FORWARD

I have made lots of mistakes and learned a great deal in my 25 years of consulting. I sincerely hope that the lessons revealed in this manual will be useful to your consulting business. This is not pleasure reading. It is intended to motivate you to do things differently. To make the best use of this manual, please read it with a pen in hand and a "to do" list beside you.

Bruce L. Katcher, Ph.D.

ABOUT THE AUTHOR

I am an Industrial/organizational psychologist and have been a management consultant for the past 25 years for both large and small consulting firms. In 1993 years ago I founded my small consulting firm, Discovery Surveys, Inc. (http://www.discoverysurveys.com) I am also past President of The Society of Professional Consultants (http://www.spconsultants.org)

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# THE CONSULTANTS’ CORNER

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PART 1:

CHARGING YOUR BATTERY
A consultant needs a great deal of energy and enthusiasm to:

- Continually provide high quality service to clients;
- Consistently market professional services;
- Handle rejection from prospects; and
- Keep the faith during difficult economic times.

Here are seven ways to maintain a high level of motivation:

1. **INTERACT WITH OTHER CONSULTANTS ON A REGULAR BASIS.**
   Take a lesson from the many stay-at-home mom’s and dads who join playgroups. The real reason they get together with other parents is to chat and share the challenges, frustrations and joys of child rearing. Join a group such as the Society of Professional Consultants (http://www.spconsultants.org) or other consulting networking groups. Members of these groups share an “in-the-same-boat consciousness” that can be a very strong source of motivation.

2. **RElish YOUR INDEPENDENCE.**
   As a consultant, you own your own time. No more clock watching for you. Enjoy your freedom! You’ve taken great risks to earn your emancipation.

3. **REMIND YOURSELF OF THE IMPORTANCE OF YOUR WORK.**
   What you do for your clients is very important. If it weren’t, none of them would pay you to do it. Clients and employers don’t pay just to
be nice. They have paid you in the past and will continue to do so because you are filling a critical need.

4. CONTINUE TO GROW.

Doing the same work in the same way over and over again can become boring. As a consultant, you have the flexibility to take additional training and to begin offering new services. Pushing yourself to expand your horizons can be very energizing.

5. CREATE A MARKETING PLAN AND SET REVENUE GOALS.

The plan should include a calendar clearly marking deadlines as to when you will complete specific marketing activities such as submitting an article for publication, sending out a reprint, or contacting your top 50 professional colleagues. You should also have clear financial goals so that you can track how well you are meeting your revenue targets.

6. DO MORE OF WHAT YOU ENJOY.

If you like to write, do more writing. If you like to speak, do more speaking. If you like to work on a particular type of consulting assignment, focus your marketing efforts on obtaining more of that type of work.

7. REMIND YOURSELF WHY YOU STARTED YOUR BUSINESS.

Was it to avoid a full time job, gain more flexibility in your life, or do more of the kind of work that you really enjoy? These reasons are probably still valid for you today.

Consulting is the greatest profession in the world. Enjoy it and you will continue to have the energy and enthusiasm you need to prosper.
THE PROBLEM

How do you know when you’ve really made it as an independent consultant? Sure, you can look at your net income, but that often doesn’t tell the whole story. We believe that to be successful your consulting businesses must pass through several major and predictable rites of passage.

THE RITES OF PASSAGE

Here are seven rites of passage that your independent consultancy must successfully traverse before you can feel reasonably confident you have built a successful consulting practice. Have you passed through them all?

1. TURNING DOWN A FULL TIME JOB

The acid test of your commitment to self-employment is turning down the offer of a full time job. Until you face this test, you will not really know the depth of your commitment. And, without full commitment, your business has little likelihood of succeeding.

Inexperienced consultants believe that they can use consulting assignments as an entree to full time employment. While this may work once or twice, the word quickly gets out. Employers want full attention to the successful completion of the assignment.
2. DEVELOPING A FOCUS

Beginning consultants often flounder because they lack a clear focus. They are unclear as to exactly what service they provide and for whom they provide it. Developing a clear understanding of the service you provide and your target market is another key rite of passage.

Clients are wary of consultants who claim to do everything and anything. If you can’t/won’t spend the time to analyze what you’re good at and for whom your services have value, clients will shy away.

3. SELLING BEYOND YOUR IMMEDIATE CIRCLE

Many consultants begin their practice by selling to their former employer, current business contacts, family, and friends. This is a valuable first step and a relatively easy way to get started. Selling outside of this inner circle is another key rite of passage. It is important that new sales leads emerge as a result of intentional business development efforts on your part such as by asking for referrals or through targeted marketing. A successful consultant must know that he or she can proactively generate business. Doing so lends credibility to your skills/services in the eyes of potential clients and builds self-confidence.

4. SAYING NO TO BUSINESS

You must be able to turn down business because it does not fit your expertise, fee structure, or business model. For example, for many consultants it is very important to say no to subcontracting opportunities. Such opportunities often do not pay as well and do not allow for referrals from the client.

Saying no to business puts you in charge of your destiny rather than being a victim to the ups and downs of the marketplace.
5. INVESTING IN YOUR BUSINESS

A new computer, new telephones, a web site, and a marketing brochure all require investments of time and money. Until you are willing to invest in your own business, you’re not really serious about your business.

When you purchase the needed goods and services to make yourself successful, you are making a powerful statement and validating your existence as a consultant to yourself and the marketplace.

6. INCREASING YOUR FEES

Experienced consultants have proven to themselves and to others that they provide value. They therefore feel justified and comfortable raising their fees.

“You get what you pay for” is a reality in the marketplace. The vast majority of clients are looking for quality first and price second. Those clients who focus on price over quality usually represent more trouble than they are worth.

7. WEATHERING YOUR FIRST DRY SPELL

It is inevitable that your consulting business will encounter ups and downs. Successful businesses are able to persist during the downturns. This may mean increasing your marketing activities, digging into your savings, or fine-tuning your services to meet the needs of the current marketplace. Those who seriously consider punting will not pass through this critically important rite of passage.

Economic downturns, changes in the delivery or nature of your business, new products and services are the dynamic reality of the marketplace. They will inevitably occur. Thinking about your business
niche and coming up with counter cyclical products or services is an example of the due diligence needed to be successful in the long term. Forging relationships with peers and competitors in good times can pay off in tough times.

Business is like a river. It’s always flowing, sometimes fast and sometimes slow; sometimes near where you’re standing and sometimes around the bend and behind the trees. But don’t kid yourself into thinking that it isn’t there because you’re not wet!

**IN CONCLUSION:**

Establishing a successful consulting business is a gradual process that passes through predictable stages. You can assess the strength of your business by how many of these seven rites of passage you have successfully traversed.

Even if you’re an experienced consultant, these predictable gates can pop up in different configurations at any time, even if you’ve successfully passed through them before. While you can’t stop bad things from happening to you, you can plan and prepare how you will deal with them when they do happen.

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SEVEN REASONS WHY CONSULTANTS MUST FOCUS, FOCUS, FOCUS

THE PROBLEM

Both beginning and experienced consultants often flounder because they lack a clear focus. They are unclear in their own minds about exactly what service they provide, for whom they provide it, and what results they help their clients achieve. Some might argue that consultants should provide a wide variety of services to many different types of clients. I disagree.

Here are 7 reasons why I believe that focus is critically important.

WITHOUT A CLEAR FOCUS:

1) YOU WILL LOSE BUSINESS TO THOSE WHO SPECIALIZE

Consultants who claim to be generalists by offering a variety of services to many different types of individuals and organizations run the risk of being viewed as a Jack-of-all-trades but master of none. For example, whom would you rather hire if your washing machine were to break down -- a general contractor who claims he can fix anything, or a washing machine repair specialist?

2) PROSPECTS WON’T REMEMBER WHAT YOU DO

For consultants, there are only two types of people in the world -- your clients and everyone else. “Everyone else” are the people that can lead you to new clients. With a clear focus you will be able to articulate what you do to them. This will help them spread your message so that your name or the name of your firm will be unambiguously associated with your specialty and the results you achieve.
3) IT WILL BE DIFFICULT FOR YOU TO MARKET YOUR SERVICES

If you know exactly the type of service you provide and for whom it has value, you will be able to speak and write with a clear message. You will also be able to target your message to the appropriate audience.

4) YOU WILL BE DILUTING YOUR ABILITY TO PROVIDE RESULTS

It would be a disservice to your clients if you extend your service offerings beyond what you are really capable of successfully providing.

5) YOU WON’T BE ABLE TO COMMAND HIGHER FEES

Specialists can command higher fees because their knowledge, expertise, and experience are highly valued. Generalists are a dime a dozen. To command higher fees, you must specialize on a particular service, problem, issue, or market.

6) YOU WILL HAVE LITTLE LEVERAGE

If you focus on delivering a specific service over and over again, you won’t have to continually reinvent the wheel. For each client you will be able to use similar proposals, methods, and reports. You will, therefore, be leveraging your time.

You will also be able to teach others how to deliver your specialized service. This will provide you with leverage by enabling you to make money from the work of others.

7) IT WILL BE MORE DIFFICULT TO MAINTAIN YOUR PASSION

Maintaining your motivation and energy can be very difficult for independent consultants, especially if they try to be all things to all people. Be certain that you can stay passionate about your specialty.
FOUR WAYS TO FOCUS:

1) FOCUS ON A PARTICULAR SERVICE

Become the leading expert of a particular type of consulting service.

2) FOCUS ON A PARTICULAR INDUSTRY SECTOR

Become a niche player by focusing your services on one specific industry. Develop proprietary approaches that address the unique needs of that sector. Then read what they read, attend their professional meetings, publish and advertise in their trade journals, and exhibit at their conferences.

3) FOCUS ON A PARTICULAR GEOGRAPHY

Perhaps you can develop services that uniquely fit a particular geography.

4) FOCUS ON SOME COMBINATION OF THE ABOVE

For example, you could specialize in providing a particular service to a specific industry sector in a specific location.

