CONTROLLING CONSULTANTS' COSTS

The Headache: Even in these cost-conscious times, community banks frequently need to use consultants.

Our Question: How do you get the help you need without paying too much?

Come see what other bankers think, and add your own views

Controlling the costs of your bank's consultants

A community banker recently told us his bank had never used a consultant in all its years in business—until now. Bank examiners had made a referral to the Department of Justice over a fair-lending issue. To remedy the underlying problem, the bank had decided to seek the services of an outside expert. Three candidate firms were selected. One was ruled out almost as soon as the bank began working with its representatives.

The CEO said the firm was high-priced to begin with, though regarded as top-notch. However, the deciding factor was that the consultant didn't know how to stop. Instead of just addressing the issue the banker needed assistance with, "they want to tell me how to remake my whole bank," he said.

Not all consulting firms present quite that challenge. But community banks deciding on a consultant's services do face the twin issues of finding the right firm for the job, and finding a firm at the right price.

How does your bank control consulting costs?

Tell us about how you handle:

• Contracts and up-front pricing

• Checking out the consultants' reputation and pricing history with past clients

• Controlling costs along the way, especially when unexpected issues or delays arise

Come tell us how your bank makes this work.

Let's hear your views and ideas below!

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