

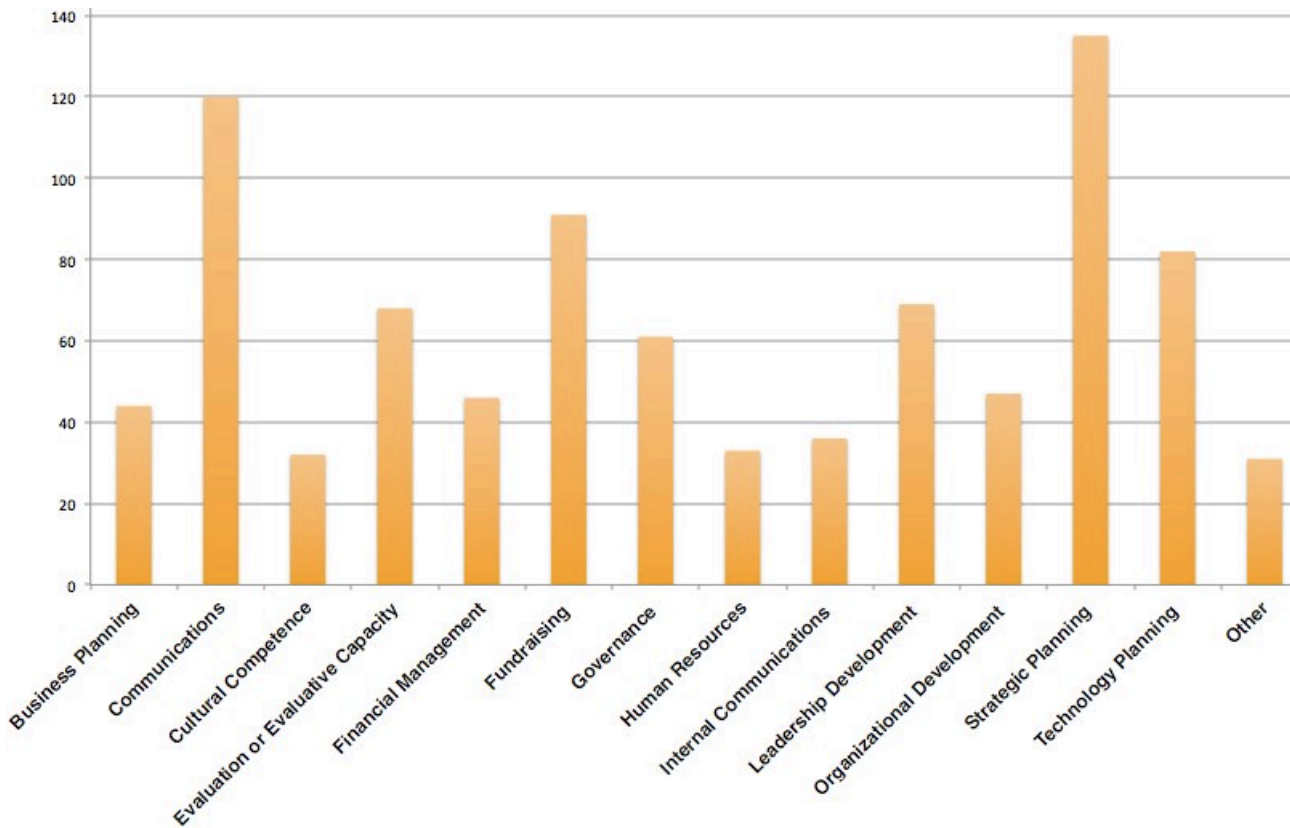
How Can We Make Nonprofit Consulting Transformational?

Late last year, we [launched a survey](#) with Shiree Teng and [CompassPoint](#) to learn more about how nonprofits are working with consultants. We wanted to know:

- Are nonprofits able to find the help they need?
- How is the working relationship between nonprofits and consultants?
- Is the work sticking?

We had a small (264), but diverse (in size, age, and focus) set of responses. The majority of respondents had an operating budget greater than \$1 million, with almost 20% in the \$500,000-1 million range, and a similar percentage in the \$100,000-500,000 range.

As the graph below shows, the majority of engagements with respondents were with strategic planning consultants. The next two largest categories were communications and fundraising consultants.



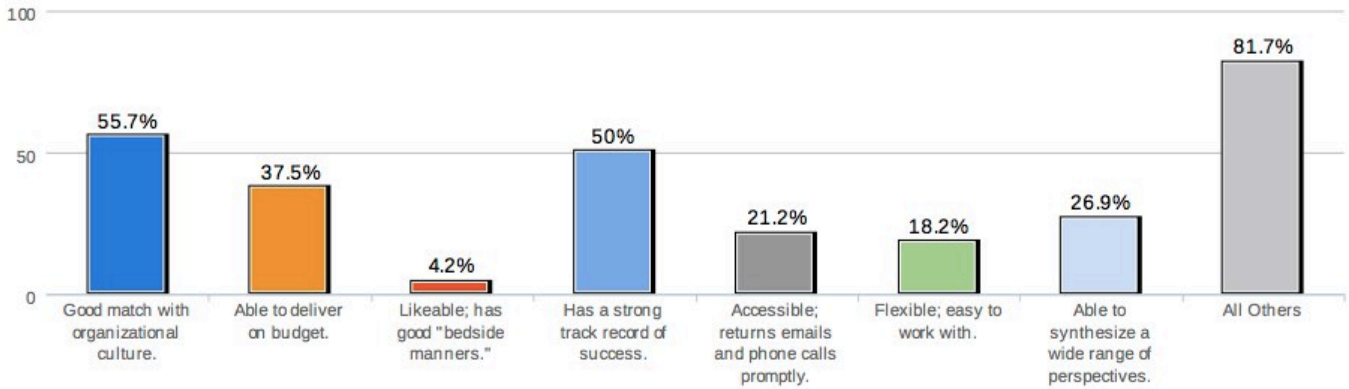
Not Budgeting Enough for Consulting

Nearly 60% of respondents said they needed more consulting services in the past two years than they were able to contract for. The primary barrier to employing more consulting was financial. Nearly 90% said they had to forego more consulting because they “did not have sufficient funding for the project in my annual budget.” 25% also found the existing consultants to be too expensive.

