees in the field has a wealth of knowledge to draw upon that can be of great value to his or her client. However, a string of letters after someone’s name does not guarantee that they have the experience necessary to put their book learning into practice in real-world situations.

- **Complexity.** An advisor can try to win a potential client by talking in polysyllabic terms, touting the latest business theories, and sounding impressive. But such complexity is not unlike a magician's trick – he distracts the audience with smoke and mirrors, while the actual trick is done simply and cleanly. A qualified advisor doesn't rely on such smoke and mirrors. He or she knows that good business principles are timeless, and typically straightforward and simple. Success is a matter of applying them to each business situation that arises.

The bottom line is this: having determined what they want the advisor to accomplish *(see Question 2 above)*, company leaders should select an advisor who has experience that is *personal, specific, long-term, and successful:*

- The experience should be *personal*, because no book or theory can substitute for the seasoning that comes with actually leading businesses, running operations, devising strategy, making hiring and firing decisions, etc.
- The experience should be *specific*, because an advisor who is highly skilled in one area may not be skilled in another. A company should seek for a direct correlation between what the advisor has done in the past, and what he or she will be asked to accomplish in the present.
- The experience should be *long-term*, because addressing the same type of issue in different situations provides a breadth and depth of wisdom and insight.
- The experience should be *successful*, because a company cannot afford to have a rookie trying on different solutions for size – they need a solution that works.

Having established the need for a trusted advisor, the goals for the trusted advisor, the commitment to work with the trusted advisor, and the qualifications of the trusted advisor, company leaders are now ready to interview potential advisors. It is time to probe deeply into how the prospective advisor will effect positive change within the company.

4 Questions for the Advisor

1. "How does your process work?"

The first question that needs to be asked involves the advisor's process. Frequently, company leaders are not concerned with process: they simply want results. But results can never be divorced from process. *How* a solution is arrived at impacts that solution's *validity*. For example, if an advisor has no process and therefore misses speaking with key personnel, his or her solution will have been based on incomplete data. Likewise, if he or she works solely by "intuition," there is no way to evaluate the potential effects of any proposed solution.

It is the responsibility of the company's leaders to understand a potential advisor's process. If an advisor's process is so complex that the leaders cannot understand it, the advisor should not be brought in. After all, the leaders will be key components in making any process work: if they do not understand the process, they cannot partner effectively with the advisor in bringing about change.

An advisor should be able to demonstrate that they have an established process that:

- **Gathers comprehensive data.** Information is the raw material of any business solution. The advisor should have a defined process including interviews, assessments, surveys, etc., that ensures that all interested parties have the opportunity for input, and that all relevant data has been mined.
- **Addresses all relevant factors.** When sorting through a complex business problem, all aspects, options, processes, roles, costs, etc., must be thoroughly analyzed in order to present a solution that has true integrity. The advisor's process should encompass all these relevant factors.

- **Keeps the company fully informed.** The advisor should keep the company fully informed, providing updates and reports at regularly scheduled intervals. This full disclosure allows the company's leaders to offer their reactions to the analysis being done, make proactive business decisions, and provide access to additional resources when necessary.

With a solid process in place, the company can be confident that both the advisor's analysis and solutions are sound.

2. "How will you develop our leadership team?"

Good leaders and a unified leadership team form the core of a company's ultimate success. Therefore, an advisor needs to be able to help the company's leaders:

