



## No, We Don't Need a Consultant!

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When I work with smaller organizations that are looking to hire their first development staff member, I often caution them to not assume the development person's chief role is to take all of the fundraising responsibility on his or her shoulders, thus releasing the other staff and board from this "onerous" responsibility. The same caution can be applied to the process of seeking a consultant. The operating attitude on the part of some nonprofit staffs and boards is that hiring a fundraising consultant will bring in more money, thus solving the organization's cash flow problems, meeting its capital needs, or enabling it to expand its services and programs. This approach—to see money as the solution or end—can be very limiting, both for the organization and the consultant. Often, fundraising issues are complex and they can be related to many other organizational issues and even the external environment. In most of my consulting experience the "get more money" solution simply is not the single answer to an organization's problems.

Nonprofit organizations also, at times, tend to see a single simple question that will be answered by hiring a consultant: "Can we raise X dollars for our capital needs?" or "Is our fundraising operation as effective and efficient as possible?" or "Can our annual campaign show better results?" The answer expected is usually also simple: "Yes" (often the expected outcome at the end of the consulting process) or "No" (often an

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unwelcome answer). These simple questions and answers may conceal the real needs your organization has—some of which a consultant or consulting firm can help with, and others that are best addressed either internally or by someone other than a fundraising consultant. These needs might involve getting more contributed funds (see above), internal and leadership issues, perceptions of the organization and its effectiveness by others, or a whole range of other issues that cannot be answered simply.

Does your organization really need a consultant? Let's turn that around for a moment and discuss several reasons not to consider using a consultant. In my consulting experience, the preceding simple types of questions can sometimes conceal other reasons why a fundraising consultant is seen as being needed. The consultant may not be made aware of these underlying reasons or may be given a little information about them, once hired. Rarely is such information shared before the hiring process is completed. At other times, those selecting the consultant are not themselves aware of the issues or the depth of the issues faced by the organization. For example, board members may be involved in the hiring process but may not be aware of deep divisions at the staff level. The good consultant will find out these issues during the consulting process. The better consultant may be able to recommend and facilitate ways to resolve them, but also may recognize them as possible major roadblocks both to the consulting process and to better fundraising.

Let's get a little more specific. Here are some reasons I outlined in my paper, "Consultants: The Good, the Bad, and the So-So," for not hiring a consultant:

### ***When you want someone else to resolve organizational problems***

There is a tendency sometimes within organizations that have major problems to throw up their hands and seek an outside "expert" to come in and resolve these problems for them. This is just another version of the "we won't do it—you do it" approach often applied to development staff by other staff and board members when fundraising is the issue. In this case there is not really a partnership with the consultant or firm. The organization hands the consultant the

problem and expects an answer as to what to do. The organization no longer takes responsibility for its problems—maybe someone outside can take the responsibility, or the blame if things don't work out. In effect, the organization can say it is taking action when it really is passing the ball off to someone entirely outside. That person or firm is then tasked with coming back with a solution to the problem. The organization can get on with its business and not worry until the consultant presents recommendations that may or may not be what they wanted to hear. Decisions are made, but the problem's underlying root causes may not be addressed at all. Or if the root causes are addressed in the recommendations, the organization's leadership may believe these are not the real causes or issues, and may simply shelve the report—especially if they themselves are part of problem.

***When you want justification for one point of view in an internal organizational dispute***

This is a more specific variation of the first reason above. Sometimes there is a dispute within an organization that does not get settled easily. Examples might include a dispute between the board of directors and the senior staff over some issue, a conflict between management and development staff over fundraising issues and plans, or problems between two operational areas of the organization. Again, the tendency can be to seek outside help to get the “answer” to the problem or dispute. The difference here is that one side is seeking justification for its point of view versus the point of view of the opposing side—an “I'm right and you're wrong” solution that does not involve consensus but rather an “I win, you lose” outcome.

Does this happen in consulting relationships? Yes, as I will illustrate through an experience the consulting firm I was working with and I had several years ago. I'll go into some of the details of this example, because it can represent a “worst-case” scenario for a consultant or firm.

