



How to choose a risk management consultant

Background

A wise buyer always thinks about what they are going to buy before starting their shopping trip. Choosing a consultant is no different. Different consultants have different skills and experience. Working through the following list might help you think about your choices.

To start with

Write down the risk management problem you need help with. For example, do you need help with:

- risk communication or consultation
- risk identification or risk analysis (what sort of risk analysis – qualitative or quantitative?)
- establishing a risk management framework
- developing a business continuity plan or IT disaster recovery plan
- implementing a risk management software solution
- identifying risk treatment options
- monitoring your risks, controls or risk management framework.

Write down what will count as a successful outcome.

Formalise your requirements

Write a brief including:

- information about your organisation (turnover, services/products, locations, etc); include an org chart if it helps prospective consultants understand you better
- a clear statement of your project objectives or terms of reference
- a detailed description of the problem
- what resources you can and cannot offer (your own staff, offices, etc)
- budget guidelines
- a time line for the project, including start and finish dates that are feasible
- required method of reporting
- any special conditions
- your qualitative and/or quantitative criteria for success.

Finding a consultant

There are a number of sources for names:

- the New Zealand Society for Risk Management Consultants Register (http://www.risksociety.org.nz/professional_development/register_of_consultants.html)
- membership list from other relevant professional organisation/s
- recommendations from colleagues or others in your sector.

Now ask the people you have identified to give you brief proposal that sets out their:

- relevant qualifications, experience and particular areas of expertise
- approach to your job, including timing
- any problems they foresee with the terms of reference for your job
- capability of dealing with the scale of your job
- the basis for their fees
- whether any work will be sub-contracted
- possible conflicts of interest.



Choosing the consultant

You should now have a list of candidates you can choose from, so ask them to make a formal presentation to you or an interview panel and evaluate them against pre-set criteria.

Engage the consultant

You should now be in a position to engage a consultant. Whether or not you use a formal contract is your choice but be sure you are clear about what you want the consultant to do and deliver, by when and what the agreed fee is. The Association of Consulting Engineers of NZ (ACENZ) has a suitable contract at <http://www.acenz.org.nz>.

Progress reports

During the work, you may want some regular reports that show progress; for example, a weekly or monthly meeting or an emailed letter that you can circulate to other project stakeholders.

On completion

On completion of the project you should review performance. For example:

- have all of the criteria for a successful outcome been met?
- did the consultant ask searching questions that showed they were getting to grips with the project?
- are the recommendations feasible and understandable?
- is it clear why the recommendations were made?
- are the recommendations written in plain English?
- do you need to report on the project to your senior leadership team or board?
- would you recommend the consultant to a friend or colleague?

Implementation

After the consultant has gone you may be left with an implementation project. The easy recommendations will only be part of the package; to get full value for money you may need to implement more difficult recommendations over a period of months or longer. Remember, the recommendations have been tailored for your organisation to help you achieve the successful outcome you want.

Summary

In summary, you will have asked yourself:

- why you need a consultant's help?
- what you want the consultant to do?
- what you will do with the consultant's report?
- if the recommendations have been evaluated for cost, efficiency and effectiveness?
- if you have established an implementation plan you intend to follow?
- if you need to report on the project to your senior leadership team or board?