

Choosing Your Advisers to match your need, Willie Maxwell

I have a Northern friend who has this to say about choosing advisers. "I have had to make many critical choices in my life, including choosing my life partner but nothing has given me greater difficulty than choosing an appropriate adviser to help me grow my business. I needed someone that knew more than me, someone I could trust and someone who was going to stick around to see through the critical changes planned even if they did not go according to plan". So who to choose?

"My Bank Manager, I talk to him, I listen to him, but I dare not reveal all to him! So his depth of advice has to be superficial."

"I have a brilliant accountant, but when it comes down to it, I use him to keep me right with the tax man, I do not want, or expect, to see the inside of any jail. I have to tell myself that my accountant does not make anything, sell anything or ever even collect a bad debt." So he does advise me on critical financial issues but he is not the right person to advise me on marketplace issues"

The Development Agencies are a superb source of information on marketplace issues and have a terrific overview of future developments and trends but don't have the resources or manpower to work hands on with individual companies.

My Northern friend then went on to outline how he chose advisers, the extent to which he uses advisers and the criteria and rules he applies in using them.

He explained how there is no shortage of financial and legal advice available to him. There is a multitude of specialists and gurus and others willing to offer their advice out there but many of them are geared at large scale organizations, governance or areas of low importance to SME immediate need. A specialist may be wonderful advising Microsoft or Proctor and Gamble but that same specialist may be unable to place himself in the shoes of the SME owner who has immediate and specific opportunity or challenge. Emerging growth businesses finds it hard to identify suitable advisers who can share their experience with them, someone who has already walked down the path they are about to travel. My Northern friend was crying out for a more business centered Adviser whom he could trust and to whom he could explain what exactly he was trying to achieve. He wanted to engage with someone who was open-minded and someone that had no vested interest in his business but ideally someone who had encountered similar opportunities and problems with a different company. He was seeking an adviser that was sufficiently strong and who was prepared to lay out an analysis that was different from his own.

How do you choose an Adviser

It is key when choosing an Adviser to decide several things before you begin your selection. In doing this you are clarifying matters for yourself and your internal team as much as for any external provider that you may choose.

- ✓ You the client must clarify for yourself the circumstances that led you to seek an external Business Adviser.
- ✓ It is essential to set out a detailed brief of what you are looking for. This will clarify key things. It will establish for yourself and for any provider your objectives
- ✓ It will also clarify the skill set the Adviser must possess You need to set out whether for example is it technical experience, market track record, financial skill, organisational expertise or a competent top-up project management resource that you are seeking. It is possible in an SME that you need some mix of all of these. Clarify this brief for yourself and set it down in writing to ensure precision. Use the selection process if needs be to brainstorm and further clarify these issues. One thing this exercise will certainly do is automatically eliminate certain contenders that may be pitching to be your adviser.
- ✓ The writing of the brief will also clarify your expectations. You should attempt to be as specific as possible about measurable outcomes. The timeframe for carrying out the work should also be spelt out.
- ✓ Having set out a specification and a brief you should be prepared to alter them if an adviser can convince you that there is a need to correct false assumptions or unreal expectations.
- ✓ You don't want to select a bland operator and you will be better served by an adviser who can defend a different position on the occasions that you are on the wrong track

It is important to select a consultant who has worthwhile knowledge about the sector your company operates in. An entrepreneur will have exciting new ideas but companies need to receive expert

advice from an independent source to improve and implement these ideas. They should be able to draw on expert knowledge that the consultant has gained from past experience having lived in the market and from knowing how it works. A useful advisor will indeed have the courage to underline the potential for a business or product concept and be able to dispassionately lay out the potential and the risk factors.

A good business advisor is one that is committed to the success of the entrepreneur he is working for. He must care enough to fight safely and aggressively to do the job in question. A young business needs an adviser to be straight and truthful. My Northern friend commented "I need an adviser that will tell me truthfully if my new product will run in the market, or will if necessary, convince me that what I want to do is crazy".

