

Consultants: Evaluating and Using Your Resources

By Laura Lodge, Customized Craft Beer Programs

In general, consultants are people who represent that they specialize in a specific thing and are willing, for a fee, to either do or advise you about doing that same thing for you or your business' benefit. Consultants may be experienced in many or all of the aspects of a large project, such as opening a brewery, or be available to help with a specific element of that project.

Consultants can really be a godsend, saving you money with their expertise and positioning your business to succeed way over and above the relative cost of their services. However, beware of consultants whose background is not precisely aligned with your needs or who cannot (or will not) provide referrals for previous work. A consultant can also offer poor advice and get you and your business into a world of hurt. Select and invest wisely.

When do you need a consultant? A good rule of thumb is to ask yourself: "What areas of this business or project am I comfortable with?" This includes the willingness to do research and familiarize yourself with the aspects of things that you might not already know about. Keep in mind your ability to make the *time* to do the research, purchases, and accomplish the mission. Ask the same question of your partners, if any, in the endeavor. Finding out all of the steps and thoroughly vetting which you can do yourself will give you a solid start.

Another consideration is the amount of support and education you will find when you work with your vendors. If you are purchasing equipment, insurance, looking for financing, or otherwise planning to spend money with someone, understand that they will be well-versed within the scope of their own product/service. You can learn a lot from your vendors! Remember to get multiple bids for nearly everything, though. One person's good advice and helpful knowledge does not necessarily mean their product or service will be the best fit for you.

Next, consider your budget. Can you afford to hire a consultant to guide you through the whole process? Consultants' fees are similar in nature to construction; there are always unexpected things that crop up, and unless you have specifically agreed to a flat fee or maximum spend, you can get yourself into trouble financially. It may be better to ask for 1 hour of advice (or a small number) from a variety of knowledgeable consultants. And remember, you may well have friends who have friends with experience they are willing to share over a beer without any further cost.

A footnote here: Some areas of your business you do not want to trust to the advice of friends or internet instructions, like legal matters. The amount of harm that a well-intentioned friend or generic internet "how to" can cause with the IRS, state/federal government, or the TTB is

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substantial. Listen to your vendors and people in the industry that you work with on this project and pay attention to the “I wish I knew”, “you’ll never guess what happened”, and when their business choices or situations differ from yours. Their lessons can be yours.

A good suggestion that we make frequently throughout this website is to research your resources to find opportunities to learn from a variety of consultants or specialists at one time. Most educational programs are designed to expose you to specialists, give you the opportunity to ask specific questions,

and generally find out what it is that you don’t know. You may not even need their services further than that educational opportunity, which can be a tremendous financial savings.

It is also good to get perspectives from a number of different sources, and one way to do that is by reading a variety of different authors as they share their experience. Always remember that one person’s experience is not necessarily the final word in how to do something. The next author may have different ideas about that very same challenge. Talking to a number of different business owners or people involved in your particular industry can have the same result. In both cases, keep in mind the experience that each person brings to the table.

A final word here: Remember that each consultant/specialist has their limitations. A banker who has done a lot of brewery loans may not be the best person to help you choose your brewing equipment or insurance, and a business consultant may not be the right person to help you scale up your homebrewing recipes. Nor should they be expected to reach outside their area of expertise as an obligation for working with you in a different area. The best consultants and specialists are comfortable telling you what they do *not* know, and you would be wise to respect their limits.



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*As the author of *Distribution Insight for the Craft Brewer*, Laura shares her experience with distribution on the Western Slope of Colorado for the benefit of brewers everywhere. A veteran of the craft beer industry, she is also the Owner of Customized Craft Beer Programs, designing events, resort retail programs, and educational programs based on craft beer.*