Although it is very tempting to try to offer as many types of services as you possibly can, I believe that it is critically important for independent consultants to focus. Sit down today and refine your focus by asking yourself the following questions:

• Am I trying to do too many things for too many types of people?

• Am I crystal clear about my focus?

• Are others clear about my focus?

• How can I narrow my focus?

• How can I narrow my focus even further?
SEVEN WAYS TO REJUVENATE YOUR BUSINESS

THE PROBLEM:

This economy is proving to be extremely challenging for consultants, and there is no let up in sight. Revenue of the major consulting firms is down by more than 50 percent. Business has been drying up for all but a few independent consultants. Here are 7 ways to rejuvenate your business even during these tough times.

1) FOCUS ON YOUR FORMER CLIENTS

These are people who know you, trust your work, and probably need your services again. Make a list of your top 10 clients and meet with each of them individually. Take them to lunch. Invite them to a ball game.

Also, develop a list of your top 50 former clients and find a way to send them something on a regular basis. Send them papers you have written, links to sites you feel are useful, announcements of speeches you are delivering, and reviews of books you found interesting. The mantra must be: keep in touch and new business will follow.

2) JOIN A NEW PROFESSIONAL ASSOCIATION

Regularly attending professional meetings of your colleagues, fellow consultants, and prospects is critically important. Even if you are already doing this, it is good for you to spread your wings and try some different associations. Read your local newspaper and see who is planning a meeting. Attend the meeting and try to meet as many people as possible. You may uncover a new source of potential business or referrals.
3) IDENTIFY A NEW NICHE

Focusing your services on a specific niche can help you uncover new prospects. It can also help you focus your marketing efforts. For example, let's say your new niche is "architects." You would then go to the professional meetings architects attend, advertise in their publications, prepare articles for their publications, and conduct mailings to a list of architects.

4) CONDUCT AN ENDORSEMENT MARKETING CAMPAIGN

The idea is to ask a satisfied client if they would agree to write a letter endorsing your services. Then send the letter on their letterhead to their professional contacts or to your prospects with the same job title. For example, if you provide customer service training, you might send an endorsement letter from one of your satisfied clients to their contact list as well as to your prospects who are Vice Presidents of Customer Service.

5) RECONFIGURE YOUR SERVICES TO ADDRESS A CURRENT NEED

If you provide services that help organizations launch new stock option programs, now might not be the best time for you to find new clients. However, there may be ways for you to use your skills to help organizations reconfigure how they account for stock options on their books.

Similarly, if you help organizations grow their sales force during economic boom times, now may be the time for you to help organizations motivate their current sales people.

6) WRITE A BOOK

A book can help take you to the next level of consulting. With a book in hand it is easier to gain more media exposure and invited speaking engagements. Published authors also find it easier to land larger clients and charge more for their services.
7) DEVELOP A DETAILED MARKETING PLAN

Many consultants are not systematic about their marketing. They market only when business is slow rather than regularly. Developing and following a marketing plan can help smooth out the peaks and valleys. Nothing too sophisticated is needed. Just develop a list of what marketing activities you will conduct each month and then follow through.

For example, commit to activities such as:

- Writing an article to be published each quarter;
- Writing a new issue of your newsletter monthly;
- Delivering a speech every other month;
- Attending a professional meeting once a week;
- Conducting a networking lunch once a week; and
- Meeting with 2 former clients a month.

IN CONCLUSION:

Do all of these things and business is sure to follow. Sit and wait for the phone to ring and it'll be awhile.
PART 2:

BASIC OPERATING PROCEDURES
THE PROBLEM:

Although they can do the work and do it well, consultants are often very concerned they won’t appear credible to prospects. They typically worry that:

- They don’t have a proven track record as a consultant;
- They didn’t graduate an Ivy League college;
- They don’t have an advanced degree;
- They don’t have glitzy marketing materials like many of their competitors; or
- They don’t have a national reputation.

SOME SOLUTIONS:

Fear not! All is not lost. Here are seven powerful methods for establishing your credibility.

1. OBTAIN REFERRALS.

Referrals from satisfied clients will always be the most powerful method for establishing credibility. You’re Golden if a satisfied client refers you to a qualified prospect.

Don’t be passive about referrals. You can dramatically increase the number of referrals you receive by simply asking for them. Ask satisfied clients, previous employers, or respected colleagues for the
names of people who might gain value from your services. Also, ask them if you can use their name when you contact the prospect. Better yet, ask if they will call ahead and let the prospect know you will be calling.

Also, be sure to let your clients know how important referrals are to you. I often include a “request for referrals” as part of my proposals.

2. PREPARE A LIST OF TESTIMONIALS.

Testimonials are another excellent method for establishing your credibility. Here is an example of one of mine.

“Although it is a small firm, Discovery Surveys shows remarkable flexibility, innovation, and ability to meet tight deadlines. The help in communicating the most important results to management and employees has been exceptional. I'll continue to use Discovery Surveys for any employee survey work - focus groups to paper and pencil or Internet.”

Frances Gallitano  
Vice President of Human Resources  
Delta Dental Plan of Massachusetts

Use these testimonials as frequently as possible. Include a one-page listing of them in your press kit. Post them on your web site and print them in your brochure and possibly even on your business card. They are powerful marketing tools.

3. ACTIVELY PURSUE ENDORSEMENTS.

Ask a satisfied client to write a letter that touts the great work you have done for them. Have them send it to their professional network. Just like referrals and testimonials, endorsements transfer the credibility of your client directly to you.
4. PUBLISH A BOOK.

A book written by you makes you a credible expert. Spending the time and effort on this ambitious undertaking can reap great benefits. Send it to your clients and prospects. If the book happens to also sell well in bookstores, consider the money gravy.

5. PUBLISH ARTICLES.

You can also quickly establish your credibility by publishing in trade publications. It is surprisingly easy to do this. Editors are always looking for articles. Speak with the editor first to find out if they are interested in receiving an article from you. Have a few topics in mind when you call. Make certain that your contact information is included in the article and that you have the right to reproduce it. Reprint it on glossy paper and send it to prospects.

6. SPEAK.

Presenting at professional association meetings is another excellent way to establish your credibility. Leverage the speech by sending out press releases in advance, including a summary in your media kit, and inviting your network to attend.

7. CONDUCT A SURVEY.

You can become the leading expert on virtually any topic in your field by conducting a survey. Pick a topic relevant to your consulting expertise. Promise participants a copy of the report. Then send the report to your prospects. Guess who just became the credible expert in the field? You.

IN CONCLUSION:

You can proactively establish your credibility in the marketplace. It merely takes some planning and perspiration.
THE PROBLEM:

Most new consultants have little or no sales experience. Without being able to sell, they are doomed to failure. Many are so intimidated about selling that they give up their consulting practice before it gets off the ground.

Here are 7 sales tips based on my personal experiences and the sales training I have taken over the years.

1) EDUCATE YOURSELF

Selling is not rocket science. Just because you've never done it, doesn't mean you won't be good at it. Think about the people you know who sell for a living. My guess is that none of them are the brightest bulbs in the room. But with just a few basic techniques they have become successful sales people. You can do it too.

You can very easily educate yourself about basic sales techniques. Buy some audio and videotapes on the subject. Go out on some sales calls with an experienced consultant. Read one or two of the many books on the topic. Become a student of the subject.

Here's what I do.

I bit the bullet several years ago and decided I needed to take sales training. It was an important investment in my business. I signed up with the Sandler Sales Institute. For a full year I attended weekly classes, listened to their tapes, and practiced what they preached. If you are interested in finding out more about their training, visit http://www.sandler.com.
2) FOCUS ON FINDING THE PROSPECT'S PAIN

Prospects don't buy professional services unless they are experiencing some type of pain such as:

* Sales are down  
* Costs are too high  
* Good employees are leaving  
* Business is being lost to less expensive overseas competitors

If you can't find the pain, you're probably not going to make the sale. Come armed with questions such as:

* Why is this project important to you?  
* What would happen if this project is not conducted?  
* When you look back after we have completed the project how will you know that it was effective and worth your investment?

3) DON'T CHASE

One of the major frustrations consultants experience is when prospects don't reply to phone calls or emails. Avoiding sales people is a game that prospects often play. Don't let this ruin your day or dampen your motivation.

Persistence is good only up to a point. Prospects won't respect you if you seem too hungry for their business.

Here's what I do.
I don't chase. I give the prospect a few opportunities to get back to me. I then move on and spend my energy finding new prospects. If they're really interested, they know where to find me.

4) DON'T PRESENT

This may sound counter-intuitive. Consultants love to come to prospect meetings loaded with samples and willing to describe what they do in detail. This is the last thing you should do and here's why.

Prospects don't want to understand, they want to be understood.

One of the most difficult questions you can be asked during a sales call is, "Tell me about yourself and your firm." This sounds like a simple question. But it's a trap. It requires you to do the talking rather than the asking. Answer the question briefly to be courteous. Then start asking them questions so that they do most of the talking.

I used to bring lots of samples of my work. No longer. I come to sales meetings with an inquisitive mindset and with a list of questions. Don't assume you know what they want or that they need any particular type of service. Ask, and you'll find out.

5) ASK FOR THE BUDGET

Talking about money is difficult. Consultants often avoid asking the question. They then submit a proposal that is either much more than the prospect's budget or significantly less.

Here's what I do.

I ask prospects about their budget. If they refuse to tell me, I try out different ranges on them. I might say something like this: "There are many ways I can help you each with a different price tag. Let me ask you. Are you comfortable with a $5,000 to $10,000 investment, or a $10,000 to $15,000 investment? Here's the difference between these two different approaches. Which makes most sense for you?"
6) TAKE NOTES

One of the best ways to show your respect for the prospect is to take notes. This shows them you are very interested in what they are saying. Also, of course, by taking good notes you will be in a much better position to write a winning proposal.

Here's what I do.

