USING CONSULTANTS

(Notes supplied by the On Line Register of Arts Consultants at www.arts-consultants.org.uk)

At www.arts-consultants.org.uk you can search for consultants in a range of key skills that you might need for your arts organisation. You can also place adverts for consultants that you need. All parts of the site are free to use (including placing adverts)
If you want more information please ring Derek Handy on 07449 678820 or e-mail Derek@arts-consultants.org.uk

MAKING CONSULTANCY WORK

Pre-requisites:

The organisation must be willing to undertake consultancy and be open to change or implement the results of the consultancy. In other words, the organisation wants and needs "to know" the results. The organisation must be prepared. All the people that will be involved and affected will have been briefed. Information will have been identified and made available. The brief and contract to consultants will have clear outcomes and targets. Both consultant and client will have a clear and agreed notion of what a successful job will be.

How do you want a consultant to help?

What relative weight do you put on the process of solving the problem as opposed to delivering a 'product' (having the solution given to you) as soon as possible? Put another way, how important is it that you 'own' the results of the consultancy through close involvement in the process. Do you have the answers already within your organisation, but need a facilitator to draw them out, or an input of expert knowledge, someone with experience that you don't have someone to introduce new ideas or methods of working, or someone to lend weight to your current thinking?
It is in your interest to calculate the type and length of work you anticipate. Beware of paying someone to spend several days finding out what you already know or to do what you can do more effectively (and cheaply) yourselves.

The Client's Responsibilities:

- Knowing what the objective is
- Conveying the objective
- Planning how results can be helped to take effect
- Setting the terms
- Agreeing the framework for the work
- Preparing the ground
- Briefing those involved/affected
- Facilitating the work of the consultants
- Ensuring access to information/personnel
- Providing a liaison system

Other factors:

- Temporary skills/expertise/experience shortage for a task
- Alternative strategies identified - help needed in choosing
- Advice has to be independent to work
- Organisation or strategies would improve with independent appraisal
- Organisation wants to gain new skills

Results

In order for the recommendations / results from a piece of work to be effective they should be:

- Implementable - i.e. REALISTIC
- Appropriately communicated - in a suitable form, with clarity to all the necessary people.
- Accepted and OWNED by those responsible for the follow through
Where Consultancy is Usually Unsuitable:

- Consultancy is forced upon your organisation
- Organisation unwilling for other reasons
- Key personnel not all agreed on need
- Problem or issue is known to be genuinely insoluble
- The organisation wants a “magician”
- The organisation is not clear about what it wants
- Brief would involve devolving tasks that cannot be effectively devolved
- Alternatives to consultancy have not been considered
- Organisation not willing to be “open”

It is important for clients to enjoy using a consultant and enjoy implementing change when necessary. And remember, in most operating situations CHANGE IS THE NORM.

Paying consultants

Consultants working on prolonged pieces of work will want to negotiate interim payments. Try to match any such payments to clear and measurable completion of elements of the job. Retain a substantial portion as a final payment against completion of the work including any amendments to the final report. Anticipate the arrival of invoices and try to pay promptly within the agreed terms. Late payments can cause considerable difficulties, even for the larger firms of consultants.

Ten Key Points

- Know what you want - the value is ALL in the planning.
- Know what you are going to do with results when you get them.
- The brief must be realistic - it must be manageable.
- Consultants are not magicians.
- Forced consultancies usually won’t work.
- There are usually alternatives to consultancy.
- The choice of consultant is vital.
- Access to information is crucial.
- Your involvement with the consultants can be more important than receiving their written report.
- Don’t keep the project to yourself if you want it to take effect.

CHECKLIST

Before approaching consultants, it will be important that you have thought through many areas related to the opportunity or problem you are dealing with. The following is a broad checklist which may help you in approaching the work which you are thinking of using a consultant for.

Can you say you have a full and honest answer to the following questions?

- What is the issue or problem that has caused you to think of using consultants?
- Has this issue / problem been fully analysed in-house?
- Are there sufficient reasons that it cannot be resolved in-house?
- Why do you feel that consultants could solve it?
- What kind of outcome could arise from a consultancy?
- Exactly what kind of consultancy is it?
- What is the key thing(s) you are asking the consultants to do?
- What would the consultants be likely to need to do to carry out the task?
- What sort of experience and skills would consultants need?
- Where and how can we find consultants with these skills?
- How expensive and how available are consultants with these skills?
- Do we know any other organisations that have commissioned similar consultancy?
- How long would it take consultants to carry out the task?
- Will the results still be of value on this time scale?
- What kind of budget should be set to cover this requirement?
- Is this affordable?
- Will the results justify the cost?
- Is there any funding available to offset the costs?
- Are there any spin-off benefits which could arise from the consultancy?
- Which members of staff / board need to be persuaded of the value?
Will the board need to approve?
Will the board need to be involved?
Does the consultancy carry any risks?
How can these risks be minimised?
Who will write the brief?
Who will be involved in recruitment/appointment of consultants?
Who will be responsible for liaison with consultants?
What sort of information will the consultants require?
Is this information easily available?

