



## Human Resources for Small Business

An occasional series

No: 2

### How do I select a consultant?

How do I select a consultant to help me improve my business on the people side? This is an important question for any business and particularly SMEs because of (a) the cost of consultants, and (b) the impact a consultant can have on our small business - a small error on the part of the consultant can have a big impact on our business.

First of all you have to ask yourself the question, "Do I really need a consultant?" The answer to this question will vary depending on your personal circumstances, the complexity of the people issues, what you are trying to achieve in your human resource development, and your own skill set. In general terms, you should call in a consultant if the issues require skills and knowledge which you don't think you have, and where to acquire the skills and knowledge is likely to divert significant amounts of time away from your core business. There are many software packages and on-line services on offer that deal with HR issues, particularly compliance issues. However, you should be wary of these packages as they tend to be very generic in nature (ie., they are not tailored to the individual needs of your business) and they rarely offer any warranty with respect to their implementation. For example, it is you, the client, who tends to take on all responsibility for the design and implementation of an OH&S management plan including the requisite training, yet you know very little about OH&S.

So you've decided you need the services of a consultant, but how do you now choose between them? For most SMEs, the "big name" consultancy firms will not really be an option because: (a) these firms are strongly aligned to the needs of corporates; (b) they tend to charge accordingly; and (c) they tend to be located and target their service to organisations in the metropolitan regions. This means that you will probably be selecting from amongst firms like your own: SMEs.

Things to look for:

1. **Qualifications.** The consultant should have qualifications specifically related to HR. These would include tertiary qualifications in HR and perhaps psychology (both is preferable particularly if you are looking at the development of generic skills in your business).
2. **Professional recognition.** The consultant should have professional recognition status in HR and/or HRD. Thus the consultant should have professional standing with the Australian Human Resources Institute (AHRI). Note: AHRI does not permit the use of the post-nominals MAHRI (member of AHRI) because a person who is simply a member of AHRI is not professionally recognised (only Chartered Members, Associate Fellows, and Fellows are professionally recognised members). In addition, professionally recognised members must continue to engage in a certain minimum of professional development to maintain their professional recognition status. Similarly, membership of the Australian Institute of Training & Development (AITD) is no real indicator of expertise (it only indicates the person has paid a membership fee). AITD also has a professional recognition status in the form of Certified Training & Development Professional (CTDP). Another relevant organisation is the Recruitment & Consulting Services Association.
3. **Experience.** The principal of the consultancy firm should have at least 5 years experience as a practising HR professional. Check the consultant's consulting experience: ask for the names of contacts in firms (particularly firms like your own) that you can talk to about the consultant and the quality of their services.
4. Be wary of the consultant who says they can "do everything" (especially if they are a one man band). HR is a complex and diverse field and an individual consultant can only do a relatively few things really well.
5. **Indicators of a commitment to excellence.** Indicators can be small things like: does the consultant have separate fax and phone line; do they have an informative and professionally presented website; do they operate out of professional office space; do they have cutting edge human resource practices in place in their own organisation; are their proposal documents free of spelling and grammar errors; and so on?
6. **Commitment to HR.** Check to see if the consultant is an active member of the HR professional community.