

Keys to Successful Consulting



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“We hate them but we love them”! This is often said of consultants in general yet over \$100 billion dollars were spent globally on consultants in 2012.

Individual consultants range along a continuum in talent and training from none to a distinguished amount. From a person who feels they have a unique specialty or connection and has the impression he/she has a consultative value in a market place, to an individual who occupies the other extreme as a highly educated well-trained individual in consultative methodology and behavior background.

The consultative road to success is littered with the former individuals who may very well have talent and a unique set of experiences, but fail because consulting looks easy and the basics of marketing one’s self, goes missing.

How many persons do you know who, because they lost their job through downsizing or took early retirement, decide to become a consultant?

As consultants, one of the elements we always measure for our own clients when considering adjacent or new markets for them to enter is . . . “how high are the barriers to market entrance?” The consulting industry has no barriers to entrance. There are no pre-qualifying degrees, licenses or apprenticeships one has to consider and become “qualified” when entering the consulting arena.

Therefore, anyone can become a consultant. One simply has to declare . . . I am a CONSULTANT.

The keys to successful consulting are:

Timing of entrance; type and relative uniqueness of offerings; strength of potential client contacts; financial sustainability; personal communication skills; and marketing prowess.

Timing: The best time to enter consulting is obviously in the best economic environments. The fundamental reasons are three:

- Fewer unemployed, would-be consultants exist with which to compete
- The backdrop of a solid economy alone can “carry” new entrants a long way
- As a new consultant, one can make mistakes and still achieve positive market penetration.

Type and relative uniqueness of offerings: There are four typical offerings in consulting:

- General management – Usually ex-top management feels comfortable consulting with other top management as clients. The percentage of successful new entrants in this category has been studied and the range is between 20% and 35% sustainable associated success rates.
- Market research – As consultants, engineers, chemists, accountants, feel comfortable working behind the scenes and can usually perform very well. Sometimes, however, they may have difficulty in marketing

themselves and need others (“implants”) for successful marketing.

- Technical – Innovators and design persons may possess unique offerings but they too may need personnel marketing skill “implants” to be successful.
- Combinations – usually combinations are successful in multi-person organization and not embodied in one single individual.

Strength of potential client contacts: If one does not have viable and multiple contacts in the segments chosen to consultant within, failure is predictable. The only method to succeed is to hire people who do have those targeted contacts.

Financial sustainability: In the “Consultant’s Library,” Herman Holtz warns potential consultants about underestimating the initial costs associated with launching a career in this profession. Holtz basic message was:

- Have two years’ salary saved
- Develop a strategic business plan that includes a detailed client target

remuneration objective; expenses associated with each client; office and clerical expenses, etc.

- Secure 1-2 years cost saving to launch the above “plan.”
- Gain financial advice from successful consultants regarding how you should value your services.

Personal communication skills: We know several excellent consultants who have zero ability to communicate well but they succeed because they recognize their weakness and created a “mouthpiece” in the form of a communications expert.

Marketing prowess: Marketing covers a lot of ground in its definition. “Marketing is the process of communicating the value of a product or service to customers. It is a critical business function for attracting customers. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behavior and providing superior customer value.” Source: Wikipedia

- One of the most significant weaknesses new consultants possess is the understanding and implementation of a marketing plan.
- A marketing plan is a roadmap with activities that assists in goal achievement.
- Someone said a long time ago, “If you don’t know where you’re going, any path will get you there.”
- No invention, business model or talent will be a success unless the right decision-makers (clients) within the targeted markets fully understands and appreciates its value in terms of what the offering will potentially do for them

Below is a simple roadmap depicting the location of the client’s value appreciation. The value is in the end of the process.

Within the client’s mindset, value is at its zenith when the client feels more capable & confident, in addition to the organization becoming self-sufficient as performance improves . . . far better than before the consultant was involved. **CW**

HOW CONSULTANTS CREATE VALUE

