



Morley & Associates Inc
Where Marketing Meets Finance
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Top 10 mistakes when hiring a business advisor

By
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What is an business advisor?

A business advisor, like the golf pro should help with the game of business but not play it. They can help you put a required change in, but not run the day-to-day business.



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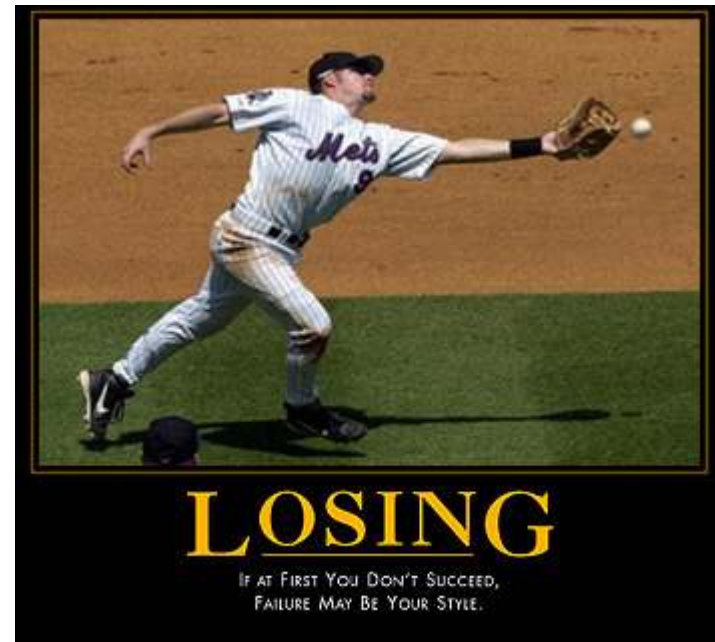


What are the top 10 mistakes

80% of spending on advisors ends in a failed project.

Gartner, Inc.

Here are the top 10 mistakes when hiring advisors .. **WATCH OUT....**



LOSING

IF AT FIRST YOU DON'T SUCCEED,
FAILURE MAY BE YOUR STYLE.

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1. Not making sure someone in-house can do the job.

A common mistake is not taking into account the various skills of your own employees before hiring a business advisor. Business owners often spend more money than necessary instead of taking the time to re-read the resumes of their staff.



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2. Not checking the advisor's background

- Advisors vary widely in their skills and abilities. Some are at the top of their field, while others have more recently jumped on the consulting bandwagon. Some due diligence, which includes checking references, will help you discern the pros from the wannabes.



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3. Not conducting a thorough hiring interview

It is a common mistake not to take the interview process as seriously with advisors as is typically done with fulltime employees because they are not "on staff."



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4. Not clearly describing the project

Lack of clear communication is a common mistake. Too often advisors and employers are not on the same page from the start, which leads to numerous complications later on.



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5. Not making sure of the advisor's availability.

An advisor that takes on a job and disappears for three weeks to do another job is typically not a benefit to your business. Make sure the advisor is available to work on your project.



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6. Not having a contractual agreement

Make sure to have the parameters of the relationship, specifying the agreed work and the timeframe in which the work needs to be completed, in an agreement signed by both parties.



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7. Hiring by the hour

Advantages of Hourly Billing:

- easy to do
- some customers like it
- shows the effort
- good for cost accounting
- transfers risk to customer

Disadvantages of Hourly Billing:

- misaligns interest of professional and customer
- focuses on time not value
- risk is with customer
- fosters production mentality not entrepreneurial spirit
- creates subsidy system
- transmits no useful information
- encourages hoarding of hours
- focuses on effort not results
- penalizes technology advances
- discourages using higher skilled (paid) employees
- creates bureaucracy
- does not allow you to set the price up front
- does not differentiate your firm
- diminishes the quality of life
- limits your income potential
- encourages the tyranny of time



Imagine an airline
doing hourly pricing

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8. Not establishing who pays for expenses

Beyond the advisor's fee are various expenses that he or she may expect to be covered. These should be discussed in advance so they do not come as a surprise when they appear on the invoice.



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9. Not having them sign a letter of confidentiality

Since advisors are free agents, you need to keep in mind that they may work for your competition after completing your project. Therefore, having a signed letter of confidentiality is important.



