

# FINDING AND CHOOSING GOOD PROFESSIONAL ADVISORS

---

© Phil Thompson – Business Lawyer, Corporate Counsel – [www.thompsonlaw.ca](http://www.thompsonlaw.ca)

Every owner manager should have five good professional advisors, in this order of priority:

- \_ A good business accountant.
- \_ A good business lawyer.
- \_ A good tax advisor.
- \_ A good personal financial planner.
- \_ A good insurance specialist.

You should trust and like all of your professional advisors. They should know and trust each other, and should be able to work as a team with you, your family, your key employees and each other.

## What To Look For In Professional Advisors

All egos should be checked at the door, including yours. “Yes men” should be avoided as much as “control freaks”. There is no point paying people to tell you what you want to hear. A good professional advisor will look out for you, tell you what you need to hear even if you don’t want to hear it, and will always put you and your family’s interest ahead of anything else.

However, they won’t tell you what to do, or be disgusted if you don’t follow your advice. Nor will they tell you how to run your business. They will respect you, even if you do things they do not 100% approve. They will help you think of ways to accomplish what you want to do. You should never doubt that they are covering your back, not holding you back.

Here are some of things you should look for in your professional advisors, as individuals and as a team:

**Find people who are already busy.** Anyone worth retaining will already have been found by others. Busy professionals will never simply tell you what they think you want to hear, and will not let you run roughshod over them. A busy professional is a proven and effective commodity.

**Make sure they are available, and will make time for you.** Busy is good, but, if they aren’t available when you need them, they will be of no use to you. They should be able to commit to being available immediately in a crisis, and within a few days for anything else. They should commit to providing strategic guidance and problem-solving direction on all your major projects. You should not expect them to handle every detail themselves – associates, juniors and clerks can be a cost-effective way to getting things done well and on time. But if they cannot commit to being available, or let you down repeatedly, then move on to someone else.

**They should be experienced, not just in their area of expertise but also in representing owner managers generally.** There are professionals who specialize in representing owner managers.

They practice their profession full time. They know how you think and why you are the way you are. You should find professional advisors who have been practicing their profession for ten years or more on a full time basis, or who work for someone who has. They should also have been representing owner managers for at least 50% of their practice on a full time basis for at least ten years or more, or work for someone who has. The more they know about your industry the better, although that is not as important as their basic technical expertise and experience with owner managed businesses generally. Whatever the project you have in mind, they should have done it before.

**Good professional advisors are connected.** They have a network of other professionals, consultants, lenders and others they can refer you to or call into a project when necessary. Make sure they can make useful referrals to you when necessary. Ask them for some references, even if you do not plan to use them, just to see how easy it is for them to do, how many choices they can give you, and the quality of their recommendations.

**Good professional advisors are also cost-effective.** When it comes to professional advisors, you get what you pay for at the low end of the range, but the same is not always true at the high end. You do not want to hire a professional advisor who competes on price. The good ones don't have to. However, you don't need to pay the highest price in town either, unless you want bragging rights at the country club. Remember there is a lot more to being cost-effective than hourly rates. The ability to get to the point, and to get things done effectively and efficiently, is critical. Hence the suggestion to find busy, experienced professionals. They do not need to run up your fees to fill their day with billable hours, and are too busy to burn more time than they need to.

**Scalability is part of being cost-effective.** Some projects need to be handled in great depth and significant cost. Others need a mid-level approach. Finally, some projects should be handled at a minimalist level, including minimal cost to the client. Having the judgment and resources to scale the response to the project is a big part of being a good professional advisor. Some professional advisors only have one way of responding, they cannot gear up or gear down to meet the client needs for a particular project. In the long run, scalability is not only a way of saving client costs; it demonstrates true expertise and judgment.

**Related to scalability is practicality.** The ability to work with sophisticated theory is a critical skill for professional advisors. However, the ability to apply that theory to a real-life situation is the true art of a professional advisor. There are two kinds of law; the laws of the book and the laws of the street. Your professional advisors should know both, but at the end of the day it is the law of the street that usually prevails. Look for professional advisors who can explain the law of the book in a way that non-professionals can understand, but can also suggest how to implement the law of the street in a way that is simple, insightful, innovative and successful.

