



ENGAGING A CONSULTANT: ADVANTAGES AND CHALLENGES TO FINDING THE RIGHT MATCH

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Many cultural organizations go through a period where they need specialized assistance or an outside objective perspective if they are to successfully tackle a particular project, challenge, or opportunity. After they've assessed their internal Board, staff, and volunteer resources, they may recognize that they need external expertise that might only be provided by qualified management consultant. Professional consultants build their reputation based on client success stories, so they tend to be proactive in finding solutions that serve the organization's aspirations. But what should an organization take into consideration in seeking the best and the brightest?

In this article the first of a two-part series, we focus on the benefits and hurdles in selecting the right consultant(s) to help you minimize the risk of, and maximize the return on, your organization's investment of time and/or money. We'll look at the importance of a potential consultant's commitment and connection to the arts and culture sector, as well as their capacity to meet your needs. We'll also address the time, talent, and treasure qualified professionals bring to the table.

Note: The second part of our series will highlight the risks and rewards in becoming a consultant, as many early-, mid-, and late-career professionals from both nonprofit and corporate sectors consider their option in serving the arts and culture field.

INTRODUCTION

It may go without saying, but every institution needs clarity before engaging any consultant. It helps them understand the skills and experience required for a specific project as well as the added value of a particular individual or firm. As funders require greater accountability and technology moves ahead at lightning speed, cultural institutions must be skilled at selecting not simply "a consultant" but the "right type of consultant" who can help them navigate difficult institutional issues.

It is crucial to have precise scope of work where expectations for both the consultant, and the organization, are clearly defined. Keep in mind, however, that sometimes the scope of work actually evolves in discussions with potential consultants as they introduce new perspectives and unique methodologies. Flexibility can be very important at this early stage to ensure that results are achieved.

Once the scope of work is defined, how should your organization then reach out to find the right consultant for the project? A few questions for consideration may be the best way to introduce this topic:

- Does your organization need an action-oriented, hands-on implementer or a process-oriented mentor and consensus builder?
- Is it a single consultant, a team, or a firm with local or national perspective to meet your needs?
- Why is one consultant, or consulting firm, more appropriate than another in meeting the particular challenges that your organization faces?
- Ultimately, and perhaps with a certain bias, why is engaging a firm that is grounded in its commitment to clients in building lasting institutions, advancing the arts and culture field, and enhancing communities the best choice?

Once the questions above have been addressed, it is best to consider a variety of other factors as outlined below:

INDUSTRY EXPERIENCE – CAPACITY AND TALENT

Organizations go through a variety of questions, sometimes formally and other times informally, in determining how important specific industry experience is in meeting their challenges. There are occasions when a volunteer, whose commitment to your cultural institution is beyond reproach, has the time and interest to perform the services required. But do they also have the industry experience needed to expeditiously achieve results? In other words, would you hire an arts and culture management professional to be your doctor, attorney, or banker? Probably not. So why would your doctor, attorney, or banker be qualified to provide hands-on services in your industry?

Cultural institutions, for example, periodically face a planned or sudden leadership transition and can be tempted to place subjective, short-term urgency ahead of objective, long-term stability. Perhaps an opera company's long-time General Director has announced his or her intention to take a position in a larger company in 90 days. Although this may appear to be a significant amount of transition time, every organization likely goes through some form of what psychiatrist Elisabeth Kübler-Ross introduced as the "five stages of grief," including denial, anger, bargaining, depression, and acceptance.

The challenge with the grieving process is that there are instances where the transition management decision is made too quickly (i.e. in the "denial" or "anger" stages) or not quickly enough (i.e. stuck in the "bargaining" or "depression" stages). Both situations can create unnecessary crises that are easily avoidable with a clearly, yet quickly, thought out transition management plan. Remember, the press and funders are watching your every move, so your credibility during the transition is at stake every step of the way.

In the first instance, the immediate response could be to name a Board or staff member to fill the interim role and to start recruiting for a new General Director. The rationale for this tactic could be that the person knows the organization or there will be savings in the operating budget. A study commissioned by Arts Consulting Group entitled *The Performing Arts in Transition: Executive Leadership on the Move* showed that 80% of

organizations that chose this tactic saw more than a 10% decrease in contributions during this period.

Beyond the financial implications, however, does the potential interim leader have the time and talent to perform these services? Are we hindering their success, and that of our organization, by overburdening them with too many responsibilities that may be outside their professional comfort zone? Ultimately, are we expecting that the person who has connection and commitment to the organization will also have the capacity to perform this very challenging job effectively?