In addition to taking notes, I continually ask the prospect to clarify what they have said. I make certain their name is on my notepad so that I can use it during the meeting and when I say good-bye.

7) GO FOR THE CLOSE

Don't be afraid to ask for the business. Ask the prospect when they would like you to start. Also, ask them if they have any reservations about working with you.

Here's what I do.

I say something like, "It sounds as if for what you need and what I can bring to the table, there's a pretty good match. What do you think?"

IN CONCLUSION:

You CAN sell. Don't be intimidated. Use these 7 tips and you will be as effective as any seasoned sales person. Selling can be fun.
7 REASONS WHY YOU SHOULDN'T CHARGE BY THE HOUR

THE PROBLEM:

Charging by the hour is just plain bad business for most consultants.

Consider this. You are traveling to an important meeting with a prospective client and your car dies on the highway. You quickly call AAA. Forty-five minutes later they tow you to the nearest service station. You tell the mechanic that you’re desperate and need your car fixed as soon as possible. The mechanic opens the hood, sticks his finger inside, and makes some adjustments. Five minutes later he says, “You’re all set, that’ll be $150.” Is he justified? I would say, absolutely yes! You weren’t paying for his time. You wanted results and you got them.

Here are 7 reasons why you should not charge by the hour.

1. CLIENTS WANT TO KNOW THE COST UP FRONT.

If you charge by the hour, you won’t be able to tell your clients what it will cost them to achieve the result they desire. Although you may feel you are protecting yourself against spending too many hours doing the work for too little money, you are not providing the client with what they want -- a firm price. Would you pay a contractor to build a deck for you without knowing the cost up front?

2. CLIENTS WILL BE PUT OFF BY YOUR HOURLY RATE.

If you provide a perfectly justifiable hourly rate for the work you do (e.g., $150, $250, or $350 an hour) many prospects will feel like it’s too much money. In their mind, they’ll compare this figure to other services they buy without considering the high value you will be providing.
3. CLIENTS WILL BE CONSTANTLY WATCHING THE CLOCK.

One of the reasons that many people hate lawyers is because they charge by the hour. Instead of focusing on outcomes and the value they are receiving, clients are preoccupied with how much the clock is ticking and resent every second of it.

4. YOU WILL BE CONSTANTLY WATCHING THE CLOCK.

If you can do the work faster, should you be paid less money for it? Of course not! Instead of focusing on the clock and how you can spend more time doing the work so that you will be paid more, you should be focusing on producing deliverables and value for your clients. Also, if you are constantly trying to charge for every waking hour, how will you able to take off any time for your family and relaxation?

5. YOU WILL HAVE NO TIME LEFT TO RUN YOUR BUSINESS.

Here’s the problem that many hourly-charging consultants encounter. (This is often a problem for beginning consultants.) There is only a finite amount of time in a week. If you try to bill for every hour, you will not be leaving enough time for marketing your services and attending to other non-billable activities such as developing new services, filing, purchasing supplies, and organizing your office.

6. YOU WILL BE ACTING AS AN EMPLOYEE, NOT A CONSULTANT.

Time is what employees provide. You are no longer an employee. If you charge by the hour, your clients will try to pay you the same hourly figure as they pay their employees. This is insufficient compensation for the risks you have taken to become a consultant. It will also not be enough to cover your benefits, retirement, and marketing expenses.
7. YOU WON’T MAKE MUCH MONEY.

Consultants who charge by the hour are leaving lots of money on the table. A client will be much more willing to pay for a desired result than a certain number of hours that your butt is in a chair.

**IN CONCLUSION:**

If you’re charging by the hour, you’ve got a lot to learn about the consulting business. If you feel that it’s impossible to charge any other way for the work you do, you’re providing the wrong type of service to really make it as a well-compensated consultant who is respected for providing value to clients. Think about how you can charge by the project, on a retainer basis, or for the value you provide.
KEEPING TRACK: SEVEN KEY CONSULTING METRICS

THE PROBLEM:

Consultants who don't keep track of where new leads and sales are coming from or the time it takes to sell and deliver their services are not maximizing the success of their businesses.

Here are seven ways consultants should keep track.

1) KEEP TRACK OF YOUR LEADS

I use a spreadsheet and log each lead as I receive them. I start a new row for each lead. Get in the habit of asking prospects how they heard about you. This will enable you to keep track of where your leads are coming from and how you can increase both the number and quality of leads you receive.

Looking back over the data will help you answer questions such as:

• What percentage of your leads come from you networking, publishing, mailings, web site, speaking, ezine, or advertising?

* What percentage of your leads come from former clients, fellow consultants, friends, neighbors, or prospects?

* Have you received multiple leads from the same person? If so, make sure you let him or her know how much you appreciate it.

* What are your best sources of leads?

* Which sources yield the highest quality leads?

* When do you receive your leads (i.e. what months)?
2) TRACK YOUR SALES

On the same spreadsheet, keep track of which leads turn into sales. Also keep track of how much revenue resulted from the sale and how much profit you earned. Looking back over the data will help you answer questions such as:

- What type of leads were you able to convert to sales?
- What percentage of your sales come from repeat versus new clients?
- Which types of leads result in the highest sales?
- What percentage of your sales come from each of your service lines?
- What percentage of your sales come from each industry sector?

3) TRACK YOUR LEADS-TO-SALES RATIO (i.e. YOUR CLOSE RATIO)

Your close ratio is your batting average — the percentage of leads you turn into sales. You can track how this changes over time. I actually keep track of two ratios:

* The percentage of leads that turn into sales calls/proposals; and
* The percentage of sales calls/proposals that result in sales.

If your ratio is low or declining, you should think about:

- How you can increase the quality of your leads; and
- How you can improve your sales skills.
4) TRACK ACCOUNTS RECEIVABLE

How long does it take you to collect money? Make a careful analysis of how many days it takes your clients to pay you.

If you're waiting more than 30 days to receive your money, you need to change the way you charge for your services. Consider collecting a greater percentage of your fee before you begin work. Also, consider offering discounts for fast payments.

5) TRACK YOUR LOSSES AND WINS

Conduct a systematic study of why you lost business, as well as why you won business, during the past year. The best way to do this is to have a third party, preferably someone who specializes in client surveys, to make the calls for you. You can learn a great deal from your losses about what you should do differently next time. You can also learn from your wins about why they selected you.

6) TRACK YOUR EXPENSES

Uncle Sam or some other uncle for our international subscribers will get a little testy if you don't track your revenue and the expenditures you claim as business expenses. However, there are other important reasons why you need to track your expenses. You need to be able to answer the following questions:

- How much money does it take to operate my business?
- What does it cost to acquire a new client?
- How can I reduce my operating expenses?
- Are there more expenses that I can pass on to my clients?
• Are my expenses rising, falling, or staying about the same from year to year?

• What percentage of my expenses is used for marketing, supplies, equipment, etc.?

7) TRACK YOUR TIME

I do NOT suggest that you track your time so that you can charge your clients for the hours you spend working for them. Charging for your time makes little sense (or dollars). Re-read the earlier issue on "Seven Reasons Why You Should Never Charge by the Hour." You DO, however, need to track your time for other important reasons. Doing so will enable you to answer these questions:

• How much time do I spend on client work, marketing, and filing/general activities? (This will help you determine if you are spending enough time on marketing.)

• How much time does it take to complete each kind of project you deliver? (This will help you to decide if you are charging a sufficient fee.)

WARNING - Keeping track of your time is a "Royal Pain." I must admit that I stopped doing it. But, when I did track my time, the information I obtained about how I manage my time and how much time it really does take to complete projects was invaluable.)

IN CONCLUSION:

You are running a business. To do so effectively requires that you keep track of the appropriate metrics. If you're not doing it, start now!
THE PROBLEM:

Many consultants seem embarrassed that they operate a small business out of their home. They are concerned prospects and clients will view this negatively. Although I personally don't go out of my way to advertise that I operate out of my home, I don't hide the fact either. I worked for four years for a large, international consulting firm with posh offices at a fancy address. I know from this experience that working as a small business from my home offers many advantages to my clients.

1) MORE TIME TO FOCUS ON THE CLIENT

You have more time available to focus on clients since you are not commuting to an office. There are also no internal staff and management meetings to siphon off time and energy from your clients.

2) AVAILABILITY

You are also more likely to be available to your clients when they call during non-business hours.

3) LESS OVERHEAD COST

Maintaining even a small office outside of your home is extremely expensive. The money you save can be partly passed on to your clients in the form of lower fees.

If you need to meet with clients, do so at their office. This saves them their valuable time.
4) A VALUABLE BUSINESS PERSPECTIVE

Operating a small consulting business from your home gives you something in common with your clients. As a small businessperson, you are forced to learn how to control your account receivables and accounts payables, how to make business forecasts, and how to decide when to invest in new equipment or marketing. No matter what type of consulting you do, these perspectives enable you to become a more valuable advisor to your clients.

5) MORE FREEDOM TO FOCUS ON ETHICAL BUSINESS PRACTICES

When clients purchase your services, they are also purchasing your ethical principles, not those of a large firm. The ethical guidelines of your business are yours to determine. Within a larger firm, business values may not be consistent among all employees.

6) RESOURCES ARE DEDICATED TO YOUR BUSINESS

When I worked for a large firm, I shared printers, photocopiers, and other office equipment with many others. This equipment was not always best suited for my particular needs. I also shared a secretary with 10 people. She was not always available when I needed help. As a sole practitioner, I am able to acquire and use the equipment and support services that I need to best serve my clients.
7) ENERGY CAN BE FOCUSED EXCLUSIVELY ON YOUR CLIENTS

Your psychological energy can be focused almost exclusively on meeting the needs of your clients rather than on satisfying your office manager or supervisor, meeting company sales goals, achieving billable hours targets, or playing office politics.