**It goes without saying that integrity is the essence of professionalism.** Good professional advisors should be honest to a fault. If you find they are willing to bend the rules for you, then you have to wonder if you can trust them when they give advice or direction to you. Professionals who value integrity above all else will not only reflect well on you when dealing on your behalf, they will give you the kind of guidance you need to stay out of trouble. This same integrity will give you assurance that they will always put your interest ahead of their own.

**Your trusted advisors have to be people you like.** They don't need to be your best friends, but there should be some basic chemistry between you. You will have a trusted and intimate

relationship with your professional advisors. The relationship will require mutual trust and respect. It comes much easier if you genuinely like each other and enjoy each other's company

**Finally, your professional advisors should be compatible with each other.** You need an effective team. You want the whole team to respect and trust each other, and to work together to advance your interests. All your advisors should be compatible, not just over lunch but in times of stress and crisis. After all, the true test of your team will be how well they perform under fire or when things are going wrong.

## **Finding Good Professional Advisors**

Now that you have some ideas of what to look for in professional advisors, the question is how to find them.

**Referrals are the best way to find a good professional advisor.** One of your existing advisors, if they meet the criteria above, will have a network of people they can recommend. Bankers are also a good source of referrals. They tend to know the professionals in their community, and have an idea who the good ones are and how cost-effective they are. They will use good people who do not charge an arm and a leg. Referrals from other owner managers, especially ones who are more successful than you are and who you respect are ideal.

**Other search methods.** Good professionals belong to professional organizations. They will provide you with lists of members in your area with the expertise you are looking for. Internet searches are also becoming more useful. Most good firms maintain reasonably good websites which you can peruse to see if they have what you're looking for. However, don't look for good owner manager advisors in the yellow pages or other public directories that are aimed at the consumer marketplace. Busy business-to-business advisors do not maintain much presence in consumer oriented advertising vehicles.

**Try to have two or three options, and interview your prospects.** You would not hire a senior sales person or chief financial officer without have a few candidates, and personally interviewing all of them. You should treat your professional advisors they same way. The good ones – busy and successful – will not mind. They are confident they will get their fair share of the available business. It is also a good idea if the first interview takes place at their place of business. You can learn a lot about a person by seeing where and how they work. If there is a second interview, it should be at your place of business. If they have trouble getting out to you in order to land your business, then you can not count on them being there when you really need them. Also, you will learn a lot about them by seeing how they react to your work environment, including the questions they ask and the observations they make.

**It is also a good idea to have a look at anything they have written.** Check out their brochures, websites, articles or books. Look at the things they have written about, the audience they have addressed them to, and the way they explained things. Look for advisors who have published things you can use and understand.

## **How To Manage Them**

Once you find them, there are some basic things you can do to make sure you get the most out of your professional advisors.

**Treat them like you want to be treated, with trust and respect.**

**Keep them informed with the important things you are planning, thinking about or are happening to you.** They cannot help you if they do not know what is going on, in advance if possible and as soon as possible if after the fact.

**Do not over-use them.** If they are busy and successful, they want to be called at the right times and for the right reasons. Use them wisely.

**Be honest, frank and direct.** They need to know the whole picture if they're going to give you the best advice; and if they truly value integrity they will not want to represent you if aren't honest and forthright with them.

**Pay them fairly, on a timely basis.** Your professional advisors aren't your partners. They should be motivated to help you make money, but since they don't share in your successes, you shouldn't ask them to share in your losses and mistakes. If they provide quality advice and good service, then you should respect their business needs by paying them a fair rate in at timely fashion. On the other hand, be sure to tell them if you have a problem with their advice, services or fees. Work it out with them.

### **Concluding Thought**

While ultimately you will be responsible for your own success, choosing and using good professional advisors can save you lots of heartache, time and money. They are an essential part of the picture for all successful owner managers. Never underestimate the value of good professional advisors and what they can contribute to your business. You can rest assured your competitors are not making that mistake.