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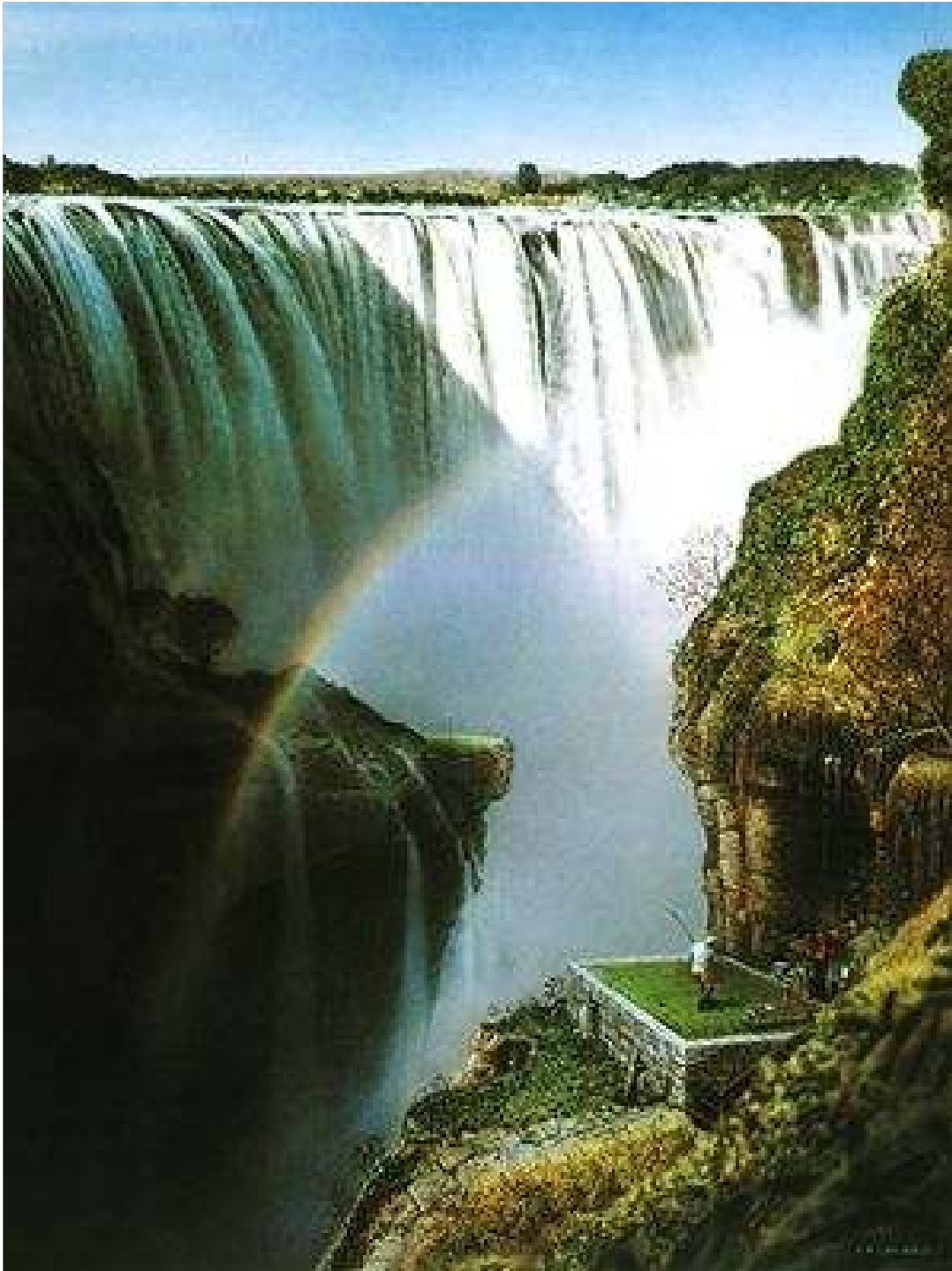


10. Failing to introduce the advisor to staff.

Before other employees start questioning who this person is and why they are asking for files or about certain projects, you should make sure to introduce the advisor to your regular employees, especially those with whom he or she will be working.



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Facing what seems like an impossible challenge and wanting to improve the likelihood of success?

Contact Stuart Morley at 1.888.687.3131 for help to find a professional advisor that matches your needs.