CHOOSING A CONSULTANT

Throughout these notes the term ‘consultant’ is used to convey many forms of professional help including trainers and facilitators. Before choosing and using a consultant, you need to ask yourself the question ‘do we need a consultant?’ Many people and organisations jump straight to the “let’s find a consultant” option before considering: a) what the actual problem and opportunity is and b) considering other methods of solving problems or bringing in outside expertise.
Before you approach any consultants, you should be ready to give a clear account of exactly what you need and want. In order to do this, and to help you to make it clear to the consultant what you are asking of them, you should draw up an Initial Brief. This might be a short description of what is required if the job is straightforward, or it might be a detailed description of the work proposed and including a timetable and costs.

In some circumstances, the first part of seeking external help may be to refine and or confirm the nature of the work needed. Most consultants will want to meet you face to face to discuss the work before committing themselves, but if you start with a clear Brief, this will lessen the chances of any misunderstanding. Do not try to be too restrictive, but try to give a broad picture of what is required. Don’t get hung up on the methodologies consultants may use, think what you want the end result to be.

Much thought will need to go into identifying the problem and opportunity for which help is being sought. Think carefully, talk with colleagues. Try to be as concise and frank as possible.

Listed here are some key reasons for calling in consultants:

- External skills
- Widening of experience
- Independent advice
- Impartial or professional judgement
- Work could not be done in-house (variety of reasons)

Potential benefits of using consultants:

- A job that needs doing is done (e.g. corporate plan, building design, personnel review, etc)
- Organisation’s purpose and goals are widened or altered
- Guidance gained on dealing with issues or problems
- New expertise introduced
- New intelligence gained
- Weight is lent to strategies (or reverse)
- Plans are sharpened
- Objectives/policies are clarified

Some types of consultancy:

- Feasibility study
- Business planning (including reviews and audits)
- Marketing planning (including reviews and audits)
- Financial planning
- Strategic planning
- Organisation review
- Technology planning/implementation
- Research
- Advisory
- Advocacy
- Training

Different consultants work in different ways. Precise details about individual consultants can be found in the individual entries in the On Line Register. Think about what you need from the consultant and consultancy. It may be information, a professional opinion, technical expertise, facilitating skills, training, advocacy etc. etc. But be careful, the planning expert may not be proficient as a trainer. Clarity about what you want to achieve will help in finding the right people.
You should also put some thought into whether the END PRODUCT (e.g. report and recommendations) or the PROCESS (e.g. thought and idea development and information transfer etc.) is more important. In some cases you may require a consultancy that satisfies both.
Having established which consultants work in the area of expertise you require from the database (or elsewhere), you may wish to invite them to tender.

Write to each one explaining how you heard of them enclosing the brief you have prepared. You may wish to phone potential invitees first to ask if they would be interested in receiving the brief (also taking the opportunity to check their availability).

**It is usual to ask from those tendering for the work for;**

- Their comments on the Brief (These could be helpful as their experience may help them to see what is unforeseen by you).
- An account of the methods and their approach to the work.
- How much time they will expect to give you, particularly direct contact time as this will affect you and your working relationship with them.
- Who within a consultancy will be working on the project.
- Their fee, how it is calculated and any extras which may occur.

**SELECTING A CONSULTANT**

If you are only expecting a consultancy to last no more than a couple of days, there may be an understandable resistance for consultants to give up half to a whole day attending competitive interviews. However, a protracted consultancy in which you will be investing considerable resources will merit a selection process that requires much more than reading tender documents.

Some consultants will produce tenders that may not be within your original time scale or budget. However, there is rarely a more fluid item than a consultant’s fee structure.

When the tenders are in, you will be able to form a shortlist of organisations / individuals to undertake the work or to invite to interview. The Shortlist should not be longer than three or four for everybody’s sake. If you do ‘interview’, remember that this is a two-way process. As with making any staff appointment it makes the absolute soundest sense to ensure best equal opportunities practice. In selecting consultants you really should be making sure you get the best person / people for the job.

**Note:** Before making the final decision, you and the prospective consultant should always meet (again) face to face. Only then will both sides be able to be reasonably sure that they can have a successful working partnership. Check that the people that you are meeting are the actual people who will be doing the work.

**IF THIS MEETING IS LIKELY TO BE REGARDED AS AN INITIAL CONSULTATION, THEN YOU MUST CHECK BEFOREHAND WHAT COSTS (IF ANY) YOU WILL INCUR.**

**At the interview:**

Prepare a list of questions in advance, and make sure that the prospective consultants are aware of the criteria for selection. Whether by telephone or in person, there are lots of questions you may ask.

