

Choosing a Professional Services Provider

Executive Summary: There are many factors in determining who should provide your firm professional services. Read on to find that it's more than just their technical ability.



General: As a contractor, you need the following professional services on a regular basis:

- Legal
- Banking
- Accounting
- Insurance
- Engineering

Some construction companies may provide these services in house, but likely you will be hiring third party firms who specialize in these services. There really aren't that many variables to consider.

Two most important factors. There are two almost equally important factors in the decision to pick a professional services provider: (1) technical ability and (2) personality.

The most important factor is simply whether or not they know their business. For example, do not hire an attorney or accountant for a construction matter if they do not have construction clients. Just like people ask of your business, you need to ask them about their technical ability and their capacity to help you.

Secondly, and a close second, is their personality. Life is short, if you're going to spend a lot of money, do it with people you enjoy being around. This a relationship choice, not a low bid wins one.

Other important considerations. Consider your providers' connections in business. Are they able to introduce you to other clients or subcontractors who can help your business prosper?

Also, you want the service provider to be able to maintain confidence in your matters as well as not judge – we all have skeletons of some sort. Your attorney, accountant, and even your insurance agent needs to know everything about an issue to properly protect and advise you.

My story. I started my construction business by using a payroll service. It was a disaster. The company I used was one of the country's top three payroll providers and they failed miserably on helping me get costs into my eight-digit cost control system as well as maneuvering through the hirings and firings and constant changing pay rates of my union workers. I quickly moved from this firm to doing payroll in house. I felt conned by them – they had no idea how to help a construction company of my type.



HIRING: PROFESSIONAL SERVICES



I had a catastrophic fire in the engine compartment of one of my larger trackhoes. No one was hurt, but this was an expensive asset to me and I was unsure if I would receive reimbursement from the carrier. I contacted my insurance agent as the fire was raging and was told by her that she was unsure if I was covered. It put me into a tailspin of financial worry. A call to a trusted friend (the former CFO of my previous company) immediately put me at ease – he said “Fire is always covered Scott, you’re good.” He was right.

At the end of the day make sure they’re a good fit. As I stated above, you’re going to be giving these people a lot of money – it might as well be to someone you like.