IN CONCLUSION:

Don't be embarrassed or shy about the fact that you are a small business and that you work out of your home. This provides many advantages to your clients. If you hold your head up high and think about the many advantages rather than the disadvantages, your clients will do the same.
THE PROBLEM:

Ask any consultant how they get new business and they will tell you that it is primarily through referrals from their network of satisfied clients and people who they know. The challenge is keeping this network alive and vibrant. Scheduling periodic meetings and telephone calls is one way to keep in touch. The problem, however, is that if you are busy with client work or trying to enjoy your free time, there are only so many networking meetings and meals that you can schedule. Also, for people who you do not know well, periodic meetings are not appropriate.

The answer -- publish an electronic newsletter (ezine). This is an extremely powerful marketing technique that should be a staple of your business.

Here are seven reasons why you should publish an ezine.

1) IT'S ALL ABOUT TOUCHES

A sale for professional services is rarely made as a result of a single cold call, chance meeting, networking event, or one positive response to a speech or news article. It takes multiple "touches." Touches are interactions with your prospects where you demonstrate that you can deliver value. Sales professionals often say that it takes a minimum of five, and some times as many as 20 touches, in order to make a sale.

An ezine provides you the opportunity to regularly make contact with your network in a non-obtrusive and efficient manner. A monthly ezine enables you to have 12 touches a year with each member of your network.
Here’s what I do.

This book is a compilation of issues of an ezine, which at one point, was one of my primary marketing strategies. When I was publishing it regularly, it was sent to approximately 1,600 aspiring and experienced consultants. Why did I do this? My business is conducting employee and customer satisfaction surveys. There are very few people who receive this ezine who can hire me. HOWEVER, all my subscribers can refer me to others. Indeed, I can point to hundreds of thousands of dollars of business that I have received as referrals from fellow consultants. How many of these referrals came directly from reading this ezine? I must admit -- I don't know. But, I do know that when an opportunity to conduct an employee or customer satisfaction survey emerges, the odds are very good that someone who receives my ezine will remember me and let me know.

I also publish another ezine, "Improving the Workplace," which is more directly related to my consulting work. It reports findings from the 65 employee surveys I have conducted. (You can view the archive of past issues at http://www.discoverysurveys.com/itwarchives.html and you can subscribe at http://www.discoverysurveys.com.)

"Improving the Workplace" is sent to 3,000 subscribing prospects and clients. I also send it to everyone in my network including, perhaps, you. I started publishing it in on a monthly basis in January 2000. It provides me with the opportunity to touch my prospects, colleagues, and clients on a regular basis.

The power of these ezines never ceases to amaze me. Frequently, when I attend professional meetings, I will see someone who I have not seen in a year or more. Often, I find I am more familiar to them than they are to me. Why? Because they have been reading my ezine every month.
2) IT'S MUCH EASIER AND FASTER THAN A PRINT NEWSLETTER

I have seen many well-intentioned consultants develop a quarterly printed newsletter that is defunct within a year. A printed newsletter needs several articles rather than just one, and requires desktop publishing, printing, mail merging and purchasing envelopes and postage.

An ezine, on the other hand, can be produced quickly with a minimum of hassle or expense. There is very little database management required, no desktop publishing, no printing, and no stationery or postage costs.

Here's what I do.

I am writing this on a Wednesday morning, will have my editor look it over later today or tomorrow, and will have my web master put it in this color template. The next day I will simply push the send button in Topica (a service that allows you to send html ezines) and "viola," my network has it in their inbox minutes later. The entire operation takes 3 or 4 days. If you do your own editing and just send out a text version from your own email program, you could easily complete this operation start to finish in a few hours.

3) IT DEMONSTRATES THAT YOU PROVIDE VALUE

Some in the consulting business say that you should not give anything away. I disagree. Your prospects and clients need to know that you are willing to share what you know from your years of experience. It is logical for prospects to assume that if you can provide useful insights in your ezine that you will be provide value to them if they hire you.

Here's what I do.

In "Improving the Workplace," I follow a standard formula. The title is a survey finding such as "1 out of 2 employees distrusts
management." In Section One, I talk about why this is a problem for organizations. In Section Two, I talk about what employers can do to solve the problem.

This "problem-solution" format enables me to provide value. The standardized approach that I use also makes it easy for me to write the ezine and for my subscribers to read it.

4) IT WILL FORCE YOU TO DEVELOP CONTENT

Writing is very important for consultants. Your great insights and ideas won't help you grow your consulting practice if you don't publish them. Adhering to a regular writing schedule will force you to provide written material that you can circulate to your key audiences.

Here's what I do.

I actually don't really enjoy writing. One of the primary reasons I started writing "Improving the Workplace" was to force me to write. I knew I had insights and experiences that I could share. The ezines enable me to develop content on a regular basis. Although I periodically publish articles in professional publications, the monthly ritual of preparing my own ezines is much easier than the hassle of finding a publisher.

5) IT WILL ENABLE YOU TO LEVERAGE YOUR CONTENT

The content you can develop in your ezine can be used in many ways, including speeches, articles for publication, press releases, audiotapes, videotapes, or even a book you might publish yourself or with a publishing house. You can also use the material to provide value during client assignments. You can also sell your content. For example, my "Consultant's Corner" archives are for sale below.

Here's what I do.
I am currently developing two books - one for consultants on consulting and the other for managers who want to improve their workplace. The content of the books has already appeared in my ezines.

I also send electronic press releases out each month to about 2,000 editors. These releases briefly describe the survey finding I published in my most recent ezine. They also contain a link to the article that is archived on my web site. The result - I frequently get press both locally and nationally about my work.

6) YOU WILL BE READ

I believe that electronic newsletters are read more frequently than either articles or paper newsletters. Why? Because they are short and people check their email every day. Paper newsletters often are put in a pile or in an inbox to be read later. More often than not, they are thrown out unread. People are more likely to try to clear their electronic inbox and will, therefore, open your ezine the same day they receive it. Of course, some will just delete it just as they might toss a paper newsletter. But, at the very least, they will still see your name.

Here's what I do.

I make the titles of my ezines catchy so that they are more apt to be opened. I also keep them relatively short. I apologize, however, that this one is starting to run a little long.

You may be thinking that your network receives so many ezines that yours won't be read. This is possible, but since they know you they will be more likely to read it. Also, if you consistently provide useful material, you will be read.
7) YOU CAN KEEP TRACK

Electronic delivery services such as Topica (http://www.topica.com) and Constant Contact (http://www.roving.com) enable you to keep track of how many people open your ezine. They also can keep track of how many people visit each of the electronic links you might include.

Here's what I do.

In about a week, I will view the report on Topica for this ezine. It will tell me how many of you opened this ezine, visited my website, and even how many clicked on the links to Topica and Constant Contact in the paragraph above. I will also know how many people visited the site of my great web master, Ken Hablow (KHablow@KHGraphics.com). He has a link to his site at the bottom of this ezine.

IN CONCLUSION:

If you are not publishing an ezine, just do it. All you need to start is the email addresses of your network and a few ideas. Develop a formulaic template in your first issue that you can use in each successive issue. Also, tell the world about your ezine so that you can continuously increase your subscriber list. If it is useful to them, they will come.
PART 3:
AVOIDING ROAD HAZARDS
THE PROBLEM:

Many experienced and aspiring consultants make the same mistakes over and over again and just don't know how to change things. Here are some of the most aggravating traps that I have experienced and how I have managed to escape from them.

1) CHASING PROSPECTS

You meet someone at a networking event and they say that they may have a use for your consulting services. You email them the next day and get no response. So then you decide to call. Of course, you have to leave a message, and, you guessed it, they don't return your call. You call again, and again, and again. You worry that they may have caller ID and know that you are trying to hunt them down. You also worry that you will appear overly anxious and desperate for the business. You drive yourself crazy strategizing about when to call, whether or not to leave a message, and what to do next. You also grow increasingly angry and know that if you ever do reach the prospect you probably will be too aggravated to make a good impression. Sound familiar?

Here's what I do, or try to do.

I don't chase. Give the prospect a few opportunities to contact you and then fugettaboudit. Move on! If they were really interested, they would get back to you. Prospects contact you because they need you, not because you need them. Show yourself some respect and expend your precious energy on finding new prospects that really do need you now.
2) NOT CHARGING ENOUGH

Many beginning consultants feel that by charging less they will be able to land more business. I think the opposite is true. Beginning consultants don't have a good understanding of what the market will bear. They easily forget about the large invoices that they used to approve back when they were hiring consultants themselves in the corporate world.

Here's what I do, or try to do.

It is difficult to know how much to charge. There are a couple of rules of thumb I use. 1) If I know I am competing with others, I don't want to be the low bidder. I want to be known as the high quality, high service provider. 2) I have a general idea of what other consultants charge and I compute my project fees with these rates in mind. 3) I also have a general idea of what revenue I really need to run my business, pay for marketing expenses, save for retirement, and pay myself the salary I need and deserve. This all enters into how I compute my project fee. 4) When negotiating fees, I offer to lower the fee only if the services I agree to provide are reduced as well.

3) DOING IT ALL YOURSELF

You don't have to be an expert in every facet of operating your business. Some consultants feel that, in addition to mastering their consulting expertise, they also need to be a jack-of-all-trades. They think they need to be a computer hardware expert, a software expert, an editor, a Webmaster, a graphics designer, a data analyst, etc.

It is true that if you do all these things yourself you will save money, but others can do a better job. Also, you will lose a lot of valuable time, energy, and money that could be better used marketing your services or serving your clients. In the long run you'll make more money if you focus on what you do best and use the skills of others when you need them.
Here's what I do, or try to do.
I've recognized that my core competencies are marketing, sales, project management, design of surveys, interpretation of survey results, and presenting. I contract out other services that require computer, web design, or editing expertise.

4) SELLING YOUR TIME AND BODY

Now, I know this doesn't sound very professional, but many fine, upstanding and reputable consultants do, indeed, sell their bodies. That is, they sell consulting relationships to clients that require them to be on the client's site with their butt in a chair two or three days per week. They feel great because they have several billable days each week. Then they find another client and negotiate the same type of contract. Guess what! After two clients, they now have no more time to sell. Not only that, they can't spend the time they need to market, network, and visit prospects. When one of their client assignments ends, they are back to square one. They have become what I call "an employee without benefits." If this is what you really want, get a job!