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Our firm was hired by a statewide human services agency to carry out a feasibility study for a possible major capital campaign. The study involved a team of consultants from our firm; the process included an extensive series of interviews and focus groups around the state, a review of past campaigns and donors, and frequent meetings and progress reports with the senior staff and board leadership. Everything seemed fairly straightforward; the people we met were nice, the organization had a good case, and the recent capital campaign had been successful.

As we continued our interviews and the consulting team discussed what we were hearing, especially from major donors to the past campaign, we began to see the outlines of something else; what it was we weren't sure. Several of the major donors talked very negatively about how they had been solicited by the executive director for the recent capital campaign. During the interview, one person said to me, "If he comes here and asks for money again, I'll pick him up and throw him out the door!"—not what you want to hear from a major donor and prospect for a large campaign gift. But, despite what we heard, we still did not "get it" about what was going on behind the scenes.

We finished our process, reached consensus on the recommendations, and concluded the report with the basic recommendation that the organization not proceed with the campaign but rather rebuild relations with the past campaign's major donors. I was to present the report to the board meeting.

At the board meeting the executive director sat next to a female board member none of our team had met. As I started to present our recommendations, which, at the most basic level, concluded the organization should not proceed with a capital campaign but should make considerable specific efforts to rebuild bridges to major donors, she began to raise a series of questions. First, she asked, "Why wasn't *I* interviewed for this study?" I explained that the interview list had been put together by the staff based on

criteria our consulting firm provided. She next asked, "Why were so few (about 60) people interviewed for the study when over 300,000 people in the state were the organization's constituency?" I explained that this was the number agreed to by the staff and that we sought a fairly representative sample of the organization's key stakeholders. After attempting to discredit the study process, she then proceeded to try to discredit each specific recommendation and our overall conclusion that the organization should not move forward with a new major capital campaign. It quickly became obvious that something more was going on in this organization.

At the end of the board meeting, the board chair came over and apologized for how the meeting had gone. Later, I and other members of our consulting team at the meeting got together for a postmortem. We had noticed that the executive director was mostly silent during the entire session and had not bothered to point out that the senior staff had been directly involved in the entire study process, including selecting interviews, determining the sample size, and so on. He and other senior staff had previewed the full report and recommendations, almost without comment. One of our possible conclusions was that we had been "set up" by the executive director, who may have expected a primary recommendation that the organization proceed with the capital campaign but did not hear what he wanted.

A few years later, I went to another organization to make a marketing call. It turned out that one of the former senior staff members of the problem organization was now a vice president of this non-profit agency. After the initial interview, I asked if he was willing to share what happened at the board meeting described earlier. He confirmed that the executive director had indeed wanted to do the campaign, but the board had been neutral and therefore decided to hire a consulting firm to get an outside assessment of the situation and prospects for support. He further confirmed that

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the female board member had specifically been there to discredit our report and recommendations. He also pointed out that, despite our recommendation not to proceed but rather to take other steps for a possible later campaign, the executive director had managed to convince the board to proceed with the campaign, but that it had fallen short of its goal by a considerable amount.

In this case we were unaware that we had been brought in to justify the executive director's view that they should proceed with the campaign, versus the board's more or less neutral view of the campaign question. We had learned a hard lesson.

***When you want a lot of money raised in a short period of time but have not had much success raising it using existing resources***

Over the past years as a consultant I've had many calls from organizations saying they need to raise X dollars over a short time span. One example was an organization that had received a major matching challenge grant from a foundation and needed to raise an equal amount within "one year" from the date of the grant. I received this call in early September; I asked when the grant had been made and the person on the phone replied, "In early January." I asked what had been done so far to meet the challenge, and the person said, "Well, not much. We did decide at our June board meeting to hire a consultant." I asked several other questions about their fundraising program, which turned out to be fairly minimal and with nothing like the major gift history or prospects needed to achieve the match in the short time remaining. I also expressed my view that the organization did not seem to be taking the challenge requirement very seriously, and concluded I would not be able to come in and rescue them at the last minute, as they seemed to be expecting.

