

Why Use a Consultant for Your Business?

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In the current economic environment, it is important that businesses find ways to stand out, tighten their operations, and increase their revenues while keeping expenses low. As many businesses struggle to stay ahead of the competition, the day-to-day operations of the business are more than enough to keep management busy, especially in smaller businesses where owners or managers wear many hats. Choosing to use an experienced consultant may allow businesses the ability to grow, rather than simply attempting to maintain the status quo.

So, who are consultants? Business consultants can range from certified public accountants (CPAs), attorneys who are skilled in business law, or consulting firms who offer services that apply to a larger range of business related activities such as management, sales, or marketing. The number one benefit that consultants can offer to businesses is that they can provide *temporary* expertise. Hiring a consultant allows firms the ability to pay only for the services they need, rather than investing in pricey technologies or paying to keep staff on hand that may not always be needed. In addition, hiring a consultant enables cost benefits associated with a lack of taxes, the need to pay benefits, or human resources issues that are associated with hiring a new full-time employee. The costs involved in hiring a consultant are also scalable, so the firm is able to track costs and match them to the projects completed by the consultant. This allows the firm to analyze the value provided by the consultant. Finally, when the firm no longer needs the consultant's services, the relationship is easily terminated.

Consultants also provide a significant amount of value for an organization. They can help to develop strategies for growth or manage projects. Since consultants are not committed to a single firm, they bring experience from a variety of companies and industries, which allows them to offer creative solutions and enables "out of the box" thinking. They can provide an objective viewpoint, which allows for more diverse ideas than could be provided solely by employees within the organization. A consultant may have a higher level of business expertise than the average employee and can provide unique solutions for businesses. Companies may want to consider the advantages of the level of expertise that can be brought by a consultant, as well as how they could benefit from having an established strategic plan.

Of course, an organization should continue to track the benefits provided by a consultant. As the firm grows, it may become more cost efficient to bring the services provided by a consultant in-house, so value should be routinely monitored. Having full-time employees provides its own benefits such as specific industry experience, the ability to perform varied organizational duties, a full-time presence on site, and a set salary. However for many companies, the flexibility provided by an outside consultant can be the most cost-effective and valuable option for business development and revenue growth.

Benefits of using a consultant:

- No taxes, benefits or human resource issues
- Contract work is scalable
- Easy to terminate when no longer needed
- Independent advice
- Diversity of ideas from other experiences
- Flexible for project specific work
- Usually a higher level business professional than may be hired

Benefits of hiring an employee:

- On site full time or for set hours
- May perform various duties; not always project specific
- Salary is set and often negotiable
- May be trained for cross duties and other parts of the business
- Industry experience