Here's what I do, or try to do.

Virtually all of my consulting arrangements are project-based. In fact I believe that most of the work that consultants conduct on an hourly basis can be project-ized. I visit the client when I need to in order to conduct planning sessions, interview employees, tour facilities, and present results. I don't, however, commit to spending a certain amount of time working on the project and I certainly don't commit to spending a certain amount of time at their site. I am proud to say that "I own my own time and space."

5) ALL SUBCONTRACTING, NO "REAL" CLIENTS

Back in the early '80s, while living in Northern New Jersey, I thought I had a great consulting business going. I served as a subcontractor to about seven different small consulting firms. For one firm, I conducted training, for another I conducted employee surveys, and for another I worked on a team that helped companies identify new businesses. I
was able to bill out an average of about four days a week and there was also a lot of repeat business.

I was feeling pretty good, but eventually I realized that I had maxed out my income. At the time I could charge only $300 to $750 a day because the firms that I was working for were billing clients 3 to 5 times that amount. They obviously wanted to make a hefty profit on my work. Also, I was dependent on the quality of the relationship the firm had built with the client. My relationships with the clients were inconsequential. I couldn't even add them to my own client list.

Here's what I do, or try to do.

I do some subcontracting but I limit it to only about 5 percent of my billings. My main focus is finding my own clients so that I can develop the relationships, earn repeat business, build my client list, gather testimonials, and charge market rates. The danger is that if you continually seek subcontracting opportunities you WILL find them. They will occupy a great deal of your time and you will wonder why you don't have many "real" clients.

6) ISOLATIONISM

Consulting can be a very lonely business. Much of the work is conducted in isolation in your own office. Independence and isolation seem to go hand and hand. Although some consultants hire assistants and team up with other consultants just to keep them company, these are usually not fiscally sound practices.

Here's what I do, or try to do.

I have built a support system of other consultants. My involvement in the Society of Professional Consultants (http://www.SPConsultants.org) and The Enterprise Group (http://www.EnterpriseConsultingGroup.com/) has provided me with rich friendships and colleagues. I receive much more support and help from them than I did from my colleagues when I worked for a large international consulting firm with 250 employees in my office.
7) PARTNERING WHEN UNNECESSARY

Many consultants start out on the wrong foot. They form a partnership with a colleague for the wrong reasons such as needing support, needing someone to bounce ideas off of, and needing help with marketing or sales. The problem is that you will need to make at least twice as much money to make it work out. With this type of pressure, the odds are good that the business will never get off the ground.

Here's what I do, or try to do.

If you need support, you can find it in many ways other than with full-fledged partners. If you need a sounding board, consider relying on colleagues and friends instead. If you need someone else to do your marketing and sales for you, then you're probably in the wrong business. Marketing and sales have to be part of your arsenal of skills. They are not rocket science.

This is not to say that partnering with other consultants will not often be beneficial. I very much enjoy partnering with other consultants, but my general philosophy is that 1 + 1 has to equal 3. Both parties have to bring something to the table and the whole has to equal more than the sum of the parts.

For example, I am partnering now with several different consultants. One has significant experience in the client's market sector and the other has a long-standing relationship with the client. I bring the technical expertise to both of these partnerships. I've partnered in the past with a firm in a different part of the country because they had access to clients and prospects that I would simply never run across.

IN CONCLUSION:

Beware of these common-consulting traps and develop your own methods for getting out of them. If you don't, you'll go crazy.
SEVEN WAYS TO KEEP MARKETING EVEN WHEN YOU’RE BUSY

THE PROBLEM:

Marketing when busy with client work is a challenge for both beginning and experienced consultants. To keep a consulting practice thriving and to avoid the agonizing cycles of feast and famine, it is critically important that consultants never stop marketing. When the marketing stops, the all-important lead stream dries up. Once this happens, it won’t be long before the consultant will be in a panic, desperately trying to find new business.

Here are seven ways that you can avoid this problem.

1) FIGURE OUT WHAT TYPE OF MARKETING YOU REALLY ENJOY

If you don’t enjoy it, you probably won’t do it. It’s as simple as that. For many, cold calling and getting published never gets off the back burner. Why? Because they hate doing it.

Most marketing strategies work if done properly and often enough. The “often enough” part is crucial.

Some consultants love to write, while others have difficulty putting a coherent sentence together. Some love to schmooze at professional meetings, while others would rather stay home and read a book. Some love to deliver speeches, while others would prefer to have bamboo shoved up their fingernails than get up in front of a group.

Consultants need to figure out which methods of marketing they enjoy the most. If you enjoy it, you’ll do it, even when you’re busy with client work.

Here's what I do, or try to do.
I guess I’m just a ham, but I’m one of those who love to get up in front of groups. It’s when I’m at my best. I therefore look for as many speaking opportunities as possible.

Also, as anyone who knows me can attest, I love to eat. Therefore, I look for as many networking opportunities involving meals as possible. Breakfast, lunch, or dinner, it doesn’t matter. Busy with client work or not, I won’t miss out on the opportunity to speak or eat. It works for me!

2) CONDUCT REGULARLY SCHEDULED MARKETING ACTIVITIES

If it’s scheduled on your calendar then it’s more likely to happen. Block out time or schedule due dates for your marketing activities. Schedule things that you can control, such as completing a paper, sending out a mailing, or attending monthly professional meetings. If they’re on your calendar you can schedule your client work around them.

Here’s what I do, or try to do.

I have adhered to a strict schedule of publishing my electronic newsletter, *Improving the Workplace*, every month. Since starting in January of 2000, I’ve missed only once. (All issues are archived at http://www.discoverysurveys.com/publications.htm.)

I also regularly attend professional networking meetings of The Society of Professional Consultants, the New England Society of Applied Psychology, The Enterprise Group, and the BreakFitz group. Once they are on my calendar, I schedule everything else around them, even when I am busy with client work. I make them a priority. Why? Because, I enjoy them, I learn, and it is a very powerful form of marketing. I can point to more than $400,000 worth of referral business that I have received from my involvement in The Society of Professional Consultants alone.
3) LEVERAGE YOUR CONTENT IN YOUR MARKETING

Developing new content is time-consuming. Recycle your own intellectual property so that you won’t have to reinvent the wheel every time you turn your attention toward marketing. For example, if you write a paper for a professional publication, you can use that content in speeches, in your newsletter, on your web site, and in press releases.

Here’s what I do, or try to do.

As I mentioned, each month I publish my ezine, “Improving the Workplace.” I then send out a press release about the article. Periodically, the press release leads to a phone call from an editor to write an article based on the content of the newsletter. I am also often approached to deliver speeches based on one of my ezines.

4) DEVELOP A REALISTIC MARKETING SCHEDULE AND STICK TO IT

Develop a marketing plan each year which lists the marketing activities you are going to conduct each month. For example, list articles you are going to write, mailings you are going to conduct, cold calls you are going to make, and advertisements you are going to place.

Make certain that your plan is realistic because the most important part of making a plan is sticking to it. Place due dates on your calendar so that you can schedule your client work around them even when you’re busy.

Here’s what I do, or try to do.

I develop a detailed marketing plan each year. It looks very nice. It’s a spreadsheet that I print out in color and proudly pin on the bulletin board next to my computer.
I must admit, however, that I always bite off more than I can chew. I list more activities than are humanly possible even if I had no client work to occupy my time. Don’t make this mistake. I’m working on it.

5) MAKE YOUR WEB SITE WORK FOR YOU 24/7

A web site will perform some of your marketing while you sleep. It can sign up new subscribers to your newsletter, it can conduct a survey and provide respondents with results, it can sell products, and it can advertise your services. While I’m doing client work, my site is marketing for me.

Here’s what I do, or try to do.

I’m no web expert and have no desire to become one. That’s not the type of consulting I do. However, I have a great Webmaster and I speak with him regularly about how to make my web site a marketing machine. I receive hundreds of visitors per week and some weeks more than a thousand. Most of them will never turn into clients, but my name and brand are getting out there and it’s happening automatically. If you need help, contact my web master, Ken Hablow at khablow@khgraphics.com. He’s the best.

6) BE CAREFUL WITH YOUR TIME

Subscribers of this ezine know my stance about selling time, but here it is again. Consultants should sell results or deliverables, not time. If you sell your time, you will not be able to devote the time and attention you need to market your services.

Also, be careful about spending a lot of time traveling. Travel eats up valuable time and energy.

Here's what I do, or try to do.
I sell project work, not my time. I also market locally so that my travel is minimal. On out-of-town projects I work it out so that I don’t need to be on site except for an initial planning meeting or final presentation.

7) USE THE SERVICE OF MARKETING PROS

If you sincerely believe that using consultants is good for your clients, why isn’t it good for you? They can help you strategize and develop an effective, realistic plan. There are many who work with small businesses just like yours.

Once you’ve developed a plan, you can also use others to help you implement it. There is no reason that you need to do all of your own web site development, brochure development, cold calling, or any other marketing activity. Others can do it for you.

Here’s what I do, or try to do.

Even though I write quite a bit, I don’t enjoy it. I use a freelance editor, my brother-in-law, to help me. Not only does he work with my spelling and grammar, he tells me when what I’ve written is ridiculous. If you need help with your writing, get it. I highly recommend Adam Snyder. You can reach him at snydera@optonline.net.

**IN CONCLUSION:**

Marketing is the most important part of your consulting business. Make it part of your routine whether you’re busy or not. Follow these seven tips and you will be able to avoid peaks and valleys in your consulting by marketing your services even while you’re busy with client work.
THE PROBLEM:

Many consultants dislike attending professional networking meetings. They feel that they are expensive and time-consuming. They also dread having to make small talk and be social. Ironically, however, many of these same consultants say that they often land clients through word-of-mouth referrals from colleagues. One of the best ways to establish and build relationships with colleagues is by networking at professional meetings.