Such challenges and matching requirements are increasingly common and can be daunting to an organization, especially when there is not much success meeting the challenge using existing internal resources. Yet organizations continue to pursue these "opportunities"

and hope somewhere, somehow, they can meet the challenge. Grantmakers can be equally at fault for making such requirements without a better understanding of the past fundraising experience and capacity of the organization to meet the funder's requirements and timelines.

Other examples of the "we need it now" situation might include budget shortfalls, a desire to expand a program area, or a decision to create a new program without having the needed financial and other resources in place. In all these cases a quick infusion of new funds seems to be the answer, and hiring a consultant seems to be the way to achieve the goal. Underlying issues might be a lack of strategic planning, failure to effectively manage financial resources, or stretching a fundraising operation beyond its limits. Despite these issues, which are often not acknowledged, a quick infusion of money is believed to be the answer.

Now this is not to say that there are not other situations where there is a real need for a major increase in funding. Examples might include a sudden need to rehabilitate or repair an existing facility, a cutoff of public money for an agency, or other such events such as natural or other disasters. In these cases, the strength of the case for support might overcome a low-intensity fundraising program or other internal and operational issues. A consultant might be able to help improve the ability of the organization to respond and provide advice on ways to rally both current and potential donors to the cause.

***When your organization is committed to raising funds but wants someone else to do it for you***

This might also be described as the "we're too busy" syndrome. An organization wants to raise additional money or initiate a fundraising program, but it does not want to take the time or commit the staff resources to do so. Yes, the organization is committed to raising the money. It's just that they don't want to do it. Handing off the responsibility to an outside consultant seems like the easy way

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to make things happen—just pay the person or firm to do the fundraising, get the reports, and watch the money come in. The consultant will supply the needed expertise and do the asking, rarely needing to call on board or staff members.

As was pointed out earlier, there may be legal issues, and the consultant or firm may in fact be classed as a solicitor depending on your state laws. But there are also strong philosophical differences among consultants and consulting firms over this approach. “On-site campaign management” is one of the services offered by many reputable firms and some individual consultants. In these arrangements the consultant or firm basically functions as a development staff member for the organization. The arrangement is usually utilized for capital or other major campaigns and frequently involves a commitment by the organization to the consulting firm or consultant for on-site campaign management for a period of years.

The assumption may be that the on-site person will take care of the entire campaign and there will be minimal involvement from staff and the board. The better firms that provide these services carefully lay out the expectations of the staff and board, as well as their own roles and responsibilities, in performing this service; often, this is done in the contract with the organization (see later chapter on contracts). However, other consultants may say that the organization needs to have minimal involvement in the effort—“Don’t worry, we’ll take care of everything.” If you’re a consultant marketing to an organization that is reluctant to take on a major role in the fundraising effort, and another consultant or firm is marketing with the “don’t worry . . .” approach, it’s hard to compete. The one factor that may deter an organization from going the route of on-site campaign management is the often high cost of this service. This can be countered by on-site campaign management consultants who may point out that the costs represent only a small percentage of the campaign goal and

that they can be recovered through inclusion of the costs in the campaign budget.

My belief philosophically is that an organization that is committed to raising the money but equally committed to not being part of the process or having only minimal involvement is usually not ready to carry out an effective fundraising effort. Yes, board members can be reluctant to ask people for money, and yes, the current development staff might see themselves as already pressed and overworked or might actually be in this situation. But, in my view, on-site campaign management can be a very easy way for an organization to wash its hands of fundraising and the necessary organizational work it entails. As an organization, you cannot have it both ways—you cannot commit to raising X dollars but opt out of the very real and important work an organization must carry out both to meet the goal(s) and to become even more effective overall.

