

## Selecting a Business Consultant

**A**s a scientist, medical or engineering researcher, you know that complex protocols exist for performing experiments and publishing results. Starting a business is just as complicated. You need to investigate the market you are entering and develop a solid business plan. And if you want to achieve the desired results, the first decision should be selecting the right advisor.

Choosing the right professional should be made with careful deliberation. When weighing the factors for choosing a consultant, most people consider firm size, cost, and location as the primary factors. Important as these factors are, keep in mind that the individual you select will be working closely with you. It's the working relationship that is the

most important factor to consider, as the individual will get to know you and your business intimately. For this reason, you need to find an experienced and capable professional you can work with on an ongoing basis.

When starting a business, people often turn to an accountant for guidance on starting and running their business. This makes perfect business sense because accountants are trained to work with businesses. They can provide the checklist of criteria to start a business and keep it running long-term. The key, however, is to find an accountant with experience beyond the traditional accounting, tax, and financial matters.

Whether you are hiring a new accountant or evaluating your relationship with your current one, the following steps should be taken:

### Step 1: Determining you Specific Accounting Needs

When asked what your goals for your new business are, the answer is fairly simple - make a sizable profit! With a start-up business, the first few years' profits are normally slim or possibly non-existent. However, you can anticipate constant growth and change in the working environment. As a result, you'll need an accountant who can work closely with you as the business develops.

Think about what kind of assistance you need and your ultimate expectations. Zeroing in on the priorities during the first few years will help determine what guidance you need from your accountant. Ask yourself:

- How much do I know about the business planning process?
- How much time will I be able to devote to the business?
- How will I manage to "jump start" the business efficiently and effectively?
- Who will assure me that all the legal, governmental and operational controls are in place?
- Who will help to see that the business' infrastructure is in place?

The answers to these questions will indicate the role of that an outside consultant can offer you and the business.

### Step 2: Identifying Experienced Start-up Business Consultants

When seeking a consultant, don't just ask for a good accountant. Ask for an accountant that is



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experienced in working with a new start-up business. You want an accountant that is up-to-date on tax issues, and strategies, is savvy about investments, and can advise you on decisions affecting your specific business venture. Before selecting an accountant, ask the professional:

- What type of experience do you have in my specific scientific field?
- How many start-up businesses have you worked with in the past five years?
- Do you represent other scientific professionals?
- Are you aware of any scientific business concerns, as well as universal business matters?

Particularly with start-up businesses, the only way an accountant can understand your goals is by asking you questions. When you meet with prospective accountants, they should spend time interviewing you, learning your priorities and helping you focus on relevant financial issues. Your accountant should understand the intricacies of your business applications and be able to assist you in formulating a business and tax strategy. If an accountant spends more time telling you what you need to do before getting a complete picture of your goals and your business venture, you may find out they are only capable of churning out financial statements or tax forms.

### **Step 3: Cutting Through the Paperwork**

One area an experienced accountant can be most helpful with is cutting through the massive amounts of paperwork needed to start your business. Your accountant should be able to guide you through the maze of processes and decisions. Ask the professional:

- Do you have a start-up business checklist?
- What is the timeline for a new start-up business, and what can you do to enhance the process?
- How can you better manage the details, such as compliance with tax codes, licensing, and other governmental regulations?

If the accountants are experienced in helping start-up businesses, they will be good at guiding you smoothly through the process smoothly.

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### Step 4: Developing a Visionary Track

If your accountant understands the market-place, you will be provided with a visionary track of what you can achieve and how your new business can take you there. In addition, you will be given the guidance of what to expect, and when. Keep in mind that there are a number of negotiable areas and decisions facing start-up business, such as seeking financing, including capital formation and building value in the business.

Ask the professional:

- What is your experience in helping a business move from start-up to full operational mode?
- What is your understanding of successful financing strategies?

Many of the decisions you make for your new business have a direct impact on your tax reporting position. For example, when electing the type of corporate entity, each option - corporation, partnership, limited liability company, S corporation - has specific tax compliance requirements. Many of your initial decisions can also impact the new business' tax obligations. Your accountant should understand the many tax intricacies and provide you with information on the tax consequences before you make any business decisions.

### Step 5: Providing a Network of Resources

Many accounting firms have recognized the growing needs of businesses and have developed service departments within their firm that are not directly tied to accounting and tax. For start-up businesses, it is to your benefit to select a firm that provides additional services

that could be useful to your new business. The less you have to work with independent resources, the faster, and probably smoother, your start-up business will be. Ask the professional:

- Are there other individuals within your firm that would assist in the start-up activities of the business? Areas of interest may ask would include:
  - Business plan development
    - Human resources
    - Employee recruitment
    - Compensation package development
    - Employee handbook development
  - Retirement plans, administration and management
  - Technology
    - Plan
    - Selection
    - Implementation
    - Support
  - Marketing
    - Market research
    - Strategic planning
    - Advertising/publicity programs
    - Product/service positioning

### Step 6: Controlling your Consultant

You need to determine if the accountant you select will be available to work with you. Be sure to openly discuss the kind of assistance you need as well as your budget. Determine if some elements of the work can be handled by other staff members, who have the necessary expertise. Also, then be sure to fine out whether they can meet you specific timeline and budget to bring the product to market. If you are meeting deadlines, you need to be sure this is defined on a start-up business timeline.

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### Summary

As a scientist, your focus is on your research. You are skilled at analytical interpretations and logical explanations. Very few scientists have business entrepreneurship skills. When starting a business, select a qualified, experienced professional that can work with you and your team to turn your idea into a viable business operation.

Choosing the accountant that can help you with your start-up business is one of the most important decisions you can make. Do your research. As much care should be placed on selecting an accountant as possible. Your choice will directly impact how smoothly your start-up business can be and its ultimate long-term success. ■

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