Here are seven ways to maximize the value of professional networking meetings.

1) BE STRATEGIC ABOUT WHICH MEETINGS YOU ATTEND

Networking in the wrong places won’t help you or your business. When deciding which networking groups to join, consider how much time is actually available to network. Some professional groups have very few, if any, committees and don’t allow time for networking. Avoid these meetings.

I suggest that you join three different types of professional networking groups:

a. Join a group that will enable you to keep abreast of the latest developments in your field.

b. Join a group of other consultants such as The Society of Professional Consultants (http://www.SPConsultants.org) or the Institute of Management Consultants (http://imcne.org) that will enable you to learn more about marketing, sales, and client relations. Fellow consultants are also a good source for support and referrals.

c. Join a group that will allow you to interact with your prospects.
Here's what I do.

To keep abreast of advances in my field of Industrial/Organizational psychology, I am a member of the Society of Industrial/Organizational Psychology (SIOP) and the New England Society of Applied Psychology (NESAP).

To network and learn from fellow consultants, I am a long-time member of the Society of Professional Consultants and a periodic visitor to meetings of the Institute of Management Consultants of New England and the National Speaker’s Association of New England. I also am a member of The Enterprise Group, six-consultants with the mission of helping each other’s businesses grow.

I must admit that I don’t do as good a job as I could of networking with my prospects. I only periodically attend meetings of human resource professionals. I used to belong to an HR association that held breakfast meetings. Unfortunately, the people who I wanted to meet would show up right before the speaker started and would dart out as soon as the speaker ended. There was also only one small operating committee with little opportunity for participation.

2) BECOME ACTIVE

It is much better to be active in one professional association then to periodically attend meetings of five or ten. Once you become active, people in the association get to know who you are and what you do. It takes time for people to recognize you, view you as a colleague rather than a stranger, and trust you.

Volunteer to serve on a committee or the Board. Try to get involved in activities that will enable you to interact with others. For example, it makes much more sense to join the membership committee then to volunteer to go off on your own and re-write the association’s by-laws. Get to know the movers and shakers. Each association has a few key people who know everybody else and can make things happen.
Here's what I do.

I am currently serving in my third year as the President of The Society of Professional Consultants, am on the membership committee of SIOP, and am beginning a term on the Board of NESAP. I attend all meetings regardless of the speaker. After all, my primary goal is to network with my colleagues.

3) ATTEND MEETINGS WITH THE RIGHT MINDSET

You can spot a naïve networker from across the room. They come to networking meetings with a desperate mindset of “how can I get referrals and new business.” They spend the meeting darting from conversation to conversation passing out their business cards to everyone and saying things like, “let me know if you hear of anybody who needs my services,” and “call me if you hear of anything for me.” This approach not only doesn’t work, it’s a big turnoff to others. They have not yet earned the respect of people to warrant referrals.

Instead, it is better to come to networking meetings with the mindset of, “how can I help others at the meeting,” or “I would like to meet at least one person tonight who I can meet with one-on-one,” or “I am really curious about what others at this meeting do for a living.”

There are many ways you can help others. You can provide introductions; recommend books or web sites; provide information about people, companies, or trends; or simply listen and offer emotional support.

Here's what I do.

I try to sit with people who I don’t know and focus on how I can help them. I try to introduce people who I think can provide value to each other. I offer to swap business cards if there is a good reason for us to keep in touch.
4) ASK QUESTIONS

Instead of worrying about what you will say to others about yourself and your business, focus instead on asking questions. There is no greater compliment you can bestow on someone than to ask them about themselves. Simple open-ended questions are best such as, “Tell me what you do for a living,” or “What challenges is your business facing these days?” This can be a great way to start and maintain meaningful conversations. Come to the meeting with an inquisitive attitude.

Here's what I do.

I try to ask lots of questions. Sometimes the dumber the question you ask, the better. For example, if someone says they are a programmer for machines used in the manufacturing sector, I might say, “I don’t know anything about that type of work, what kinds of programs are you writing?”

5) COME EARLY AND STAY LATE

Inexperienced networkers come to meetings late and leave as soon as the speaker has finished. The best opportunities for networking are before the start of the formal program and immediately after the program. If you come only to listen to the speaker, you are missing out on much of the value the meeting can provide.

Here's what I do.

I always come early and stay late. If the doors open at 7:00 PM, I’m there at 7:00 PM.

6) FOLLOW-UP IMMEDIATELY

Does this ever happen to you? You meet someone at a professional meeting, exchange business cards, suggest that you follow-up with each other, and then nothing happens. You go back to your office, put
their card near the phone, but never make the call. Two weeks later you look at the card and say to yourself, “Who is that person?”

It is important to follow-up immediately while the person and the conversation are fresh in both your minds.

Here's what I do.

I write down notes on the person’s business card. I then email them immediately after the meeting or the following day. The email might be to ask a question, provide some information, set up a possible lunch meeting, or just to say that I enjoyed our conversation.

7) DON'T TRY TO SELL

Selling at professional meetings is usually inappropriate. Instead, use the meeting as an opportunity to develop a relationship and schedule a meeting for a later date.

Here's what I do.

When I meet prospects at professional meetings, I suggest that I email them to set up a meeting. I then send them information about myself and a few dates when I am available.

IN CONCLUSION:

As a consultant, your professional network is one of your most valuable assets. Professional networking meetings are one of the best ways to continually revitalize and grow your network. But if you attend meetings without a clear strategy for maximizing their value, you may end up as a wallflower, merely watching other people network and wondering why you gave up the time in the first place.
THE PROBLEM:

You spend several months getting to understand your client, the difficulties they are experiencing, and what can be done to improve their situation. You then offer a series of carefully crafted recommendations. What happens next? Unfortunately, all too often -- NOTHING. You collect your fee but your report sits on a dusty shelf.

Your credibility as a consultant and your ability to land repeat business will most likely depend upon the successful use of your recommendations and the tangible results they yield.

Here are seven methods for increasing the probability that your recommendations will be implemented.

1) DEVELOP THE IMPLEMENTATION PROCESS FIRST

At the initial meeting with your client, discuss in detail the process that will be used to implement your recommendations. Key issues are:

- Who will receive the recommendations;
- Who will own the responsibility for implementing the recommendations;
- What role will senior management play; and
- What will be the timeframe for implementation?

Here’s what I do.
I articulate the agreed-upon implementation process as part of my proposal. At a minimum, I include an initial step in which this implementation process will be mapped out, documented, and communicated to the appropriate parties.

During the meeting with the client I typically ask two questions:

• When the study has been completed, what's the best way to make certain that the results will be used?

• With other successful projects that have been conducted here, what was the best process for making certain the results were used?

2) UNDERSTAND WHAT IS REALISTIC AND PRACTICAL

Don't recommend an approach that has already failed for them in the past.

Be practical in your suggestions. If you're working in an organization that is strapped for cash, for example, recommendations requiring lots of money won't be accepted.

Make certain that you meet with the appropriate people, ask the appropriate questions, and dig as deep as possible. You need to understand the organization's culture before you can make realistic recommendations.

Here's what I do.

At the outset of each of my projects I try to meet with all of the key players, agree on how to define the problem, ask what they have tried to solve the problem in the past, and discuss what they think might work now. Meeting personally with the organization's top people, however, does increase the project's cost, which some clients balk at. This is unfortunate.
3) INVOLVE THE CLIENT IN DEVELOPING THE RECOMMENDATIONS

You've heard lots of lawyer jokes, I'm sure. One of the more well-known consultant jokes is that if you ask a consultant what time of day it is, they will use your watch and then keep it.

There is some truth to this. Just as therapists involve their patients in developing solutions to their personal problems, good consultants involve their clients in developing solutions to organizational problems. Without this involvement, there will be little buy-in.

Here's what I do.

In my most effective client assignments, I present my findings and observations to my clients in a preliminary brainstorming session. This way, with my guidance, we can craft the recommendations together.

4) PROVIDE A RANGE OF OPTIONS

Your clients will have an easier time relating to your recommendations if you provide a broad range of options rather than a single solution. Each option should be supported by your data and findings.

Here's what I do.

For each recommendation, I cite the findings that led to the recommendation and then provide several options for how they can implement my suggestions. I also list the recommendations in order of priority.
5) MAKE CERTAIN YOU MEET WITH KEY DECISION MAKERS

Often times, you never see the real decision makers in the organization. In fact, sometimes clients will intentionally refuse to give you access to the key executives. They do this because they are scared to give up control, don't want to be one-upped by the consultant, or want the opportunity to present the results themselves to the decision-makers. Unfortunately without this access, the odds that the recommendations will be implemented are low.

Here's what I do.

Outline for your clients why it is in their best interest to provide you with access to key decision makers. If this fails, offer to visit these executives with them to gather the data. Also, offer your client the option of jointly presenting the results and recommendations to the key executives.

6) ASK TO BE PART OF THE IMPLEMENTATION PROCESS

Make it part of the project to assist in implementing the recommendations. If possible, fold this in to your project fee rather than showing it as a separate line item. This may prevent your client from axing that critical step.

Here's what I do.

I provide a range of options for how I can help the client implement the results. I also make certain that I couch this as helping them to protect the investment they have already made.
7) FOLLOW-UP TO MONITOR PROGRESS

Follow-up is key. Offer to meet with your client, perhaps gratis, to help them implement your recommendations. Show them that you really care about the success of your efforts.

Here's what I do.

I call each month after a project has been completed to check on the status of its implementation. I also offer to visit the client any time to discuss how they can move forward.

**IN CONCLUSION:**

Don't be a hit and run consultant -- presenting your recommendations and then just moving on to the next client. Always keep in mind that you will be successful as a consultant only if your clients achieve the results they desire from your work.
PART 4:

GETTING MORE MILEAGE OUT OF YOUR BUSINESS
SEVEN WAYS TO GET MORE “LEVERAGE” IN YOUR CONSULTING PRACTICE

Leveraging your business means increasing the return on your investment of time and energy. This principle is the foundation of any financially successful business. Here are seven ways to gain leverage as a consultant.