If your organization is headed in the direction of on-site campaign management, or even if it is just reluctant to commit to the work of a campaign, here are some key questions to consider:

- How cost effective in terms of the campaign goal will on-site campaign management be?
- If the consultant or firm promises they will handle almost everything related to the campaign, what do they really mean? What will be the actual roles and expectations of your board, your senior staff, and your development staff?
- How much actual fundraising experience does the firm's staff member or the consultant assigned to your organization to do the day-to-day work have? Is the experience with organizations similar to yours? Have you interviewed this person, or is someone else from the firm doing the marketing to your organization? Who from the firm will manage this person? What is his or her experience, and how accessible will he or she be if you need to deal with an issue or problem?

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- Has the firm/consultant generally been successful with its other projects? What do their other past clients have to say about their work, including the specific person to be assigned to your organization?
- Will the person assigned as on-site campaign manager actually be doing the gift solicitations, and if so, who from your organization will also be involved with these solicitations?
- How will information and records be kept and conveyed to the organization? How will these be integrated with your systems and procedures, including your internal accounting and public reporting requirements?
- Aside from the dollars raised, what will be the other “leave-behinds” for your organization?
- How will your organization’s overall fundraising program be enhanced by this arrangement? What will staff and board learn from the process that can be carried forward and applied when the consultant or firm is no longer engaged?
- Will your board be any more engaged in fundraising at the end of the process?
- Will the fundraising carried out during the process be tactical (focused only on the campaign goal) or strategic (focused on the campaign goal as well as longer-term donor relations and organizational needs)? For example, a consultant/solicitor might meet with a potential campaign major donor who expresses two options he or she is considering: a campaign gift now, or inclusion of the organization in his or her estate plans with a significant portion of the estate to go to the organization. The consultant/solicitor may focus on the campaign gift so that it can be counted toward the goal; the best interests of the organization might be served by the planned gift.
- Does the firm that offers on-site campaign management services also offer to do a feasibility study, and does it offer to package these two services? In my view, packaging these two services or connecting them in other ways might remove some objectivity

and prejudice the study to show a campaign should proceed, as it means continuing business for the consulting firm.

My belief, which is tempered by the knowledge that there are very effective on-site campaign management firms, is that the best consulting relationship is a partnership, and the organization is committed to working with the consultant as part of the process; it is not handing off work to others. I'll continue to explore this belief throughout the rest of the book.

***When there is no commitment by the organization to follow through on the products and recommendations prepared by the consultants***

I am always amazed when an organization spends considerable money, time, and energy on a fundraising consulting process, such as a feasibility study, and then takes no action on the recommendations and other materials prepared by the consultant or firm. Yet most of us who have been in the consulting business have experienced the “shelved” report and recommendations. This is not to say that my colleagues and I expect every single recommendation to be accepted by the organization. But we do expect action to be taken and organizational decisions to be made once we have done our work.

One of my more positive experiences on this topic was working with a women's organization and presenting my recommendations to its board of directors. Rather than thanking me for my work and report, and then going on to the next agenda item (a frequent occurrence elsewhere), the board chair directed the board to discuss and vote on the acceptance or rejection of each specific recommendation. As I remember it, most all of the recommendations were accepted as presented.

Ideally, from my perspective, the organization's volunteer leadership should both review and act upon the recommendations, as well as have the opportunity to meet in person with the consultant or firm representatives to hear and discuss the report.

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This can help head off a lack of follow-through as well as help ensure that the needed next steps are taken and that the leadership is involved (see the more extensive discussion of this later in the book).

My contracts for studies and development assessments usually include the step of presenting my findings, analysis, and recommendations to the board of directors for their action. I try to make it clear that part of their responsibility is to take action, including, minimally, a vote to accept the report. At least this helps ensure the report becomes part of their agenda and that something happens with it.

Yet many organizations often don't have a top-down commitment to the consulting process and its outcomes. Sometimes there are volunteer and/or staff leadership who are skeptical of the consulting process. At other times the recommendations may not be what the organization or its leadership expected or wanted to hear; this is often the case when a feasibility study recommends not proceeding with a campaign effort (this can be one of the hardest messages to deliver). Occasionally, the decision to hire a consultant in the first place originated with one person or only a few people and others only reluctantly agreed to it. And sometimes the organization is not clear from the start about what the process will be, the outcomes and products produced by the process, and the organization's staff and board members' roles and responsibilities.