**These might include:**

- What kind of work have you done before?
- What kind of approach do you take?
- What are your relevant skills?
- What values or principles underpin your work?
- How do you demonstrate your commitment to the equality of opportunity?
- What are your fees for this type of work? Do you charge VAT?
- What additional costs do you anticipate as expenses?
- Do you charge for your initial consultation? What about travel (and direct expenses)? (See above, as this may already be the initial consultation!)
- Are you available during the time scale/on the dates required?
- Can you provide further information about yourself?
- Can you provide referees for similar work you have done?
- Why are you interested in doing this work?
- Have you gone about telling clients things they don’t want to hear?
- Can you give examples of difficult, complex sensitive issues you have dealt with (without betraying confidences)!?

Your prospective consultant should be interested and will ask questions concerning your organisation and the brief. The meeting is a chance for you to discuss the details of your needs and how they might be addressed; skills costs, time involved. It is also your chance to assess the consultant’s suitability, their general approach, skills and integrity. Note also the quality of their written materials / presentations.

If the contract is large, the written tender itself may be the subject of further negotiation. If it is small, you may now have all the information you require to make a decision.

Remember, unlike a member of your staff, your relationship with your consultant may be based on contrasting attitudes in order to challenge existing presumptions and organisational paradigms.

**Fees & Expenses**

It is always a good idea to ask consultants to detail their fee structure in their tenders. For example consultant A may charge £350 per day including report writing / background research etc. and quote ten days for a piece of work, consultant B may charge £500 per day but quoted just five days for the same piece of work. Always check VAT status.

At interview or first face to face meeting stage you should clear up any questions about fees, and establish who will be responsible for what. **MAKE SURE THE DECISION(S) ARE PUT IN WRITING.**

The fees you decide upon may cover some or all of the expected expenses the consultant(s) may incur.
The items that often need clarification are:

- Travel
- Postage / stationary
- Telephone costs
- Photocopying
- Overnight accommodation
- Training expenses (inc. venue hire / catering etc.)
- Office accommodation
- Meals
- Printing (reports etc.)
- Meeting room hire

As a rule it is better to state what you will pay for, excluding other items, rather than to state what you will or will not pay for which runs the risk of omitting something.

**Self Employment**

You must be absolutely clear that consultants are not your employees. They must be responsible for their own tax and National Insurance arrangements. Seek advice from an accountant or the Inland Revenue especially if the consultancy will cover a large time span. Ask consultants to quote their Schedule D number on all invoices.

**The Contract**

No matter how short or long the consultancy is expected to last; you should always put the major points of agreement in writing with the people appointed. If the time span for the work is protracted, you may consider introducing a trial period and review stage (with clear expectations from both partners to the agreement).

The brief you originally prepared for the work should form the major part of the agreement contract, including any details and changes you later agreed with the consultant(s) you appointed.

Key elements to include in the contract may include:

- Names of client and consultant
- Key dates (including conclusion of the work)
- Amount of contact time with named people / organisations
- The nature and number of copies of reports etc. - including ownership of copyright
- Confidentiality clause (if appropriate)
- Skills to be imparted
- Expenses
- Fees and payment schedule (including VAT details) limits and milestones.
- Details for monitoring progress (dates and nature of review meetings etc.)
- Evaluation methodology - what will make it a good job?
- Who the main point of contact in both client organisation and consultant is and the authority they have.

**Work References**

*Always take up References.*

Consultants are asked to provide their two most recent pieces of work or clients and update the register on an ongoing basis. It may be worth contacting these clients in addition to the referees supplied. Organisations may not wish to discuss their confidential affairs with a stranger, but like a job reference, you should be able to find out what the consultant did, the methods they used, how they worked with the people concerned etc.

If you notice that consultants have not undertaken any work within the last six months or so, you may wish to ask them why?

**FUNDRAISING POSTS**

**Why These Guidelines have been written**

As fundraising becomes more commonplace, the methods and practice of undertaking it seem to become more varied, with freelancers, staff members, flat rate and commission-based deals, quick-fix and strategic approaches. The purpose of this guide is to explain the potential and the limitations of fundraising, provide an insight into the benefits and drawbacks of different working practices, and to explain what is necessary to manage a fundraiser or fundraising contract.

**What we mean by Fundraising**

Fundraising seems to mean different things in different places. Our definition is that fundraising is the process of seeking and raising money (or other resources) in order to be able to carry out your planned activities.

Getting sponsorship is one of the ways you can fundraise. Sponsorship is a commercial transaction and a service, whereby the sponsor (usually from the private sector) gets a direct benefit (in the form of publicity, profile, or entertaining) in return for the money given to the arts organisation. It is clearly defined to the extent that VAT is chargeable on sponsorship deals.
Businesses may also make a donation to an arts project, a cash gift with no strings attached. Raising money from Trusts and Foundations is another way of fundraising. There are thousands of such bodies who exist to give money away in accordance with their aims and objectives. They usually receive no credit (other than a logo credit or other acknowledgement) for their donation.