Businesses are often faced with a new problem that requires a specialist to unblock. In a small business, resources are limited and to gain external advice is an expense that they often find costly. It is therefore important that you get the choice right first time. It is also important that you have access to someone that has been in the trenches and can help you get over the tough hurdles that you do not know how to negotiate.

When employing an adviser you need to know you can trust them with anything that involves your business. My Northern associate told me how "if I can't trust them I wouldn't let them inside the door". Employing an adviser that knows the business is one thing but knowing that you can trust him is just as important. There are certain steps you can take to ensure that you minimize your selection risk. Any Business Adviser should be a member of a Professional Body that controls and maintains ethical and competency standards. Many established Business Consultants and Advisers are now members of the Institute of Management Consultants and Advisers (IMCA). This National Institute has rigorous entrance and membership standards and plays a key role through their Continuous Professional Programme in keeping their members up to date with the latest business ideas. Each member of the IMCA operates under a strict code of ethics that is updated annually. A professional Adviser will be willing to offer examples and references of similar assignments carried out for other client companies. It would be wise to check these references.

It is your business and it is up to you to control and manage the adviser that you have employed. At no time be under the illusion that the adviser is the answer to all your problems. It is up to you to set out the brief and monitor the work they are doing. It is crucially important that you are disciplined and do your side of the work. If the adviser is asking you for assistance or participation then you must offer that or challenge the need for it. If they have advised to take a particular course of action then you either carry out the action or challenge them if you are unconvinced by the recommendation. No consultant can be the complete answer to all your problems. They can be a major or minor part of the solution depending on your input.

What can an adviser bring?

The reason for hiring an adviser is because of their experience of the market and the business world. An adviser will have explored many more avenues than you and in turn will be able to set out the options available to you. The Adviser will be able to explain the benefits and disadvantages of many courses of action and prioritise the actions that you need to take. The advisers experience will set out the dos and don'ts and if used effectively will guide you in the right direction before you reach impossible cul-de-sacs. The important thing to remember is that you should not rely on the adviser to make decisions for you and this is something that he should and will not do. An adviser will be there as a support and as an extra resource that is answerable to you. If used correctly the Adviser will prove invaluable and will bring real added value to your business.

An adviser should be used to direct you into areas that you are comfortable with, and to areas where you will have potential to succeed and grow in. A major benefit that an adviser can deliver is that he will make your ideas and options clearer. He will set out practically the routes that are open for you and the rest is up to you. You can be certain that the advice you receive will be practical and useful but the decision to implement is down to you.

Control of Advisers - Getting Value for Money

Choosing the right adviser is by no means the end of the process. It also does not mean that you are likely to be less busy. You will only get out of an assignment investment, the level of effort that you put it into it. As well as the money investment you need to put in a serious time investment. One of the first tasks at the beginning of the assignment following on from the brief is the re-establishing of a detailed analysis of where you are at - the needs - and a clear statement of the way forward. This typically does not raise any conflict. Analysis is excellent and essential but action is where change and achievement comes from. It is necessary for the company champion to sign up and deliver on the

action plan and to stay with it when the going gets a little tough, when bottlenecks or conflict arise. The promoter must have a clear idea of how the reportage and ongoing assessment process is to be managed. The professional can help in setting out this mechanism but you must be clear minded that you agree the process.

Most advisers will tell you that they like the assignments they are “pushed” on and where they are put under pressure to deliver. The upside is that their contribution is taken seriously and they are allowed to make a definite input to the assignment. These are the companies and the assignments that they will go the extra mile for.

If there is concern, frustration or dissatisfaction with the provider it is imperative that this be aired and sorted out early on. It is your company and your money. You are being unfair to yourself and your adviser if you hide your feelings.

Do not be intimidated by your adviser or their expertise. If the provider has to wheel out those weapons you can be certain that you have not got a very good adviser.

Choose well and you will have an asset that will contribute and add real value, choose badly and you will have to start again and waste valuable time and money.

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