- **Flex leadership style.** A qualified advisor will help company leaders discover their primary leadership styles, and will then examine whether each person's style is helping or hindering their employees. The advisor will then coach each leader in learning how to use different leadership styles effectively, depending on the needs of the situation.
- **Improve communication skills.** An advisor will identify each leader's preferred communication style, and will assist each leader in honing his or her style so they can deliver messages with a maximum amount of effectiveness in any circumstance and to any audience.
- **Motivate employees.** An advisor will help the company's leaders identify the needs of each employee in order to establish a creative strategy for each individual that will maximize the potential for high levels of engagement, productivity, satisfaction, and efficiency.
- **Provide effective feedback.** An experienced advisor will train leaders in how to provide feedback that is consistent, direct, specific, descriptive, and proactive. This type of feedback can be used both to correct inappropriate behaviors and to reinforce positive behaviors.
- **Resolve conflicts.** As with leadership style and communication style, there is no single perfect method for resolving conflict. Sometimes it is appropriate to accommodate oneself to another person's needs. Other times, a more direct and authoritative approach might be called for. Often, compromise or collaboration may be optimal. The advisor will train the company's leaders in becoming proficient at multiple styles of conflict resolution, and help them recognize when each style would be most appropriate.

By developing strong leaders and building a cohesive leadership team, the company will be in a good position to execute their business more effectively and to adapt to changing business conditions.

3. "How will you help us execute our strategy?"

It is very common for companies to hire a consultant to define their strategic direction. The result can be an elegant, comprehensive document supercharged with vision and bursting with aggressive goals. But when the consultant leaves, the strategy all too often sits and collects dust. The transition from strategy to implementation can seem confusing, complex, and insurmountable.

This is where a trusted advisor can be of tremendous assistance. Based on his or her experience and insight, a qualified advisor can turn strategy into reality through effective execution. That effective execution is based on putting in place:

- **The right people.** Businesses are built on people. For that reason, it is absolutely essential to have the right people in the right seats. A qualified advisor will identify key roles, define their responsibilities, and make recommendations regarding any personnel gaps that may exist.
- **The right data.** Businesses run on accurate, timely, and relevant information. An advisor will help the company establish processes to track historical data, streamline the transmission of current data, and analyze data in a timely fashion to make wise business decisions.
- **The right processes.** As businesses grow in size, their operations often become unwieldy as they simply add new processes on top of old ones. An advisor will examine all processes to evaluate their current effectiveness, and recommend changes in order to run the business at maximum efficiency.

Once the right people, the right data, and the right processes are in place, the company is freed to experience new growth and development.

4. "How will our relationship conclude?"

An advisor who will not leave is simply an employee under another name. Therefore, it is important to establish at the outset when and how the advisor engagement will conclude. The advisor's goal should be to make the company dramatically stronger by infusing both leaders and employees with more skills, more tools, and more knowledge. The company will then be able to continue to execute effectively and run their business at the next level without the advisor's presence and input.

The advisor should be able to clearly state how the company will know that it is time to transition away from the advisor-client relationship, and how that transition will take place so that it is smooth and seamless for all parties. The company will then be assured that the advisor is truly working for the company's long-term independent growth and development.

Makarios Consulting, LLC

Moving Forward with a Trusted Advisor

Bringing in a trusted advisor can be one of the best decisions a company will ever make. A qualified, experienced advisor can resolve long-standing problems, untangle complex issues, strengthen the leadership team, improve overall returns, and ultimately move the company to the next level.

Choosing the advisor to fill that role deserves significant time and consideration. These eight questions can help guide the process to ensure that the advisor-client relationship is positive, productive, and profitable.

Contact Us

Makarios' solutions are inspired by the needs of our clients, including their demand for operational excellence and a competitive edge without incurring the overhead of large consulting firms. To talk with the principals of Makarios and to transform your organization, call us at 610-380-8735, or email Timothy Thomas at thomast@mc-llc.com or Rip Tilden at riptilden@mc-llc.com.

About Makarios

Makarios Consulting is a full-service management consulting firm. We work with business owners and entrepreneurs who want to grow their companies and execute more effectively every day. Our unique set of management disciplines and tools helps clients refine their business strategy, improve their operating performance, and build healthy leadership teams. Clarity and accountability provide our clients with the traction to outperform their competitors – every week, every month, every quarter. To find out more, please visit www.MakariosConsulting.com.