



## Value from Vendors

### The Engagement: Achievable and Measurable

It is very common for consulting agreements to be based on hours at work for a set fee. In marketing, some responsibilities are conceptual, such as: advise, recommend and design, while many are concrete: write, produce, coordinate, and print. A good consulting agreement provides clarity between you and your vendor for both types of work.

Whatever the deliverables, it is important to state the expected outcome for completed work from the onset of your relationship. A good agreement clearly states the work product, be it lists or ideas, plans or project execution.

Whenever possible, quantify deliverables. This may be done by hours, number of designs or documents. For projects like writing, set review and due dates, as well as page or word count, when applicable.

For those more abstract deliverables, it is important to note the subject matter and the recipient of the counsel. It is wise to check in mid-point of the contract to be sure that your expectations are clear and being met. Some consultants cannot control or guarantee an outcome. In this case they can commit their best efforts, i.e. media placements. This is an accepted standard of reasonableness.

Deliverables related to visibility, positioning and creative contributions are measurable with a financial commitment to market research. You could test for brand awareness and the understanding of its attributes or intent to purchase. Other concrete measurements are market share and actual sales.

Sometimes it is desirable or necessary to pay a retainer to secure expertise from a consultant.

If you want to be sure a consultant you count on is accessible to you, a retainer contract for a time period will ensure they are available when you need their involvement. This also makes sense when seeking a long-term consulting relationship for the continued benefit of knowledge about your business, industry or organization.

In most cases, members of your staff are required to participate in vendor relationships to provide information, introductions, editing or approvals. While the consultant will follow up with staff, it is YOUR responsibility to ensure that staff participates in a timely and effective manner. That ensures on-time delivery and prevents unnecessary overtime and wasted time. You are paying a vendor for their expertise - and not staff management.

## Consultant or Employee

There are many sound reasons for contracting for marketing expertise and services. After reviewing your professional needs, the scenarios below will help you determine if you need an outside resource or should consider allocating new responsibility to employees.

### What are your marketing needs?

- ✓ I have a one-time need.
- ✓ We have a need that is outside of our core competencies and want to add special expertise.
- ✓ My company is not ready to commit to the ongoing staff expense.
- ✓ I am not sure of the duration of my needs.
- ✓ We want to upgrade existing resources.

- ✓ We've identified a professional we'd like to bring in-house, but want to be sure they fit in and measure up before making an offer.

If you are looking to establish a new function as an integral part of the organization, then hiring someone in-house often makes good sense. For roles that benefit from ongoing objectivity and fresh creative approaches, outside consultants may be a valuable part of your team.

If the workplace has much fluctuation due to fast growth or change in direction, you will need to assess the duration of the need. You may want to enter into a time specified employment agreement, if you are not ready to hire someone indefinitely at-will.

If you are looking for the marketing professional to supervise any of your staff, then the law requires that you assign that role to an employee. Keeping roles of consultant versus employee clear prevents misunderstandings with the Employment Development Department and the IRS. It is not in your interest to be perceived as avoiding payroll tax and social security payments, nor discriminating by failing to provide benefits.

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