



HOW TO HIRE A RESTAURANT CONSULTANT

Starting or running a profitable restaurant business is difficult. As a result, people frequently hire a consultant to provide them with solutions to their problems. These solutions may come in two different ways:

1. Advice—Ideas on what the problem is and what should be done to correct the problem.
2. Service – corrective actions are taken.

Some consulting firms only provide advice and others provide a complete solution, whereby you get the advice and the service to back it up. It's for these two reasons above that many people are confused about what a restaurant consulting company does. Do you need advice, service, or both? We might suggest that you consider engaging a firm that can tell you how to fix the problem and actually correct the problem if you wish. Just remember that an unimplemented solution is worth nothing.

WHEN TO HIRE A CONSULTANT

A good consultant, looking at your situation objectively, should be able to identify the problem, present you with various solutions and with your approval, implement the solution quickly and efficiently. Here's when you need a consultant:

1. When you need an **objective point of view** or some direction on how to proceed from an experienced industry specialist.
2. When the problem or situation is difficult to a point where **you don't wish to undertake the problem or solution yourself**.
3. When the **problem requires special expertise** or skills that you may not have.
4. When your company is **facing a major crisis**, or when it seems to be operating in a crisis-management mode.
5. When you wish to **address issues cost effectively**, a consultant brings fast quality answers without a long-term commitment.
6. Consultants are frequently engaged even when things are going smoothly! Planning on growing or expanding your reach? **Consulting expertise in advance can help you prepare properly**. Things don't usually go well by accident and pro-active engagement makes sense for many successful restaurateurs of all sizes.

HOW TO HIRE A CONSULTANT – STEP BY STEP

There are 10 steps to hiring a consultant and ensuring the best value for your money.

Step 1. Determine what you need to get accomplished. Be as specific as possible. For example, if you want a consultant to create your business plan, don't assume that it includes a feasibility study. These are two completely different things. However, if your consultant completes both, you may be able to obtain better pricing on a package of services that really won't cost much more than just a single project.

Step 2. Look within your company first before going outside for help. However, understand that true objectivity may be lacking when you enlist the services of an internal person that may have a stake in the outcome.

Step 3. Learn about the various types of consultants available to you. A full service consulting company should be able to help with every aspect of your need including, problem identification, presenting you with practical solution options, and implementation of the solutions. Professional consultants are remarkably cost effective, when compared to solving the problems on your own using trial and error. Go with a firm that will give you predictable, cost effective results.

Step 4. Hire the most experienced consulting firm that you can find. A word of caution: The field of restaurant consulting is unregulated, meaning that almost anyone can simply hang their sign and pronounce to the world that, "I'm a restaurant consultant." There are few educational, licensing or other industry requirements. This low barrier to entry means that there are many inexperienced people promoting themselves as an industry expert. TIP: Make sure that your consultant has the background and experience you need. The caliber of your consulting firm is very important for an existing restaurant and critical for a new restaurant startup business. Hire a firm where all of the consultants have at least 30 or more years of hard hitting, relevant experience AND actual ownership experience or CEO caliber seasoning. Never hire a consultant that has never owned a restaurant! After all, what you are buying is experience. In today's electronic age where much can be accomplished remotely, distance is not as important as the experience factor. When making your decision, always choose experience over distance.

Step 5. Consider carefully before you engage the services of a "One-Man show." Hiring a one person firm (that cannot know every aspect of the industry, and may not have even owned a restaurant) is risky because of the limited knowledge and experience of that single person. When you hire a larger firm, you are hiring the capabilities and the security of the entire firm and not just a single individual. There is great value in the knowledge pool when a firm has several consultants on staff, and hiring a larger firm usually costs about the same as hiring a smaller firm. Get the biggest bang for your buck by looking at the qualifications of the firm as a whole.

Can they handle every aspect of your project? This is especially important for a restaurant startup venture, because there are many wide-ranging aspects of the entire project to consider including: Concept development, business planning, funding, site and construction matters, staffing, operating systems, grand opening, business expansion, exit planning and more. A larger firm brings much more value for the restaurateur.

Step 6. Research the industry and narrow down your list of qualified consulting firms. This can be done via the Internet, researching articles, and also be sure to check with the National Restaurant Association and the Foodservice Consultants Society International (FCSI). If your consulting firm is not associated with either of these associations, it's best to keep looking. Your consultant should be an industry "insider" who understands the trends of the business, has contacts that will benefit you, and has a reputation that you can use to your advantage.

Step 7. Making the inquiry. You've selected a few firms that you think may fit your need. You can either call or make the inquiry via e-mail. You will want to see how long the response time to your inquiry is. If you don't hear anything back from the firm within two days, it's not likely that they'll be any more responsive once you have hired them. After you have made contact with the firm, you will want to address any confidentiality issues you may have, and then outline your needs and desired outcome of the project. You will also want to discuss:

- What your problems/issues are.
- What do you want the consultant to accomplish and what are your expectations.
- What your budget range is.
- Who will be the contact person?
- What time-frame is requested or required. When do you wish to start?
- Project location – how much work is to be done on-site versus what can be accomplished via e-mail and the Internet? Keep in mind that on-site work will involve expenses.

The more information you can provide, the more accurate your price quote will be. Be sure to ask about how the consulting firm makes its money. Stay away from firms that get paid through product endorsements or that receive kickbacks from food or equipment manufacturers. This is similar to a financial planner who is paid to provide advice, and who then *also* gets paid by selling you securities. Many people find that a fee-only financial planner provides more objective advice. The same principal applies in the restaurant consulting business.

Step 8. Within the consulting industry, an old saying is that a good agreement makes for a good project and this is quite correct. A clearly written agreement will help avoid misunderstandings. It should spell out the entire scope of project, the deliverables (what you will get and what the firm will provide) and a detailed payment structure. Beware of the one page agreement, as it's hard to enforce anything that's not clearly spelled out.

Request that the consulting firm provide you with a written proposal and see if the firm understands your requirements and proposes services that will create the solution you want.

Step 9. Compare pricing versus value. To a great extent, you will find that most fees are in the same range with few exceptions. What you are looking for is the firm that will get the job done the right way, the first time, with the minimum of fuss and surprises. Is it worth it to engage the services of a well-known firm? Generally, the answer is almost always a “yes.” Be sure to respect the confidentiality of the consulting firm’s current and past clients. Many firms openly promote their clients, only to have their clients field a ton of reference phone calls. Other firms provide completely confidential consulting services as many people prefer this level of confidentiality.

Step 10. Engage the firm that you think will provide you with the most cost effective positive outcome. Engagement will include the signing of an agreement and payment of a retainer or a percentage fee of the entire project.

Want to know more? Feel free to contact us. We would be happy to speak with you.