Raising money from the general public, or your attendees and users, through a general appeal is another way of fundraising. There are others. In general, we don’t see that raising money from the public sector (Government Departments or Agencies, Local Authorities, European Government), where that public sector money is already earmarked for arts or community activity, as fundraising in quite the same sense. This is partly because such monies are allocated according to specific criteria for very specific purposes. Statutory agencies fund according to the cost of projects, rather than perceived value, and make quality judgements of a different nature than do donors and sponsors.

Understanding your Product

The most common fault in fundraising planning is to say something like;

Production X costs £20,000. We can expect £8,000 from the box office and £2,000 from the Arts Board/Local Authority, therefore our fundraising target is £10,000. Although the statement has some logic, having a realistic assessment of box office, a realistic assessment of public support, the fundraising target is the gap between income and expenditure, not an assessment of what is possible. Fundraising, of whatever type, has its market place. This is true of both sponsorship deals and of securing grants from trusts and charities; the givers know the value of the benefits on offer. Obviously, all fund-givers or potential sponsors have many more proposals to consider than they can afford to take up, and in such a competitive market, relative value for money will be a consideration. In order to fundraise successfully, that is to obtain sponsorship deals, donations, or grants from trusts, you must be aware of the value of your project within each of those markets, and submit proposals accordingly.

The Product and Sponsors

The most common fault in sponsorship planning is to confuse the terms value and cost. The calculation above considers the cost of activity and is a simple financial calculation. To establish the value of that arts activity to a sponsor involves completely different criteria and disciplines. There is no common formula to establish the value of a project, but a good way of approaching the issue of pricing is to view your project from a business point of view. What is it about your project that makes it particularly interesting or special? By way of a checklist, the following points are worth considering:

1. Are you offering unique opportunities i.e., is it a premiere, the first retrospective, a world class soloist, first visit to the city?
2. Do you share a common audience with particular industry sectors i.e., a youth market, an affluent market, a student market?
3. Do you fulfil community responsibilities that would offer good public image to a business i.e., working with the disabled, unemployed, disadvantaged?
4. Are you using particularly effective promotion for the event that could carry a company name i.e., is the event being televised, how big the poster print is run, is the publicity material being exclusively designed?
5. Do you offer good facilities and a positive environment for corporate entertaining i.e., a private bar/room, good catering, a civic reception.
6. Are you offering long or extended benefits i.e., a yearlong exhibition, a national tour, a names product?
7. Are there direct commercial links between your project and a particular business i.e., an Irish company for an Irish film season, an issue based play, the opportunity to sample product (beer, wine) at a cabaret or comedy club.
8. Are you helping a company to fulfill its geographic remit i.e., you are the only arts organisation in a village or town, or touring to rural/coastal areas.
9. Do you offer international profile because you tour internationally, or employ artists from all over the world?

You may establish that your project has some or all of these points in which case you can start to analyse the value of your project. You may also find that your project has none of these points, in which case you may need to consider the following:

1. Are there other projects in your programme which are already well-funded but have more value for the private sector? If so package these and cross-subsidise your less salable projects.
2. Does your project offer the potential for a business to benefit from highly controversial, cutting edge art? Often contemporary and experimental is considered non-sponsor able but there are many sponsors now who benefit from a less safe image i.e., brands that establish themselves as risky and different.

Remember that value can be much more than cost. Sponsors may want to align themselves to an education programme, which is integral to your work and which you would be doing anyway. You package and sell this programme for a high value and use the money to increase the quality of your projects generally. The sponsor has paid for the alliance and not the cost. Pricing is the most difficult aspect in the process of creating a sponsorship proposal but it gets easier with practice! You must maintain a sound knowledge of what is happening in sponsorship. A good start is to ask a sponsor what is particularly important to them in what you have to offer. However you decide on a figure, respect your own product, recognise its potential, be flexible, but do not lose sight of the real value the arts offer business.

Don’t forget that getting money from a business doesn’t have to be a sponsorship deal - they can make donations too!

The Product and Trusts or Donors

Applying to Trusts and Foundations is more a matter of cost than it is of value. Trusts and Foundations exist to give money away, under the terms of a Trust Deed, which sets out the aims and objectives of the Trust, and sets basic criteria about who will be supported. Trusts and Foundations will only give money for projects to a level which enables the work to take place i.e., to where the project breaks even. They also know the market place in which they work, and, having many applications to choose from, are able to compare the relative value of one application against another. This is a way of saying ‘Don’t load the Budget’. Generally speaking, Trusts and Foundations describe their areas of interest quite clearly - social welfare, health, education, the arts - to make it easy for prospective applicants to determine whether they should apply or not. The main point about arts fundraising from these sources is that much of the work arts organisations undertake can fall into a number of these categories, depending on how you look at it. As with sponsorship proposals, you must look at the projects you need money for from the funders point of view, and tell them what they want to know. This could be about the participants or the issue the arts project is addressing; offering opportunities for learning to people who missed out at school, an opportunity for disabled people, therapy, an aid to recuperation, promoting health awareness, the environment, celebrating rural life, promoting equality ... the list is endless. As long as the connection with a Trust’s aims is a real, rather than a tenuous one, you are in with a chance. The skill is in identifying those connections by looking at your project from the outside.