No Problem Finding Consultants

Almost 75% of our respondents said that it was easy to find and select their consultants. The most important factors listed for selecting consultants (as shown below) were budget, good cultural fit, and a strong track record of success.

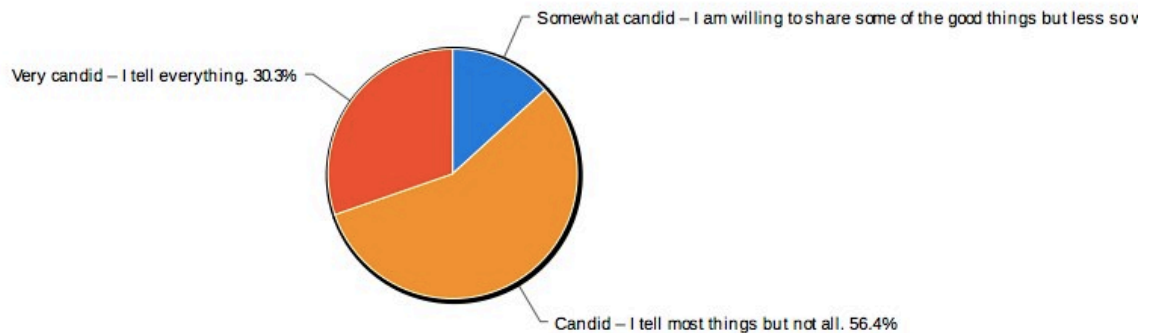
38. Please select the 3 most important factors to you in selecting a consultant.



About 75% of surveyed organizations do not use RFPs to find consultants. The majority do check references, including references that are not provided by the consultant.

Given that the majority of organizations are finding their consultants through referrals (from funders, from board members, from folks outside of their organization, from resource centers), we were curious about their behavior when it comes to sharing references, both online and off.

43. Generally, how candid are you when a colleague asks about a consultant you have used?



As illustrated above, only 30% are very candid. 13% are somewhat candid, meaning they are less willing to share the bad things. When we dove into the above question, we found that people's willingness to be candid decreases as they move further away from their organization. When asked about willingness to share negative reviews, respondents were less certain they'd be willing to share negative reviews with colleagues outside their field (as opposed to those inside

it), and less certain they'd share negative reviews with outside funders (as opposed to their project funder).

Doing Good Work, but Will It Stick?

Overall, the organizations we surveyed are satisfied with their consultants. It seems to be standard practice for the consultant to provide a clear, written scope of work, and respondents are satisfied with consultants' ability to deliver on this work. In one question, we tried to get more granular around the different aspects of the consulting relationship that were working well or that could be improved.

33. How satisfied were you with each of these aspects of the consultant's performance:

	Very unsatisfied	Somewhat unsatisfied	Somewhat satisfied	Very satisfied
They completed the project for the agreed upon cost.	6.1% 16	9.5% 25	20.6% 54	63.7% 167
They had the appropriate skills and expertise for the project.	5.0% 13	8.4% 22	25.6% 67	61.1% 160
They completed the assignment/engagement on time.	7.7% 20	12.3% 32	23.5% 61	56.5% 147
They understood our needs and tailored their services appropriately.	8.4% 22	15.3% 40	26.8% 70	49.4% 129
They communicated with us at an appropriate frequency.	6.5% 17	11.9% 31	27.7% 72	53.8% 140
They helped us develop our internal capacity to do this kind of work moving forward.	11.2% 29	19.8% 51	37.6% 97	31.4% 81
They performed work that is of lasting value to our organization.	9.9% 26	9.2% 24	29.8% 78	51.1% 134

As you can see, satisfaction levels are fairly high across the board. Room for improvement seems to be in improving the organizations' capacity to do this work internally.

There were three regrets that drew significant responses: the cost of the projects, difficulty providing real feedback during the project, as well as regrets that the work was good but didn't stick.

Conclusions

From what we've seen, the field of consulting to nonprofits is

important and considered valuable by the recipients. The enduring challenge is ensuring – given very real and pressing budget constraints – organizations are engaging consultants for work that can be truly transformational.

Our partner, [CompassPoint](#), shared these results with a group of nonprofit leaders. As they dove in, they were particularly curious to find out:

- If as leaders we keep returning to our personal networks to find consultants, how will we find consultants who are diverse from us by age, background, and expertise? Are we stuck in like hiring like? What are the consequences?
- Do the power dynamics between consultants and executives prevent nonprofit leaders from giving necessary feedback and ensuring course corrections throughout important consulting engagements?
- What stops us from giving candid references on the consultants we've used. Are we just being polite? Strategic in some way? What are the consequences?

We'd love to hear your thoughts on these questions. We'd also like to know, do these results resonate with your experience? Please leave your thoughts in the comments section below.