If your organization and its leadership is not committed from the beginning to being fully engaged in the consulting process, and if there is not a clear expectation of action on the results of a study or assessment, it is probably best not to engage a consultant or firm.

***When the organization or parts of it feel threatened by the use of outside consultants***

Bringing in an outsider, especially to carry out services such as assessing a development operation or conducting a feasibility study, can be very threatening to an organization. Development assessments,

in particular, may be seen by development staff as threats to their jobs, especially if they were not involved in the decision to retain a consultant or firm. Campaign consulting services might appear to be less threatening to development staff, especially if they see these services as not significantly adding to their workload.

At other times, especially when a board has decided to retain consultants with little input from the senior staff, the staff itself might feel uncomfortable or threatened with the process. This can be even more true when staff do not have a clear idea of why the consultants are “really” there or feel there is a “hidden agenda” underlying the consulting process.

At the end of the process, the organization or parts of it may also see themselves as threatened by the outcomes. This is often true if the recommendations for action include major operational changes or reorganization, or are seen as adding to the workload of staff who feel they are already overburdened. Sometimes the number of recommendations for action can itself seem overwhelming and impossible to achieve and the reaction is “we can’t possibly do all that.”

As most consultants will readily acknowledge, organizational change itself can be threatening, especially when there is a long history of doing things a certain way. The better consultants can help an organization that generally resists change by easing them into the change process and ensuring that the steps recommended are in keeping with the general culture of the organization, while at the same time being achievable.

### ***When everyone is already too busy to work with the consultants***

Hiring a consultant involves more than just selecting a person or people to do the work and receiving reports or a final report. The better consulting contracts outline both the work of the consultant or firm and the expectations of the organization’s staff and board during the consulting process (see Chapter 9). These expectations may include: meetings at specified intervals; providing access to and/or

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setting up meetings with key individuals; preparing and/or sending correspondence along with selected materials to individuals (such as letters inviting people to be interviewed for a feasibility study); providing access to reports and records; writing or editing descriptive materials on the organization (such as a case); and ensuring that the consultant or firm can report to the organization's board.

All of these, of course, involve time commitments from the organization's staff and, usually to a lesser extent, the board. At times the staff and board of an organization seem to treat the consultant or firm as more of an imposition than someone who is there to help. In part, it is up to the consultant or firm to be very clear and specific up front about what is expected from the organization. But it is also up to the organization to follow through.

Consultants usually operate within a defined time frame spelled out in the contract. The time frame may be directly related to specific events at the organization, such as a scheduled board meeting when a final report from the consultant or firm is expected, or the planned implementation of a capital campaign effort. Or the time frame may be related to other projects and services being provided elsewhere by the consultant or firm.

So when the organization's staff and/or board are "too busy" to respond to the needs of the consultant in a timely and often agreed-to manner, the entire process can be disrupted. For example, the consultant may need approval of a case document before it is sent out along with an invitation letter or e-mail to prospective feasibility study interviewees. I've had some clients who were "too busy" take six to eight weeks to turn around a draft case; this same client then asked why I could not meet their deadline for the draft final report and recommendations. I had to explain that the three- to four-month time frame for the entire study process, which had been geared to their March board meeting, could not now be completed until late April or early May because of their delay with the case.

***When the use of consultants is seen as a liability rather than an investment***

Consultants cost money. Regardless of the background and experience of the consultant or firm and your organization's needs, there will be a cost associated with the services. Organizations can see the costs associated with a consultant as a liability rather than a cost-effective way to deal with an issue or help with planning. Is an investment of \$25,000 to \$30,000 (actual costs may be higher or lower, depending on a number of factors) for a feasibility study that presents a clear and doable plan for a major fundraising campaign with a goal of \$1 million an effective use of organizational dollars? Is a \$12,000 development assessment that results in the doubling of donated funds a good investment?