Fundraising as part of your overall plan

The outline of your fundraising strategy should always be considered alongside and integrated with the objectives of your organisation, and the overall business or operational plan. If fundraising needs and potential are considered as part of the planning process, it can be ensured that:

• the fundraising process is directed towards the priority needs of the organisation
different fundraising targets can be carefully planned to reduce the possibility of saturation or overlap
long, medium and short-term fundraising needs can be considered at the same time
fundraising can be controlled by the organisation’s objectives, rather than the organisation falling into the habit of chasing money because it is available (because it might be available - but for things you don’t really want to do).
Opportunities can be identified early on and packaged in attractive ways. By considering and planning fundraising in this way, an organisation is able to make choices about how the money is raised and who does it, in a way that best suits the needs of the organisation.

Making a Choice about who will raise the money

There are two basic choices; using someone from inside the organisation, or contracting a freelancer. Either way, you need to commit to a regular outlay of money, as a fee or a salary.

In-house; advantages

1. the fundraiser is familiar with the organisation
2. the fundraiser is committed to the organisation, and/or the art-form and will be more knowledgeable
3. fundraising is more easily integrated into work-plans.
4. Board and staff have understanding of what the fundraiser does, and can offer support and back-up
5. the fundraiser is only raising money for one organisation
6. potential fund-givers know all of the above, and are reasonably sure that a big slice of their contribution won’t go in commission
7. the organisation can develop a relationship with the fund-giver
8. once money begins to come in, the organisation doesn’t lose a hefty slice in consultants fees or commission
9. the fundraiser can contribute to the PR of the organisation

In-house; disadvantages

1. it may take longer to start-up fundraising; recruiting, training, building up profile and contacts, than hiring a freelance
2. the costs for equipment/administrative support have to be added in
3. you have to pay a salary regardless of results, at least in the beginning
4. if you only have a small fundraising need, a specialist - full or part-time - can seem expensive in proportion to the results
5. if fundraising becomes part of someone’s job, it can be submerged by everyday needs and events (or the other parts of their job will)

Free-lance contract; advantages

1. Hopefully, a proven track-record in fundraising!
2. Contacts/relationships with potential fund givers already exist, so only a short time (if any) needed for research.
3. faster initial results, because of the above points
4. experienced advice about the value of your products in the market-place
5. may only have to pay by results
6. may pass on skills to the organisation, so that in long-term fundraising can be done in house
7. contract can easily be terminated if results unforthcoming

Free-lance contract; disadvantages

1. can be very expensive, in terms of rates per day, or percentage benefit if a large gift is secured
2. a risk of no loyalty to the organisation, the art-form and a lack of detailed knowledge
3. may be raising money for other similar organisations at the same time
4. unlikely to be long-term or strategic, particularly if paid by results
5. may commit the organisation to services and benefits for sponsors which the organisation can’t deliver.
6. can be difficult to manage
7. unlikely to have a sense of the organisation as a whole
8. the organisation (and the freelancer) needs to be fully aware of the provision of Part II of the 1990 Charities Act
9. may be unfamiliar with local politics/history
10. the organisation doesn’t know how the fundraiser is viewed in the private/Foundation sector
11. fund givers may go with the freelancer, rather than stay with the organisation, at the end of the contract

In addition, you can use the services and expertise of a consultant or experienced free-lance fundraiser to structure and plan a long-term or on-going campaign for you, which you then undertake to do yourself. This is where a consultant’s high daily rate can be easily justified. There are consultants who provide an excellent service, but they are by no means all of high quality.

Targets, timescales, costs and rewards

Any fundraising campaign, however it is being carried out, needs its own set of targets and criteria for success. As we indicated earlier, the fundraising target is not automatically the expected gap between income and expenditure, but a careful consideration of what can be raised through all the fundraising means available - from donation boxes, through corporate membership and friends schemes, to a sole sponsorship deal with a company.

Structuring a long-term fundraising campaign means thinking about all the possible options you have to offer potential funders. It means dividing your artistic output - by series, production or one-off performance, education and outreach work - and having them available as packages for support. But it also means thinking up more general schemes - name a seat, buy a brick, be a patron - and working out what benefits people or companies will get.