In the second instance, the 90-day period comes and goes with little or no movement in determining who will conduct the time consuming executive search process. An attitude of "Oh, we have plenty of time to make a decision" comes and goes in a flash. Other organizations feel that "We just need to put out a few advertisements and it won't take long, as everyone wants to work for us."

The sooner the organization gets to the "acceptance" stage of the grieving process, the better. The human resource professional on the Board may have wonderful corporate experience in the pharmaceutical industry, but do they also have connections to professionals in the arts and culture field? Have they ever led a nonprofit, university, or government funded cultural organization? Arts and culture executive search firms have processes, methodologies, and interview questions that are uniquely tailored to the specific needs of this sector.

Ultimately, someone who has the industry expertise, has faced similar challenges in comparable organizations, and has the talent to provide hands-on guidance will show a greater return on the investment of limited institutional time and money. In the same way that you'd hire a therapist to deal with "personal grieving" because they've addressed similar challenges with their clients, you'd also engage a qualified professional who can handle the specific project with a certain breadth and depth of industry experience in a variety of cultural disciplines.

FUNCTIONAL EXPERTISE – COMMITMENT AND TIME

Organizations also go through a variety of questions, sometimes objectively and at other times subjectively, in determining how important functional expertise is in meeting their specific needs. This can be a delicate balance, as sometimes narrowing the options too much leaves only a very limited pool of potential resources whereas too broad of a context complicates the recruitment process. This is often the case when hiring capital campaign consultants, nonprofit merger specialists, or strategic planners when an organization should consider framing its needs in a broader context.

For example, a science museum wants to raise \$200 million for its upcoming expansion. In discussing their needs, they may initially believe that a consultant must "have *raised* at least \$200 million for science museums in the southeastern United States." Although that may be the ideal, what if the consulting firm has helped another type of museum achieve its campaign goals? What if their campaign management process was successful in a different part of the country? Or what if the consulting firm has had success in similar nonprofit cultural organizations at a lower campaign goal? In this case, flexibility allows institutions to capitalize on a broad enough pool of resources that can meet their campaign management challenges head-on.

Of course the other end of the spectrum is also true, where some institutions create requirements that are too broad and the consultant has “a proven track record raising money in nonprofits.” In addition to the strategic differences of raising money in arts and cultural organizations, many people have the specific functional experience in the field as well as a passion for a particular art form, which can make a huge difference. Although the “process” of campaign management in medical, educational, religious, or social service organizations may be similar, the “language” in each artistic and cultural discipline is unique. In the same way that it would be extremely challenging for cultural campaign management consultants to switch to the technical jargon of case statement development related to medical fundraising, so too is the reciprocal situation. There is little time for learning curves in the fast-paced world of arts and culture management consulting, as credibility, time, and resources are all precious commodities.

Note that in this article we won’t get into the misconception that any consultant personally “raises” all the money for any capital campaign, “prepares” the legal documents related to a nonprofit merger, or “writes” the strategic plan. The truth is that although the end of a consultancy may show increased income, merged organizations, and adopted strategic plans, these and other resulting services are a shared institutional responsibility among Board, staff, committee members, and many other individuals and groups of stakeholders. Ownership of the end “product” is both emotional and intellectual. The ultimate takeaway regarding functional experience is that it revolves around a commitment to the mission and goals of the organization. The right consultant(s) will invest the time needed to help you achieve those goals and have the specific experience to deliver impactful results.

SOLO PRACTITIONER VS. THE TEAM APPROACH - CONNECTION AND TREASURE

Now that the industry experience and functional expertise areas have been addressed, how do you know if you should hire one person, a team of individuals, a boutique consulting firm, or an international corporate consulting entity? Do you need someone with local knowledge, a national/international perspective, or both? Many times organizations believe that a local perspective is best because someone will “know their unique community.” That can be true, but the perception could be the opposite where regional, national, and international benchmarks are needed to advance the organization to its next level. As you’d expect, there are no easy answers to the above questions, as each situation, organization, community, and cast of characters is different.

Perhaps another example here would help frame the issue best. You’re planning to build or renovate a multi-venue performing arts center. Like building a house, you could hire a general contractor or take on the responsibility to engage the architect, builder, plumber, electrician, painter, and others on your own. Of course the latter means multiple interviews of qualified professionals in each area, individual contract negotiations after you’ve made your selection, timing of when work will be done, additional planning, supervision, contract monitoring, and financing the project can be a slippery slope. As you may have heard from those brave hearts who have tried this approach, usually while holding down a full-time job, the resounding television reality show warning “don’t try this at home” comes to mind.