Consultants cannot guarantee results (and beware of those that do). But seeing consultants only in terms of their costs rather than in terms of the potential benefits to the organization and cost-effectiveness is akin to the tendency of some nonprofits to cut productive fundraising operations to save money. Consultants need to define specific expected outcomes but also need to be clear as to what the preconditions are for the organization to achieve these outcomes, as well as the basis for their conclusions.

Several years ago I was asked to do a feasibility study for an organization that was exploring conducting its first endowment campaign. As I interviewed current and potential major donors, it became clear that the executive director was frequently seen as remote and unresponsive to their concerns. It also became apparent that the development operation was not as effective as it could be, with some major donors not receiving thank-yous in a timely manner, too many and too frequent solicitations, and other concerns. My recommendations to the board had to be presented carefully and honestly, with my basic conclusion being that the much-desired endowment campaign should not proceed (this is a different case than the one presented earlier). The organization's board decided

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to take the necessary and difficult measures to correct these situations; it was also, I believe, the first time my report and recommendations received applause from the board as well as the comment, “You didn’t tell us what we wanted to hear—you told us what we needed to hear.” Was the expense of hiring me to do the study a liability, especially given that I could only recommend steps other than undertaking the endowment campaign? Based on the information I heard from many of the interviewees as well as the conclusions of the board itself that the information was accurate, any attempt to carry out an endowment campaign at that point in time would have resulted in both failure of the campaign and setting back the organization a number of years in terms of its relations with its major donors.

***When the decision to hire will be made by one or two individuals***

Who should decide to hire a consultant? One strong sign of potential trouble is one or two people in the organization making the decision to hire a consultant, especially when the decision is made without consultation with other stakeholders, such as the board or other staff. If I become aware of this situation, my usual tendency is to bow out of any further marketing. Hiring without the consensus of the organization’s leadership, whether it is the board or the staff, may indicate that a few individuals have their own agenda.

I learned my lesson about having a few individuals making hiring decisions several years ago. The consulting firm I was working with informed me that we had a new major client and, since it was located near my office in Washington, D.C., I was assigned as the client manager. I called the client’s office to schedule an appointment to meet with the executive director and spoke with her administrative assistant to set the appointment.

When I arrived at the client’s office, I told the receptionist who I was, and was asked to take a seat in the waiting area. I could see the

executive director through her open office door as she worked on some papers and made a few phone calls. About 45 minutes past my appointment, she came out of the office and asked who I was and what I wanted. I again explained that I would be the primary consultant working with her and the organization. She did not seem to know much about our firm's selection or what we had contracted to do with the organization, and appeared to be more than a little surprised that I was even there. As I tried to continue my explanation of our planned work, it also became obvious she had not seen our contract with the organization; I handed her a copy and went through it in detail with her, but she still appeared to be upset. It became increasingly obvious that she was never part of the decision to hire a consulting firm, had no involvement in the hiring process, and had no familiarity with what we were to do. All of that had been handled "elsewhere" without her being informed.

The consultant–client relationship never really improved, especially between the executive director and us. She constantly questioned what we were doing and why, wanted detailed reports on how we were spending our time, and threw up roadblocks to our work. At one point she demanded a complete detailed report on our use of time for her organization; our firm kept very accurate time records, and a short time later I presented her with a printout of about 70 to 75 pages showing how every member of the consulting team had spent time since the inception of the contract. Her only comment was, "I didn't want all of the details." Not long after, our firm terminated its relationship with the client.

The lesson learned and its relevance to your organization? Ensure that as many of your volunteer and senior leadership as possible, as well as those who may be most affected by the work of the consultant (such as your development staff), are fully informed and involved wherever appropriate in the selection process. Leaving

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the decision to a few individuals may well cause both resentment and a lack of understanding of why consultants are being hired on the part of those not involved in the decision.

Of course, the final decision may be made by a few people, such as an executive committee, a senior staff group, or the full board. My preference is to always ensure that both the senior staff member (the executive director or CEO) and the board chair sign off on the contract. This helps establish that both leaders have agreed to the contract and, hopefully having read it, understand what the process, costs, roles, goals, products, and organizational involvement will be. I also prefer to market to the entire board or at least a subgroup of the board, as well as to the senior and other staff, whenever possible. Often, a standing committee or a special committee will be heading up the interview and selection process at the start, and the finalists will be interviewed by a wider group from the organization.

