

5 Tips to Buying Professional Services

When it comes to choosing the right professional service provider to help your business succeed, the number of choices can be intimidating and the stakes high. Every partnership you enter into with a professional services firm must save the company time or money, boost profitability, improve productivity, increase efficiency or solve problems.

Before you buy, spend time carefully considering how the service relationship will drive value to your business. Do not buy any professional service – legal, accounting, consulting, technology or training – from any provider unless your expectations neatly align with the technical expertise and value-added services they can provide.

Use the following five tips to successfully select the professional service you need.

Know what you are looking for. You may be in the market for a professional service firm for any number of reasons – because of services you’ve heard about, a need that arose, a new provider in the marketplace or a breakdown in the working relationship with your current provider. Regardless of the reason, it is critical to understand that any professional service that you purchase



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must address a specific, substantive problem or need of your business. Distinguishing between a symptom and the problem can be difficult. Buyers may make significant changes directed at treating a symptom, such as changing service providers, only to find that the underlying problem still persists after modifications.

Buy meaningful solutions. Once specific needs are identified, purchase professional services from organizations capable of rendering a solution that meets those needs. Too often, buyers try to satisfy specific needs by purchasing a commodity service when better outcomes can only be achieved with a customized solution.

There are two primary types of professional services firms – commodity vendors and advisory firms. Both must demonstrate proven track records in different ways. Professional services firms with a commodity offering should be able to demonstrate successful delivery of their offering. Advisory firms that customize solutions should be able to demonstrate an understanding of a prospective client’s problem or needs; specify quantifiable value within a given period of time; and back up performance with an implicit or explicit guarantee of success.

Select the firm with the service methodology that most closely fits your needs. When needs fit nicely inside a box, a commodity, one-size-fits-all service may be the right choice. However, if specific needs are multifaceted or fall outside the box, a custom solution may be best.

Buy from qualified professionals. If you want sound advice from your service providers, make sure the team you will be working with has the depth of experience necessary to understand the issues in your industry, sector and business. How deep and experienced are team leaders, managers and staff relative to the service they deliver? What professional and

technical resources do they provide that solves a specific business problem or meets other specific criteria for service selection? What educational background and credentials do they have for the type of work you’d like performed? If you know that specific expertise or qualifications exist within the firm you’d like to select, but not necessarily in the delivery team assigned to your business, find out how the organization leverages or shares knowledge and processes to ensure your expectations are met and the engagement is a success.

Look for professional relationships you can trust. Ideally, the service provider you choose will support your organization long-term. Make sure you like and trust the people you will rely on to drive your business more rapidly along the path of success. Know who you are dealing with during the buying process, and what their involvement will be going forward. In other words, the relationship must be developed with the professional who will primarily drive results for your account, not a sales professional or titular head.

Understand the economic arrangement. Misaligned expectations are the primary reason engagements fail. This is usually caused by a poor understanding of the true problem or need that must be fixed, the poor selection of a service provider to meet those needs, or a combination of both. Inconsistency between the desired solution and economic arrangement is the second most common reason engagements fail. How the provider

charges for their services may be as important as the service itself.

Look for and demand pricing that reflects the results you expect and the value of what you will receive. Does the arrangement drive the desired level of collaboration, differentiation and innovation? Too often the *need* requires customized solutions but *economics* force the purchase of an off-the-shelf product. This resolution is a recipe for failure.

By aligning the five factors listed above –

identified needs, firm methodology, service team, relationships, and economic arrangements – with business needs, buyers can increase the likelihood of successfully selecting a professional services provider and solution. Commit to buying only what fits based on operational and economic aspects as well as individual and interpersonal factors. Further commit to assessing the value of all your professional services relationships at least annually to make sure you are getting the value you expect from your partners.

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