You need to have a range of options up your sleeve, because the nature and size of the organisations you are approaching will vary, as will their willingness or capacity to give you money, and their reasons for doing so. If you plan your fundraising far enough ahead, you can research the background of the organisation you are approaching, find out what their interests are, develop a relationship and only ask for money when you are reasonably sure that you can offer a package they want, and that they are already committed enough to your organisation to want to say yes. Research can be tedious - sitting in libraries, combing newspapers and company annual reports, but the plain truth is that round robin letters don’t work in fundraising, and you must have a clear sense of your potential fund givers needs.

All the foregoing indicates that getting good results takes time. If you are starting a major capital campaign, don’t expect to get any money in the bank until 12 months after you’ve started.
Case Study

A Museum in the North West has used the services of a London based consultant to work alongside the staff of the development office on a specific capital project. The project in question was the creation of a new centre in the North West, costing over £7M. The sum of £1.5M was sought from the private sector. It was felt important to employ the services of a consultant who had contacts in London which the North West development office did not have.

It was important from the start to ensure that all contacts became known personally to the Museum, so they could develop an on-going relationship. The initial agreement with the consultant involved a one-off fee and a small percentage of money raised as a result of the efforts of the consultant on the basis of one days work each week. The percentage was increased after some months as an additional incentive. There came a time when the fundraising effort needed to move up a gear, and the consultant was offered an annual retainer, paid monthly, plus the same percentage, for two days work each week.

The arrangement worked well, but raised a number of issues;

- It was impossible to control and monitor the consultants time at such a distance
- after a time, it became very difficult to be clear about who was responsible for raising a particular donation, and the consultant wished to claim a percentage on most, if not all, of the money raised, on the basis of even the most tenuous involvement
- the working relationship with the development office became extremely complex, with the consultant creating more administrative work
- the working relationships with permanent staff became difficult as they saw the consultant earning much more than them for less time input
- the consultant was also working on other projects at the same time
- the museum had to take care to ensure that the consultant did not become the `tail wagging the dog`

Howsoever you go about it, raising money is going to cost money. In addition to time, there may be travel, subsistence, magazine or organisational subscriptions, printed materials and so on. The costs aren’t fixed in proportion to how much you need to raise - some projects are more difficult to raise money for, and therefore more costly. Generally speaking, the percentage is going to increase if you have a small fundraising need, and probably a little lower for very large sums. There are also additional costs associated with servicing sponsorship deals or rewarding donors - keeping the building open late for a reception, light refreshments, which must be taken into account.

The important thing is to set a budget and stick to it. Get specialist advice from the agencies listed at the end if you need to. If you choose or agree a deal with a freelance fundraiser which includes payment by results, you should set budgets to limit expenses - 2nd class travel and so on, to stay within the overall target. We recommend that you pay a flat fee in return for a specific number of days work and with a target amount to raise. Payment or commission by results also needs to be very, very specific. You can’t simply agree a flat rate plus a percentage of everything raised. Our recommendations are:

- Fundraising from any statutory authority - Europe, Local Authorities, Arts Boards or Area Museum Councils - should not be subject to commission. These bodies exist to grant-aid for specified purposes, and it is not a matter of negotiation, benefits, and profile as to whether they grant-aid you. It is a matter of meeting criteria, quality of execution, and then distributing money evenly throughout their areas of interest. By all means pay for time or expert advice to help fill the forms in, but only to start you off.

- Fundraising from Trusts and Foundations - it is more appropriate to pay a commission here, especially if the fundraiser is identifying and researching Trusts for you, as well as making the approaches. Again though, these organisations exist to give money away.

Corporate donations and sponsorship deals are most appropriate to commission rewards, as they involve a greater degree of research, relationship building, persuasion and negotiation. Even in these cases, a percentage reward should reduce for subsequent deals with the same company. If a company choose to take up corporate membership or patronage of your organisation, you should only pay the commission once. (Think about it - if you buy insurance, the salesman only gets a commission on the first year’s premium). Companies and sponsors react very badly to the idea of a percentage of their contribution being commission for the fundraiser. You must declare this to the Sponsor if it is part of your deal, in line with the requirements of the Charities Act of 1990, and this must be done before the donation is actually agreed.

Choosing Consultant or Freelancer

If you decide that the appointment of a freelance fundraising consultant is the best way for your particular fundraising needs, then you should recruit with just the same care and precision as you would if you were looking for a permanent member of staff. You should write a specification for the work to be done - including background of the organisation, history, what the fundraising is for, when the money is needed, and what support the organisation will give the fundraiser (this is an important point - freelancers can easily feel isolated, uninformed and unsupported) ask consultants for a detailed submission on how they will carry out the work, and on what financial basis ask for a full CV as part of the application so you can determine individual strengths of applicants - with particular specialism in the public sector/Trusts/ or the corporate sector ask for at least two references from other organisations who have used the fundraiser, and, we recommend, one reference from within the fund giving sector (a major sponsor or donor). Take up the references and ask about what type of fundraising was undertaken, from whom money was raised, how the consultant worked with the organisation, and if they would use them again.

