

The Shorr Thing: Made in the Shade?

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Seven signs that your new consultant is shady | *Plastic Surgery Practice* July 2014

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Consulting businesses are everywhere, and just about everyone claims to be a consultant that can help you grow your aesthetic practice, but how can you tell for sure that the one you hire is legit?

Of course, there is no substitute for doing your due diligence and speaking with others who have used the person's services, but your new consultant may be shady if:

1. IT'S ALL ABOUT THEM

There is nothing wrong with your consultant recommending specific vendors as long as there is mutual benefit. It is OK if a commission is paid to your consultant as long as the deal is also profitable for you.

2. THEY PROVIDE ANYTHING LESS THAN FULL DISCLOSURE

Each and every consulting agreement should disclose any and all possible referral commissions your consultant has with the suggested vendors. It is best to have the disclosure listed in the consulting fee agreement as well as any mutual confidentiality and non-disclosure agreements.

3. THEIR BILLING PROCESS IS AMBIGUOUS

Your consultant should offer a routine (weekly/monthly/quarterly) billing statement that accounts for all of the time and money spent on your practice's behalf. This should be a requirement in your initial agreement so that there is a mutual understanding of how you are charged, when you are charged, and what you are going to be charged for. Review the agreement for hours spent, miscellaneous expenses, transportation, lodging, meals, phone calls, etc. Your consultant should have a time and date program that accounts for all of the time spent on your business matters unless your contract calls for a specified dollar amount.

4. THEY CHARGE A SKY-HIGH RETAINER FEE

Retainer fees provide an advance to the consultant for time spent on your practice. It should normally be set as an average of a site visit or a couple months of billing. Anything more is a red flag for an undercapitalized consultant who needs funds for personal reasons. Remember, a consultant usually does not need escalated retainers, since all expenses are paid by the client.

5. THEY HAVE A STRICT NO REFUND POLICY



Most reputable consultants will have a clause that describes a refund policy for unused consulting time. If you are no longer happy with the work your consultant is performing, or the consultant no longer wants to work with you, insist that all unused funds be refunded back to you in the manner that they were paid.

6. THEY CHANGE THEIR RATES ON A WHIM

Most consultants will guarantee their fees for a definitive time period. It is best to have that time period listed on your original consulting fee agreement to ensure that all future billing is consistent with what you originally agreed upon.

7. THEY ARE PERSONA NON GRATA IN THE INDUSTRY

If no one has ever heard of this consultant and you haven't seen their name on the programs at key industry meetings or in respected trade publications, it may be a sign that this person is not knowledgeable about the business of plastic surgery. You want your consultant to have industry experience, but it's also important that he or she does not share your pricing model, purchasing power, advertising, trade secrets, and/or surgical niches with your direct competitors.

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