Once a consultant or firm has been hired, regardless of how the decision was made, it's always a good idea to have staff, especially those directly involved, and board members meet with the consultant. There should be ample opportunity for the consultant to explain his or her process and the products or outcomes, answer questions, and get to know staff and board members. Consultants often suggest this step, and some include it in their contracts as part of the expectations of the organization.

***When you've looked at only one consultant or firm and believe that's the one for your organization***

Every individual consultant and every consulting firm has a particular style of working with clients. Some consultants and firms are very effective at marketing, while others might not be so effective in marketing but strong on the service delivery side. Interpretations of how to best meet your needs through consulting services can also vary considerably, as can other factors, such as the costs of the

services, the experience and backgrounds of the consultants, and the successes with other clients.

Occasionally, I've been the first prospective consultant "in the door" for interviews and, at the end of the meeting, have been asked, "When can you start?" I explain I'll be a lot more comfortable working with the organization if I know they've also interviewed at least two other firms; I often suggest a few colleagues in other firms or independent consultants they should also talk to before making a decision. In fact, I feel much better knowing an organization has interviewed other firms or consultants because I know they've at least learned there are different consulting styles and methods of carrying out the work. I also know that organizational cultures vary considerably and that it is critical for the success of the consulting process that the consultant's way of doing things mesh with the organization's purpose, stakeholders, and culture.

If your organization is seeking to hire a consultant or firm, get some comparison basis among three or more possible sources for services before making a decision. I'll talk in more detail later about some things to look for during the selection process, but here it is sufficient to again point out that your organization needs to actively explore your options, meet with prospects, and discuss differences as well as pluses and minuses of each prospect in terms of your needs and their experiences. You also need to be sure your organization does not avoid taking the following critical step.

### ***When you have not checked the references***

Here's a good reason your organization does not need a consultant: you don't know how effective the person or firm has been, except what you've been told directly by the potential consultant. As was mentioned earlier, some consultants and firms are masters of marketing. They can talk at length about how effective and successful they are, the many organizations they have worked with, and why they are cost-effective for your organization. A critical part of your

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organization's responsibility is to separate the "hype" from the reality. One way to do this is during the interview process itself by asking key questions (see Chapter 8).

Another way that seems obvious is to check the references provided by the consultant or firm. I'm surprised at the number of times organizations don't do this relatively easy step; their sole evidence of how effective the consultant will be is what they've heard during the interview and/or the materials provided to them by the person or firm. If prospective clients have not already asked for references by the time I get to the service proposal stage with them, I include at least three or four references in the proposal itself. I try to include references that are relevant to both the type of organization I am marketing to (e.g., other national associations if it is a prospective national association client) as well as the proposed type of service (e.g., other organizations where I have carried out feasibility studies). I also encourage the organization to call not only my references but also the references provided by other firms that are under serious consideration. It is incumbent that your organization try to get examples of the work of the consultant with similar types of organizations as well as how effectively the consultant has carried out services similar to what you are seeking (see the earlier comments about references I try to provide).

One inside piece of information is that consultants frequently like to ensure that their references are not overused, so they may want to provide references only when they are in the final stages of serious consideration or in the presentation of a proposal for services. The consultant or firm might be reluctant to provide references when you first contact them; they will want to be sure your organization is seriously considering the consultant or firm.

What types of questions should your organization ask references? General areas you should consider include the obvious ones:

- Was the consultant or firm effective in delivering the services the organization desired and contracted for?