The specification and the submission then form part of the contract with the fundraiser, along with any specific negotiations about how and when the work will be carried out, payment and commission, expenses and other details.

The Institute of Charity Fundraising Managers publish a more detailed guidance sheet which includes a specimen agreement for working with a freelance fundraiser. Their address is at the end of this document.

Organisational Commitment

Howsoever fundraising is being undertaken, support and clear management with the organisation is vital. Fundraisers need early information about planned activities to package into proposals for potential funders. They need flexibility and resources to encourage people to become sponsors or donors - which might mean occasional expense-account lunches, free tickets for potential sponsors, or invitations to private views. They need to be sure that the organisation can and will deliver what is being promised in return for the money - in audiences, quality, or hospitality. Most of all, they need to be integrated into the organisation.

One of the best ways to do this is to use the Board members as keepers of contacts and potential funders. The Board should be the organisation’s best and biggest advocates. They are likely to have contacts, business or social, with other business people, and they should be making use of them on the organisation’s behalf. A Development Committee made up of some Board and some staff members, should be used to agree the fundraising strategy, monitor targets, and individual members must also actively seek money for the organisation. This is a bigger commitment than sitting round a table, which is likely to be met with some resistance (principally because of reticence about asking people for money), but we believe that Board members need to demonstrate their commitment to the outside world by being the advocates for the organisation.

Servicing the Deal

This section deals with sponsorship, although the ethical points apply equally well to any fundraising.

The most misunderstood and underestimated element of a sponsorship is the servicing of that sponsorship once it has been signed, sealed and the money delivered. There are several issues to take seriously and to be aware of in any relationship with the private sector;

- a sponsorship deal is a service that the business has had to pay VAT on and consequently they required certain returns for their money. In many cases the sponsorship will involve a legally binding contract which, if not adhered to, could involve the arts organisation in unpleasant and costly
consequences. At the very least is will create an unproductive relationship, a happy, fulfilled sponsor is more likely to become a long term partner as a bigger and better supporter of your organisation than a disappointed sponsor, your relationship with a sponsor is an external activity and therefore has an influence on the public image of your organisation. A bad relationship will lead to bad press and possible audience alienation, as may sponsorship by a company with a poor public image or reputation. business has its own networks. Bad experiences pass from one business to another and you could find your neglect of one sponsor has a ripple effect. Most importantly, you have a responsibility to the arts in general. If a sponsor has an unhappy experience with arts sponsorship with you it is less likely they will sponsor again. This is a potential loss both to you and to the arts as a whole.

An effective method of ensuring that a sponsorship deal is well serviced is to establish through the negotiations the objectives of both the sponsor and yourselves. These objectives should naturally create a series of activities designed to meet the needs of both sponsor and sponsored. These activities then become the basis for a contract or a letter of agreement. Both parties then have a sense of timing and understand how to measure the success of the project at each stage. Evaluation of sponsorship needs to be done on a regular basis, and not just at the completion of a deal. This allows for any unforeseen problems to be resolved and the contract to be adjusted accordingly. It is much easier to accept that some objectives may not be achieved if this is noted and discussed early on. It is also common courtesy to communicate in advance any essential alterations to a deal.

As a rough guide, we think you should expect to spend up to 10% of the sponsorship servicing the deal. You shouldn’t be bullied into providing mountains of free food and drink, or countless free tickets. But you must be seen to be giving something back, a little hospitality, or those benefits we mentioned earlier which may cost you nothing - meeting the local councillors at a reception, and opportunity to meet the artists.

On a less formal but perhaps more important note, a sponsor is human! Most business people who have involved themselves and their company in the arts will have a genuine interest, and at the very least will understand what the arts can achieve for business. Sponsors like to feel they are a part of a project (this is different from wanting to take artistic control of a project), they like to feel they have created something positive and many successful sponsorships result in continued partnerships and friendship. Individuals in business are always an asset to arts organisations even without cash.

Transference of skills, involvement in the Board and support for funding applications are all activities where business people can aid the arts. Apart from any other reason, a sponsorship deal is much more pleasant an activity if personal relationships are positive.

Regardless of whether you employ a freelance fundraiser or not, the servicing of the deal is your responsibility, and only yours.

Sources of Further Information

- BIA
- RABs
- TECs
- NCVO

Publications:

- ACE Guide
- Voluntary not Amateur
- John C’s book
- Management Development Network

BRIEFING CONSULTANTS

This section gives guidance on how to construct a brief for consultants to tender for work.

The tendering brief should be sent as a basis for consultants’ proposals and submissions / tenders for work. Between two and three weeks should be allowed for the deadline date for submissions. This date should be about 10 days prior to interviews, if they are being held. Normally the consultancy should not be expected to start within a month of the appointment being made, unless agreed by prior arrangement.

