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## THINKING OF HIRING A CONSULTANT? READ ON...

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Your practice is growing – growing so fast that your information systems can't keep up. Despite your best efforts to use your network of friends, peers, professional organizations and available literature, you are being blinded by all the possible solutions. What do you do?

Even the most educated and experienced administrator can face situations where his or her own expertise gives out. "There comes a point where you have to admit you need help," says Carolyn Merriman, President of Corporate Health Group, an Omaha, NE-based consulting firm. "There is no shame in needing assistance."

Most practices are willing to seek out that help, but few of them know how to choose a consultant, manage the relationship and make the most of the money they are going to spend.

Sigrid Schreiner, MHA, CMPE, spent seven years managing medical practices in the Pacific Northwest before hopping the fence to become a consultant for Deloitte & Touche in Seattle. She says that there are some areas where it is obvious a practice needs help.

"When you have a situation where objectivity is important, like if you are trying to negotiate a partnership agreement with a new physician, then a neutral third party is a good idea," she says.

Another example of when outside consultants prove helpful includes research and purchase of cutting-edge technologies, such as voice-recognizing computer systems, Schreiner says.

There may be other occasions, says Schreiner, when you want

information on what is going on in other markets. "If you want to know national or regional trends, consultants often can provide you with data, information, even people you can talk to who have gone through similar situations."

### Define Your Needs

Once you determine a need exists, don't start making random calls to consultants listed in the yellow pages.

"We find the biggest mistake people make is in not defining what they need," says Merriman. "They haven't really thought through what

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the problem is, let alone what kind of solution they think will work." Without that first step, Merriman says you are looking for trouble – either in the guise of a unethical consultant who will take you for a ride or by spending more money than you needed to in the first place.

"For instance, I had a client call me and tell me he had a billing problem. But after an hour on the phone, I determined the problem was in patient registration, not billing. I could have taken that job and spent that practice's dollars looking for a problem that didn't exist."

Her advice: Think through the problems and describe them on paper before you make the first phone call. "It all could change when you talk to the consultant, but that first step is crucial if you want to build a good working relationship." You should also be prepared to tell the consultant what you want in the end – a software solution or staffing suggestions.

Schreiner agrees the consultant should have a clear understanding of what you expect as an end result. "Do you want a report or a 15-minute speech at the end? I can tell you that something conclusive with a good analysis is far more valuable than a short meeting where you don't have anything in your hands at the end," she says.

While you can ask consulting firms to submit proposals, Merriman says you are better off phoning the firms. She says five firms is the optimal number to contact. While suggestions from your peers are great, Merriman says in some markets there is too much competition and other practices may not be willing to share names. "If you are at a conference, ask practices from other markets where that information won't make them feel they are giving something to the competition. Look at who speaks at those conferences and the topics they cover. Leading consultants are the only ones usually invited to speak."

She also suggests looking at the authors of journal articles or sources used in those articles.

When you have chosen a group of consultants, Merriman says you should introduce the problem over the phone, explain what you want to

change, how long you want it to take and your budget range, she says. "If any of your expectations are off-base, you'll know pretty quickly."

Once you have narrowed your search to two or three firms, Schreiner says you should spend time interviewing them, asking the following:

- What is their experience in dealing with your problem?
- Who will work on the project? Have those people submit their resumes to you.
- If your project involves dealing with specific organizations – such as a particular payer – what is their experience with that organization?
- How does the company bill-flat fee, hourly and are expenses included?
- Is there a service guarantee? What happens if their suggestions do not bring about the desired change?
- Can the company submit three references from organizations which are like your own and which have faced similar problems?
- How and where does the team work?

Some of additional questions to consider are included in the boxed section above.

If, at any time, the firms you are talking to don't seem to care about your organization's structure and how it typically behaves, Merriman says to beware. "If they aren't expressing interest in this, it means that they either have a cookie-cutter approach to consulting for all clients, or they lack experience," she says.

Other problem signs include firms that can't "paint you a picture" of their typical work process. "You should be able to ask them to describe a day on a similar project

## HOW TO CHOOSE A PRACTICE MANAGEMENT CONSULTANT

- What do I want his/her to achieve?
- Is this a service he/she provide?
- How long have he/she been in business?
- What types of practices does he/she consult to most often?
- Does he/she provide an interview at no charge?
- Is the person I meet the person I will work with?
- What is his/her background?
- What are his/her strengths and weaknesses?
- Are there back-up experts with other strengths?
- What references can he/she provide personally?
- Do I like this person? Can I work with him/her?
- What references does the company have?

and have it seem real to you," Merriman says.

If you aren't happy with the way the project or the team is working once the contract has started, Schreiner says, don't remain silent. "Take them out to lunch and talk them through your concerns," she says. "Usually, this is enough to correct the situation. They want you to be happy so that you'll call again and be a good reference for them in the future."

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