1. SELL PRODUCTS - Turn your creative content into products you can sell. Video and audiotapes of your speeches as well as books and booklets containing your key messages can provide a continuous source of revenue.

2. SELL OTHER PEOPLE’S TIME - Hire others to provide services to your clients. Make certain you mark up their time by at least 3 or 4 times to leave yourself with a hefty profit. Unless you have a continuous, non-stop need for such assistance, use contract help rather than hire full time employees.

3. SELL REPEATABLE SERVICES - Don’t re-invent the wheel each time you start a new project. This is no way to run a business. You should package your services in a way that it is easy for you to reproduce for each new client. Create templates for each major step in the consulting process. By selling repeatable services you will save significant time and energy preparing proposals, agendas, and reports.
4. FOCUS ON SELLING ANNUITY RATHER THAN PROJECT BUSINESS - Annuity business is business that is continuous. For example, actuaries and accountants provide ongoing services to their clients because there is a constant need. Advertising firms also leverage their time by developing retainer relationships with their clients. You gain leverage from these types of businesses because you avoid the high cost and energy of having to make a new sale after each project is completed. Think about how you can re-configure your services so that you provide annuity rather than project work.

5. CROSS-SELL YOUR SERVICES - It takes much less time and energy to sell additional services to existing clients than it does to find new ones. Therefore, think about follow-on services that you can sell.

6. USE YOUR CONTENT IN MULTIPLE WAYS - Leverage your creative work. I re-use the content of my monthly ezine in speeches, on my website, in press releases, and to provide advice to my clients. Whenever you develop written or oral content think about how you can use it in at least two or three other ways.

7. CHARGE REFERRAL FEES - Two of your most valuable assets are your network of satisfied clients and your network of competent consulting colleagues. By establishing a referral fee arrangement with fellow consultants, you can leverage your time by receiving money for the good work of your colleagues.

Just do it! This summer take stock of your consulting practice and think about how you can gain more leverage from your time and energy.
SEVEN WAYS TO LAND NEW BUSINESS BY LEVERAGING YOUR CLIENT RELATIONSHIPS

THE PROBLEM:

Most consultants will tell you that their first clients were people they had worked with in the past who already had confidence in their skills and abilities. Many will also tell you that trying to sell to people they didn't know was much more difficult.

The trick is to use the trust you have achieved with your clients to help you quickly establish credibility with new clients.

Here are 7 techniques for leveraging the faith that your clients have in you to land new business.

1) GET INTRODUCTIONS AND REFERRALS

Here's an easy question. Which do you think would be more effective -- making a cold call to a prospect, or having a satisfied client recommend you? Of course, it's the latter.

Asking clients to introduce and refer you to new prospects is not easy. But it is important to ASK. If they are truly satisfied with the work you have performed for them, they will be happy to give you introductions and referrals. Make sure they know what type of people and organizations you want to do business with, and what types of problems you can help clients solve.

There are four possible ways that they can refer you:

a) Cold - They can just tell you someone they think you should contact even though they don't know that individual personally. This is a
difficult lead to turn into business because you can't use your client's name when you call.

b) Warm - Your client can suggest someone for you to call and give you permission to use their name.

c) Hot - Your client can call ahead to the prospect to tell them about you and say you will be calling them.

d) Scalding - Your client could offer to go to lunch with you and the prospect to make a formal introduction.

Here's what I do.

I tell my clients that if they are satisfied with my services, I would greatly appreciate referrals to others who might be interested in conducting a similar project. I even sometimes insert a few paragraphs about this in my proposals.

2) DEVELOP A REFERENCE LIST

Ask your clients if they would be agreeable to serve as a reference. Then, insert a list of these clients and their contact information in your new business proposal. Also include what type of work you performed for this client.

The more references you have the better. That way, you can use the most appropriate client names for each proposal. For example, if you are proposing to do some work for a hospital, providing references from other hospitals is much more valuable than providing references from other industry sectors.

Here's what I do.

At the end of each project, I ask my clients if they would be willing to serve as a reference. I then tell them that any time I use their name I
will let them know. The reason I say this is not to ask permission each time, but to give me a chance to brief the client on the opportunity I am pursuing and who might call them. This way they will know how to put me in the most favorable light. More importantly, they will be much more likely to return the call of my prospect. Also, if they are in the same industry sector, they may even know the prospect.

If I land the business, I also make a point of thanking the clients who provided the references.

3) GATHER TESTIMONIALS

Testimonials are extremely powerful. Here are a few from my Employee Opinion Survey clients:

"Discovery Surveys has conducted several employee surveys for our organization. They have been very flexible and responsive to our needs. We were particularly pleased with their creative solutions for communicating the results to employees, and the quality of their suggestions for addressing the issues identified via the survey."

Michael N. Piergrossi
Vice President of Human Resources and Organizational Development
W.R. Grace

"Although it is a small firm, Discovery Surveys shows remarkable flexibility, innovation, care for customers, and ability to meet tight deadlines. The consulting help in communicating results to management and employees has been exceptional. I'll continue to use the Discovery Surveys for any employee survey work - focus groups to paper and pencil or Internet."

Frances Gallitano
Vice President of Human Resources
Delta Dental Plan of Massachusetts
Here are two I recently received (after politely asking for them) from consulting colleagues for whom I recently provided mentoring services:

*Bruce is a natural marketer for professionals. When my consulting business was having the lull most firms in our industry were experiencing last year, Bruce met with me for an hour over lunch and helped me turn it all around. He asked me tough questions, offered innovative strategies, and really helped me move forward.*

Lew Stern, Ph.D.  
Stern Consulting 
Executive Coaching and organization Development Consulting

*Even with very little prior knowledge of our industry, Bruce was able to suggest a breakthrough pricing strategy and fresh marketing ideas for our business.*

Fifi Ball and Sally Brickell  
Squared Away  
Professional Organizing

If you haven't done this already, this is a MUST. Simply call or email your satisfied clients and ask them if they could put together a few sentences or a paragraph that you can use in your marketing activities. You will probably be pleasantly surprised when they write a more flattering testimonial than you could write if you tried to do it yourself.

Here's what I do.

I gather testimonials after every completed project and speech. I have put together several one-page listings of these testimonials -- one for my employee survey work, one for my customer satisfaction survey work, one for my consulting mentoring work, and another for my speaking services. I insert these in my proposals and on my web site.
4) CONDUCT JOINT ACTIVITIES

Recall that the goal is to transfer the credibility of your clients and their trust in you to your prospects. Another way to do this is to write professional papers jointly with your client or deliver a speech with your client. In this way, the credibility of your client's organization is transferred to you.

Here's what I did.

I conducted an employee opinion survey for an HMO. I then ran across a call for speech proposals from the national professional associations for HMOs. I contacted my client and asked her if she would be interested in jointly presenting a case study of the project and how it was helpful to her organization. She agreed. The program committee of the association loved the idea. We both got a free trip to Orlando and I was able to leave a favorable impression with many prospects. A win-win for all involved.

5) NAME DROP

I know that name-dropping has a negative connotation, but done properly it can really help your business. Use your clients' names on your web site, in your proposals, in your advertising, and in your speeches. Without permission, of course, it would be unethical to talk about exactly what you did for these clients and what results you achieved. But, I believe that their names and their positive impression are fair game.

Here's what I do.

When I speak at professional meetings, I write the introduction and bring it to the event. This introduction includes some of my larger clients like Alcoa, Johnson & Johnson, Revlon, Timberland, and W.R. Grace. Sounds impressive, doesn't it? Just dropping their names gives me instant credibility. You can do this too.
6) DEVELOP A "KEEP-IN-TOUCH" SYSTEM

If clients are going to keep on introducing, recommending and referring you to prospects, you've got to stay in their minds even well after you have completed your work with them. You don't want them to forget about you.

You can remain visible to them in a number of ways. Send them articles, call them periodically, attend the same professional meetings they attend, tell them when you are going to be speaking, and send them holiday cards.

You might also want to consider creating a spreadsheet with client names as rows, and months as columns. In each cell enter how you touched the client (i.e. meeting, email, letter, or phone call). This can help you make sure that you are regularly keeping in touch with your past clients.

Here's what I do.

One of my major methods of marketing is using ezines. I publish "Improving the Workplace" monthly and I publish this ezine every other month. Why? To keep in the minds of my network (i.e. clients, prospects, friends, relatives, and colleagues). Only good things can happen when people remember you.

7) CONDUCT AN ENDORSEMENT CAMPAIGN

This is a very powerful direct mail technique for transferring the credibility of your clients and their respect for you to prospects. Here are the basics. Write a promotional letter touting the value you brought to one of your clients. Then have that client sign the letter and send it to your prospects on their letterhead. Last, follow-up with a letter or telephone call.

An excellent tape is available on this approach from my colleague Bob Martel. Email him at bobmartel@jmbmarketing.com.
IN CONCLUSION:

Your best chance of landing new business is when one of your clients greases the skids for you. You need them to transfer their credibility and their respect for you to others.

This, however, is not something you can leave to chance. You need to proactively keep in the minds of your clients and ask for introductions, referrals, references, testimonials and endorsements.
THE PROBLEM:

Two obstacles that limit the amount of new business solo practitioners can land are:

1) Their expertise is limited to a few service lines; and

2) Their network of personal relationships is limited.

Both of these challenges can be overcome through the use of strategic relationships. Here are seven types of such relationships that have worked for me over the years and can work for you.

1) COMPLEMENTARY SERVICE RELATIONSHIPS

Think about how your consulting expertise, combined with a different expertise of another consultant, can provide greater results to a client than either of you could provide alone.