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- How well did the consultant relate to the culture of your organization and its key stakeholders? Did he or she seem knowledgeable about your organization and those it serves and generally “fit in”?
- In the judgment of the organization, were the services provided cost effective?
- Did the consultant work effectively with the organization’s board and staff?
- If a fundraising campaign was involved, were the goals reached and what were the roles of the consultant in reaching these goals?
- If the goals were not reached, what were the reasons and did the consultant cause or contribute to the issues blocking success or try to alleviate them?
- If the consultant or firm is still engaged with the organization, what are the pluses and minuses of his or her work?
- Have there been any conflicts or issues with the consultant or the firm? If so, what were they and how willing and effective was the consultant in helping to resolve them?
- How would you describe the ethics of the consultant? Was he or she honest, open, direct, and forthcoming, or was critical information kept from the organization?
- How would you describe the timeliness of the consultant in delivering the services and meeting deadlines? If there were delays, were they related to the consultant or to other factors?
- How would you describe the “work style” of the consultant—a partnership with your organization? Directive? Communicative? Available when needed? Responsive to questions and issues? Willing to go the “extra mile” when necessary? Professional? Knowledgeable? Ability to present information in ways that both make sense and are appropriate for your organization? A leader?
- Would you hire this consultant again if you needed a consultant?

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These are only some examples of questions your organization might ask references. It can also be very helpful if the consultant or firm provides a list of past and present clients, especially those served that are similar to your organization in terms of their type, mission, services, and the like. One reason this list can be helpful, aside from giving your organization an overview of the depth of experience of the consultant or firm, is to provide you with a few additional contacts to judge the effectiveness of the consultant. I often encourage client prospects to call some of my other present and past clients, even if I don't include them as specific references. I only ask them to discuss with me any problems or issues presented to them by references so they can also have my views.

Sometimes an organization will seek to hire a consultant they had used for a past project. Unless the project was completed very recently, it's probably a good idea to get and check new references, even if you're fairly set on rehiring this person or firm. And, by the way, if you are considering a firm, be sure to check references for the specific person who will be working with your organization, not just the firm's references. You will want information on the person who will be actually doing the work—see some of the suggested questions above.

***When you expect miracles***

Miracles, at least in the fundraising consulting world, don't usually happen. Yet some organizations believe that all they need to do is bring in some high-powered consultant and things will be turned around. This seems to be especially true when an organization is facing a major crisis, has critical internal or stakeholder problems, or is generally dysfunctional. The other side of the coin is the consultant or firm that believes it can make miracles happen. Some even promise this. Yes, some consultants have worked very hard with organizations to reverse a downward spiral or correct a major problem. But these "miracles" take a lot of hard work by both the

organization and the consultant or firm. Organizations that expect miracles to happen while they sit back and watch the consultant perform magic will be sadly disappointed.

I've often been called by an organization that needs or wants a miracle. As the conversation with them continues and the issues they are facing are revealed, a little voice inside says: "Yes, you can figure out solutions and fix this. You'll be a hero to the organization and it will be a great story to tell to future prospective clients." But another little voice warns: "You may not be able to fix this—you're only hearing the outlines of the issue, and there may be much deeper problems. The organization may need help you can't give it, may not like your solutions, or may be headed so strongly in the wrong direction it can't be reversed." I tend to usually listen more intently to the second voice.

Another consultant and I once contracted with a small organization that was seeking to raise more money. In fact, they were desperate to raise money, as they had not been very successful with their approaches to foundations, individuals, or public funders. As we met with them for the first time, we heard even more depressing news about internal struggles, lack of good accounting procedures (including some that were unethical and possibly illegal), and other issues. The IRS had also gotten involved because of nonpayment of employee benefits over more than one year. The director had reached the limit on her credit card to pay organizational expenses, but the debts kept increasing. My willingness to help and desire to turn around an organization, despite all of these issues (and a quality product), was tempered by the belief that I could not perform a miracle.

If your organization is expecting miracles from consultants, it is probably best to see what the organization needs to do and make the hard decisions you will have to make. A consultant can possibly give some advice and assistance, but the needed changes will, in all likelihood, have to be made by the organization itself. And the

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kind of advice you need may be better provided by someone with skills other than fundraising—possibly a tax attorney, an accountant, or a mediator. So don't expect miracles, and beware of those who promise them.

**SUMMARY**

This chapter has been all about the many reasons your organization might not be ready to hire a consultant. The next chapter looks at the other side—the times and situations when your organization can benefit from using a consultant.