

## top ten reasons to hire an independent consultant

### The Top Ten Reasons to Hire a Consultant

#### 1. The Bottom Line

*Employee expenses add at least 20% to 33% -- often more -- to total payroll costs.* In addition to employee salary and other compensation, there are significant “hidden costs”-- payroll taxes, unemployment, and workers compensation insurance and employee benefits such as health and dental insurance, paid vacations, sick leave, retirement benefits, and life or disability insurance.

#### 2. Hourly Rate is More Economical

An employer can actually save money by hiring consultants, even they are often paid more per hour than employees.

Up to 33% of hidden costs on top of employee salaries are avoided. Further, consultants are specialists with specific technical expertise, allowing them to have the right connections and do the job faster and more effectively than an employee without such training and connections. *Speed, accuracy and effectiveness will require less of your hourly cost in supervision, correction and loss of productivity.*

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**You are not alone in considering outside talent.** *At least 60% of all businesses use independent contractors, and according to the Bureau of Labor Statistics, over 8 million such people are in the workforce. So says Stephen Fishman, writing for BusinessWeek, ‘Independent Contractors: Top Ten Tips for Employers.’* “Businesses can save time, money, and headaches by hiring ICs [Independent Contractors] instead of employees.”

The challenge for executives is to manage the day-to-day shocks of the business environment—the busier we are with clients, staff concerns and current commitments means the less time we have to manage strategic planning for the future.

However, having top notch assistance in promoting your firm, your services, and your people could well mean the difference between an equity-based retirement, and a high ranking promotion in the interim, or a sharp decline and future downturn for you and the company you own or are with.

Fishman suggests that you strongly consider hiring a consultant who is an independent contractor rather than another employee.

### **3. Avoid Headaches and Potential Lawsuits.**

Hiring Independents instead of employees reduces exposure to potential lawsuits, such as those alleging job, age discrimination or wrongful termination.

Further, a wrong hire can lead to lengthy and costly HR requirements and law compliance, and can actually prevent you from undoing a 'bad hire.

### **4. Maintain Flexibility Without Long Term Exposure.**

You can hire a consultant to handle a specific project, gaining specialized expertise for a short time period without going through the trauma, potential severance costs, and lawsuits that can stem from laying off or firing an employee.

### **5. Save Time and Expense Involved in Training Employees.**

Further, you won't encounter resistance and sabotage when expecting employees to operate out of their comfort zone or level of expertise.

### **6. Expand and Contract Workforce as needed, Rapidly and Inexpensively.**

### **7. Access the Latest in Resources and Equipment Without Paying for it.**

Consultants typically have their own resources, including transportation, computers, laptops, software and mobile phones. You will avoid costly expenditures, leasing and long term contracts, or worse, having an employee trying to function without proper communications and other equipment.

### **8. Maximize Efficiency.**

Your consultant is producing *product* not interacting in lengthy staff meetings, producing status reports or other documentation.

### **9. Stabilize Insurance Costs.**

You will not have to be paying for health or other employee and dependent insurance, nor will you have to be paying for unemployment or tying up administrative and accounting personnel tracking potential COBRA benefits for 18 months for employees that are no longer a part of your organization.

### **10. Retain and Attract Employees.**

You will have greater retention and attraction of top Talent if you are a Company that is Known for Hiring Resources as Needed rather than Overburdening already Potentially Stressed Staff.