The advantage to hiring an individual consultant may be that you have known them for years and have trust in their abilities. The solo practitioner may also have deeper

knowledge of your community or your cultural discipline, so the learning curve can be very short. The few potential drawbacks to engaging a solo practitioner, however, that could jeopardize your project are that they 1) could be “between jobs” where your project is a transitional one for them that they may or may not be able to complete, 2) have such specific expertise that they may not have broader institutional context, 3) have several projects competing for their time and attention, so yours may not be the priority, 4) can be perceived as being engaged because it was “easy” and sometimes without proper due diligence, and 5) are one-person shops with little or no professional safety net if something happens to them.

On the opposite side of the spectrum are large corporate consulting firms who may have strong brand recognition in a variety of for-profit industries. They have tremendous experience as consultants, a wealth of knowledge, skilled business professionals, and an extensive network of resources available for their clients. Some of the challenges that cultural organizations can face in engaging these firms, however, is that their 1) fees can be substantial, 2) team members may not have the knowledge of your specific art form or cultural discipline, 3) consultants have not worked in an organization where they have been the implementer of the change that they recommend, and 4) service to your organization is a way for them to train their junior level staff.

Finally, and back to our original example of building a multi-venue performing arts center, are the mid-sized consulting firms who specialize in arts and culture management. Extensive market analysis, program assessment, capacity utilization, community venue inventory, industry benchmarking, architectural advice, capital and operating cost projections, fundraising feasibility, and capital campaign management are all needed *before* even hiring the general contractor who oversees actual construction. Then when construction is underway, the team of consultants who have a broad range of connections in a variety of cultural disciplines can continue to bring their specific expertise in the field to the organization. These firms share intellectual capital among team members, have generally worked for and with a variety of organizations throughout their careers, and are committed to a vibrant arts and culture community. One challenge is that they may be a bit more expensive than a solo consultant, but the value of resources that they bring to the table is exponentially more. They may not have all the resources of the large corporate consulting firms, but they do have a track record of results and many targeted, industry-specific strategic partnerships that specifically benefit the arts and culture industry.

FEE OR FREE? – THE SYNERGY OF THE 3-C’S AND THE 3-T’S

Nonprofit cultural organizations consistently face scarcity of resources in both time and money. It can be a real challenge to understand the true return-on-investment (ROI) of engaging any consultant or consulting firm in an uncertain world. Many organizations face a significant challenge in that if they don't acquire the time, talent, and treasure (3-T's) they need to advance their organizations, it will be extremely difficult for them to maintain the connection, commitment, and capacity (3-C's) of their supporters. But do these institutions need to pay for consulting resources to advance their mission, vision, and community impact?

Many talented volunteers provide their invaluable knowledge to the arts and culture sector each day at no cost – thank you! Whether you are a Board member serving as a

Trustee of a cultural institution, a staff member at a neighboring nonprofit, or a senior management professional who cares deeply about your cultural discipline, your support is cherished! The nonprofit sector as a whole could not survive without the generosity of such a wonderful group of volunteers and businesses who indeed lend their time, talent, and treasure to the industry each day.

As many nonprofit leaders recognize, however, it can be very challenging to rely solely on the kindness of volunteers or in-kind business support for any project. Generally speaking, other personal or professional commitments could make volunteers unavailable for your project, sometimes on very short notice. How do you balance minimizing your financial risks while maximizing your institutional rewards? As with any product or service, “value” can be measured in many ways – social, educational, political, traditional, artistic, and economic. Weighing the short-term risks and the long-term rewards, most institutions will find a wonderful balance of how best to mobilize their human, technical, and financial resources. It is true that sometimes “you get what you pay for,” but it is also true that you should “never look a gift horse in the mouth.”

There is tremendous synergy in engaging a professional arts and culture management consulting firm where the 3-C’s converge. In addition to commitment to this unique industry, they bring a functional capacity from their professional experience, as well as connections to the leading intellectual resources available in the field. As consultants, there is a strong tendency to focus their specific talents and the return on investment of time, so that an organization’s treasures can be leveraged for maximum rewards for their community.

CONCLUSION

Arts and culture institutions have reverberating effects in the communities that they serve. Although it would be wonderful if internal resources could provide solutions to every organizational challenge, there are indeed times where objective, outside expertise is the wisest and most cost-effective choice. No consultant is “the magic pill” in solving broad institutional challenges, however, as many of these require integration beyond a single project. Any successful consultancy requires ongoing commitment to help an institution grow, provide a forum for the art form to advance, and allow the organization to have broad community impact.