



### **How to buy \$10,000 of Professional Advice for \$800 – By Jordan Dolgin**

Of the many things I've learned after practising business law for close to 20 years, educating clients on how to manage professional fees is near the top of the list. Why? Quite simply (and this applies equally to the legal business) a happy client is a client who received what he or she expected (or more hopefully). So whose job is it to manage those expectations? That would be the service provider. "Under-sell and over-deliver" never hurts either.

When it comes to helping clients manage professional fees, I often recommend they set up an informal "advisory board". Think about it for a minute. The typical growing business makes ongoing use of a business lawyer, an accountant and other advisors/consultants. Let's say the cumulative hourly billing rate of 3 such advisors is \$1,000. Imagine creating an informal advisory board of these 3 advisors. You set up 4 annual meetings (one per quarter) and do it over dinner (say from 6:00 p.m. to 8:30 pm). Sushi works great for this. The key is to provide each advisor with a detailed list of questions to consider for discussion at the meeting. This is no social event ... but a real "working" dinner that is designed to provide you, the client, with valuable input that you can use immediately in your business. The trick is to walk away with specific goals/next steps and report on your progress at the next advisor meeting in order to hold yourself accountable, etc.

The economics of setting this up are simple. 2.5 hour dinner x \$1000 per hour value x 4 quarterly meetings equals \$10,000 of value. Cost of 4 sushi dinners for 3 advisors + you + your CFO is approx. \$800 (\$200 per dinner). *[I've assumed you'll skip the Sake as it merely increases the cost without a corresponding increase in value delivered (except for those advisors whose creativity is inversely related to their sobriety).]*

I've been asked by clients when I suggest this "...why would my advisors agree to give away 10 hours a year for free"? Good question. The answer is fourfold – first, they already have (or should have) annual business development budgets; second, they will get to know you and your business much better (a very good thing); third, they will get to know your other advisors much better (which furthers their own "channel" development) and fourth they will directly benefit from new "billable" projects that flow from these meetings. Considering all of this, your advisors are the ones who should be setting this up for you (rather than vice-versa)!

While this all sounds good "on paper", I can tell you (empirically speaking) that I have participated in several informal advisory boards over the years and they absolutely work very nicely thank you. In fact, if this "experiment" doesn't work for you, let me know and we can discuss what went wrong over a nice Sushi dinner.