The brief should be as short as possible but brevity should not be at the expense of important information. It can be accompanied by other documentation, e.g. brochures and leaflets, standard information packs, extracts of accounts, maps, etc.

The brief is the STARTING POINT for engaging consultants. Constructing the brief is a useful exercise for clarifying your own thoughts. Consultants will get a clear idea of what you want from them. It will enable them to submit realistic tenders for work. However, the final brief or contract may be refined, drawing upon the expertise of the selected consultant(s).

The brief should ideally include most, if not all of the following information:

1. The Overall Nature of The Consultancy

   There should be a succinct statement, i.e. a maximum of one short paragraph that indicates:

   ○ What is the consultancy about? (e.g. produce business / marketing plan).
   ○ What sort of consultancy is it? (e.g. strategic, feasibility, research).
   ○ Why is it happening? (e.g. need to restructure / development opportunity).

Any other interested parties (e.g. funded by local authority/National Lottery etc.).

   In this section you should also make it clear where the consultancy is intended to lead the client (e.g. a detailed design brief for architects, business plan to secure funding, assessment of current marketing to enable improvements, etc.)

2. Objectives of The Consultancy

   What are the key measurable outcomes needed as at the conclusion of the consultancy? It will be important to indicate when you feel these objectives need to be achieved. Try not to get stuck by thinking how the consultant will approach the task(s), state where the consultancy will leave your organisation / project.

3. Background Information

   ○ Potted statement about the client organisation. What are the values of the organisation?
   ○ What are the key things leading to consultancy decision?
   ○ External factors, scheduled developments, etc.
   ○ Other key information about you or the project that could be helpful in selection process.
4. **Precise Nature of Consultancy**

Who is the client? It will be important for the consultant to know who they are answerable to. There are many occasions when who the client is can be confusing. Is it the whole organisation, the board, the membership, an individual or a funder / stakeholder? Many consultancies run into difficulties because this element of a project is not clear at the outset.

What exactly is wanted from consultants? You should state what the actual things you expect the consultants to do. A task list should be included. The consultants should also (through previous experience) embellish this list when they tender for the project.

5. **Special Requirements**

- State if anything unusual is required (e.g. organise an exhibition, conference).
- State if there are specific people to be consulted.
- State if there are specific documents to be considered.
- Will consultants expect to be involved in any external evaluation of the project/organisation?

6. **Resources Available (non financial)**

- State if working space and other equipment such as telephone or computer can be made available.
- List available data including past reports, financial and sales records, previous market research data, etc.
- List any systems that might be of significance (e.g. box office computer).
- List any resources you think the consultant may need to generate (e.g. new market research).
- State quite clearly which resources are absent!

7. **Outputs / Outcomes**

There should be an indication of how the work should be undertaken and in what form the results should be handed over (e.g. by consultation, by commissioning research, as a written report, in a seminar, as a continuing series of briefings to staff, etc.).

State how the results should be handed over:

- Written report (how many copies?)
- Formal presentation
- Staff/board seminar
- By osmosis |

8. **Timescale**

When do you envisage the consultancy will begin?

By when is the process to be complete?

Is there a deadline for final drafting?

9. **Budget**

Are you setting a budget? Then state it. It is usually in both yours and the consultant’s interest to state a budget. If you are sending the brief to more than one consultant, stating the budget will allow you to compare and contrast on an even playing field. Stating the budget from the outset will also allow consultants to construct a more informed tender for the project. Does it include expenses? State what expenses you will pay for and what you expect the consultant to accommodate. Does the fee include VAT?

If you cannot provide a budget, then suggest a number of person days you estimate it will require.

If you anticipate that either the project will last for a considerable time, or that consultants will incur direct expenditure it may be an idea to indicate a schedule of payments. Beware of committing all the money you have available at the beginning. It is often wise to hold some in reserve to deal with any need for additional work which may arise as a consequence of the consultancy.

10. **Special Terms**

- Are there any penalty clauses?
- How will payments be made?

11. **Person / Consultant Specification**

What skills / experience do you feel are essential and desirable for the consultants to have to undertake this brief? You may approach this in the same way you would construct a person specification for any employment with your organisation.
12. Selection

Be clear about the criteria you will use to decide who will get the work.

- How will the selection be made? By written tenders? Formal interview? Will there be a chance for consultants to discuss the brief before tendering? If so who can they contact?
- How should consultants submit tenders?
- What should be included in their tenders? - e.g. Their comments on the brief (their experience may highlight areas you had not thought of), how they would approach the job / tasks, exactly who would be working on the project, how much time they would give – especially client contact, and their fees (detailed).
- What are the dates and deadlines for submission of tenders / interviews / start times?
- Where should proposals be sent and by when will responses be made?

The On Line Register of Consultants and Trainers

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