



What You Need to Know Before Hiring a Business Consultant

Women are increasingly holding managerial positions.¹ And being a boss involves knowing how and when to delegate. Even the most capable manager or competent CEO cannot be an expert in every aspect of running a business, let alone have the time to do it all. Hiring a financial planner or taking the advice of an advisor or consultant is a smart solution.

The role of financial advisors and business consultants

Financial advisors can lend their expertise to areas including investing, retirement savings, estate planning, and wealth management. Business consultants and tax advisors can help develop and implement plans that will increase profitability, tax efficiency, and a company's value.

Advisors, planners, and consultants generally are not employees. Some advisors work on a contractual basis and are paid to present their ideas and advice over a stated period of time. Others are akin to commissioned salespeople who make suggestions but get paid only if their proprietary products, such as a software program or business plan they create, are actually implemented.

Key takeaways



Successful business leaders realize the value of delegating responsibilities.



Financial advisors and other business consultants can provide a company with specialized knowledge and skills on a temporary basis.



A good advisor must be trustworthy, knowledgeable, and an excellent communicator.



Women CEOs and financial advisors

Interestingly, women CEOs are more likely to seek out and take advice from other professionals. Some experts believe this is because women are less ego-driven when it comes to managing a company.² But all managers can benefit from professional guidance.

In an ideal world, women bosses would not be considered unique. As more and more women achieve leadership roles, we can foresee a day when real parity will be achieved.³ Until then, however, women business owners, managers, and executives would do well to hire advisors who understand the special challenges they face. This might mean you have to interview more advisors before finding the right person for the job.

What to look for in an advisor

When hiring an external expert, make sure they have the following qualities:

- **Trustworthiness**

The foremost trait to look for in any type of consultant is trustworthiness. When hiring a consultant, check their references, get referrals from peers you respect, and verify all background information.

- **Specialized knowledge**

Business is a highly technical, complex field, so look for an advisor with a high level of knowledge and professional experience. A good way to determine

someone's level of expertise is to ask for their client list. If they have worked for respected companies that are willing to give them a solid recommendation, it's a good bet they know what they're doing.

- **Communication skills**

Communication is a two-way street. An effective advisor must be a good listener and speaker. Advisors with poor listening skills will fail to understand your particular needs and may propose inappropriate or cookie-cutter advice. An advisor who lacks the ability to articulate their plans in a straightforward and understandable way will frustrate and confuse you. Establish good lines of communication before entering any advisor relationship.

The value of an advisor

An independent advisor will bring an objective eye to your business and experience working with and solving problems for many different companies. An outside opinion can sometimes be even more valuable than a colleague's or peer's perspective.

Another benefit to hiring an advisor or a consultant is that they can meet short-term needs at a lower cost as compared to permanent workers.

The most significant value in hiring an advisor, though, is to gain access to specialized knowledge and unique skills. Shrewd business leaders know that delegating tasks to professionals is always a smart move.

Steps to consider

- Ask for a client list and references when considering an advisor.
- Interview several potential advisors before committing to a professional relationship.
- Get comfortable delegating responsibilities to trusted experts.

The support you need

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¹ Harvard Business Review, "What the Data Says About Women in Management Between 1980 and 2010," February 23, 2018, <https://hbr.org/2018/02/what-the-data-says-about-women-in-management-between-1980-and-2010>

² Forbes, "Why Women Make Different Leaders Than Men," December 28, 2017, <https://www.forbes.com/sites/forbescoachescouncil/2017/12/28/why-women-make-different-leaders-than-men/#551273181745>

³ Pew Research Center, "The Data on Women Leaders," September 13, 2018, <https://www.pewsocialtrends.org/fact-sheet/the-data-on-women-leaders/>

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