For example: I have teamed up with several colleagues who provide diversity training. My role has been to evaluate the success of the training program. The client receives both the training itself, as well as a valuable evaluation study.
2) GEOGRAPHIC RELATIONSHIPS

Wouldn't it be nice if it were easy for you to provide your services in a different part of the country? This could greatly expand your number of prospects.

For example, I am located in southern Massachusetts. I maintain a long-term strategic relationship with a consulting firm in northern New England, several hours away from my target market. They provide related human resource consulting services, but do not maintain in-house employee and customer surveying expertise. They call me when one of their clients is seeking to conduct a survey and we share the total fee.

3) SYNERGY BETWEEN ANNUITY AND PROJECT BUSINESSES

Develop strategic relationships with consultants or other professionals who have continuous contact with your target market. I call these annuity relationships because, theoretically, they can go on forever.

For example, I try to maintain close relationships with actuaries and accountants because they have annuity relationships with my prospects and can refer me to their clients when they need employee or customer survey work.

4) STRATEGIC WEB RELATIONSHIPS

Many dot-coms are muscling into the consulting business. You can find web-based training, legal, accounting and financial services on the web. Instead of fighting this trend, you could team up with a dot-com and begin to offer these services online with them. They will provide the technical know-how and web presence. You would provide the content and expertise.

I have begun to do this myself by providing consulting expertise to an on-line survey dot-com company.
5) STRATEGIC RELATIONSHIPS WITH LARGER CONSULTING FIRMS

It is virtually impossible for large and mid-sized consulting firms to maintain full time expertise in all service areas. Some, therefore, develop strategic relationships with solo practitioners. They call on these consultants only when they have a specific need. Developing such relationships can be a valuable complement to your business.

6) STRATEGIC CONSULTANT NETWORKS

Solo practitioners can value greatly from the advice and counsel of non-competing consultants.

I meet every two weeks with a group of six senior consultants. We review each other's business plans, discuss marketing strategies, and provide emotional support. We also host quarterly breakfast meetings for our clients and prospects. This exposes us to each other's network.

7) MUTUAL REFERRAL AGREEMENTS

Develop handshake referral agreements with consultants whose work you respect. Agree that you will bring each other into client situations when there is a need for the type of service that you provide. Also consider entering into referral fee relationships, which make sense when your colleague is unable to reciprocate with referrals for you.

IN CONCLUSION:

Expand your business by developing these seven types of strategic relationships. If you don't have these relationships, develop them. If you do have them, nurture them!
BRAND EXTENSION: SEVEN WAYS TO EXPAND YOUR CONSULTING BUSINESS

THE PROBLEM:

Developing new service lines needs to be an ongoing part of the way you conduct your business. The world is constantly changing. The services you have provided to clients in the past may not meet their needs of today or tomorrow. To survive in a constantly changing business environment, consultants need to stay one step ahead of their clients by continually expanding their areas of consulting expertise.

HOW TO EXPAND YOUR SERVICE LINES

Here are seven strategies for expanding your areas of consulting expertise.

1) EXTEND THE TYPE OF WORK YOU PROVIDE TO EXISTING CLIENTS

The easiest sales are to people who already know and trust you. Continually ask your current and former clients about their current needs. Undoubtedly, there are ways you can help them that differ from the services you have provided to them in the past.

2) CONTINUALLY ASK PROSPECTS ABOUT THEIR NEEDS

Prospects are also excellent sources of information about potential new sources of business. Be systematic! Interview 10-20 prospects in your market about their current challenges. In return, promise them a free report on your findings.
3) EXPAND TO NEW NICHES

Apply your consulting services to a related or new niche. For example, if you have been providing financial management services to physician practices, expand to dental, chiropractic, or therapists. You will need to learn more about this new niche, but much of your expertise is probably transferable. Start by gathering intelligence. Identify the major needs and explore how you can meet them. Learn their jargon by attending professional meetings and reading what they read.

4) INVEST IN EDUCATION

Who says you can’t teach an old dog new tricks? Don’t rule out the possibility of expanding your expertise by taking additional courses or attending workshops. Also consider individual instruction from experts in the field or finding a mentor.

5) CONDUCT PRO BONO WORK

Learning by doing is also a possibility. Consider volunteering your services for the opportunity to gain more hands-on knowledge in a new area of expertise that you are trying to develop.

6) CONDUCT A SURVEY OR WRITE A PAPER

You can quickly establish expertise in a new field by conducting a survey or writing a research paper. Extending the example described above, you could survey dentists to explore their major financial management problems. Publishing the paper helps establish your credibility as an expert in the field.
7) TEAM UP WITH A PARTNER

Look for ways that $1 + 1 = 3$. That is, find a partner with a complementary set of skills and experience so that together you can provide more value to a client than either of you could alone. Ideally, your partner will be able to teach you things that will enable you to expand your practice. In our dental example, you might team up with someone who provides insurance or investment advice to dentists.

A FEW CAUTIONS:

1) DON’T STRAY TOO FAR AWAY FROM WHAT YOU KNOW

It would be a disservice to both you and your clients if you extend your service offerings beyond what you are really capable of providing. It could also diminish your credibility with existing clients.

2) DO NOT ABANDON THE BRAND YOU HAVE ALREADY BUILT

Many are attracted to consulting by the possibility of increasing the variety and challenges in their work. But some become quickly bored with their work and relish the opportunity to provide different services. However, be certain you don’t stray too far from your recognized expertise, which could diminish one of your most important assets, the brand you have created through the years.

3) DO NOT PROMISE ANYTHING YOU CANNOT DELIVER

Over-promising and under-delivering are sure ways to reduce your credibility and bring your consulting business to a slow death.
4) DO NOT LOSE FOCUS

Developing new service lines should complement, not dilute the focus of your business. Without a strong focus, your business will lose its strength and eventually falter.

IN CONCLUSION:

Just like marketing your services, new service line development is one of the key engines of your consulting business. Identify one or two new service lines today and make developing them an important part of your business plan.
THE PROBLEM:

You've worked for many years refining your consulting expertise, developing goodwill among your clients, and establishing your brand in the marketplace. It's nearing time for you to retire. Do you just pack up your office and close your doors?

If you do, you will be leaving money on the table. You may also be forfeiting a potential lucrative source of continuous additional retirement income.

What you need is an EXIT PLAN. And, you need to start thinking about it NOW. This is true even if you're just starting out.

You may be thinking, "Who would buy my business? "My business is really just ME." Fear not! Here are 7 ways to exit gracefully. Warning! They all require you to be proactive.

1) SIMPLY SELL YOUR BUSINESS

This is much easier said than done. In order to sell your business, you will need to have developed one or more of the following pillars of a successful business: a steady ongoing clientele, a proprietary analytical process, employees who know how to use your methods, and an ongoing method of reliably obtaining new business.

Start thinking now about how you would develop these salable pillars. You may need to develop annuity-type clients rather than project-clients. For example, I am an annuity client for my accountant. Every month and every year there are tasks that he performs for me. His business will be salable since he has a cadre of long-term clients for whom he provides ongoing services.
Or, develop a unique methodology that you trademark. Teach others to employ the technology. That’s a salable business as well.

2) TRAIN YOUR SUCCESSOR NOW AND RETAIN SOME EQUITY

I have a good friend who bought a dental practice. The dentist he bought it from taught my friend some high end, very profitable dental techniques. He also introduced his patients to my friend during a 6-month transition period. He created a payment plan that would enable my friend to pay him, at first, from the proceeds of the business. Eventually, once my friend was more established, a balloon payment was due. Is this something you could do?

3) BRING IN EMPLOYEES WITH THE PLAN OF SELLING TO THEM

I have a consulting colleague who developed a proprietary analytical process for helping organizations identify new products and new markets. He used it very successfully for many years and operated with just a few employees and contractors (including me at one point). He taught his contractors how to use the system and how to acquire new clients, always with the idea of selling the business to them. When he was ready to retire, that’s exactly what he did.

4) MERGE WITH A LARGER FIRM

I have a good friend in the recruiting business. He is a solo practitioner with about 5 years until retirement. He is merging his business with a large accounting firm. It is a win-win situation for all involved. The accounting firm will be able to expand its service offerings and revenue. My friend will have access to a ready-made clientele. He plans to build his business by bringing in employees. He will teach them his methods so that he can gradually phase himself out of the business. If all goes as planned he will sell his share of the business to the accounting firm in 5 years.
5) BRING IN PARTNERS AND GRADUALLY REDUCE YOUR HOURS

I have another good friend who is part of a large physician group practice within a hospital in the southwest. He joined the group about 15 years ago as the third doctor. They now have eight doctors. The new partners are required to work more hours and more nights than the experienced doctors do. All of the original members of the group are gradually reducing their hours and their pay. This year my friend will work less than half time and will have very few nights on call.

6) PRODUCT-IZE YOUR BUSINESS

I have yet another friend (believe it or not) who is gradually converting his marketing consulting business to a seminar and product business. Instead of working 100 percent with clients on projects, more and more of his business is devoted toward conducting seminars and speeches. He is also selling more and more products such as audio tapes. Eventually, he wants to fully product-ize his business. This will enable him to ease into retirement and still have a continuing income.

7) FRANCHISE YOUR BUSINESS

I don't yet have a friend who has done this, but I'm looking for one. If you can identify and perfect the methods that you use in your business, you can clone yourself in other parts of the country.
For example, let's say that your business is providing time management training. In addition to the training, you sell calendars, to-do lists, and other paraphernalia your students need to use your time management system. You could franchise the business by teaching others how to deliver and market the seminars. You would offer them the rights to use your methods and materials in a certain territory or for a certain industry sector. In effect, you would be cloning yourself. Eventually, you could teach someone else to run the franchise. You would then disappear except, of course, when it is time to cash the checks that your franchisees send you.

**IN CONCLUSION:**

Whether you are just starting or are nearing retirement, your exit plan needs to be part of how you think about your business today. Others have done it. You can as well.
I sincerely hope that this book will help your consulting practice grow and prosper.

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