

Building your consulting business

On three separate occasions, I have left paid employment and set up my own consulting business. As a result, I have been asked on many occasions how do you go about that task. Here's what has worked for me. Many of the things discussed can be covered in much more detail but the purpose of this paper is to get you started.

1. Figure out your elevator pitch

The real key is to figure out what benefit you deliver for whom by doing what. I have shamelessly stolen and adapted the five question approach to identifying your life purpose by Adam Leipzeg in his excellent [TED talk](#).

Q1: Who are you?

Q2: What do you love to do?

Q3: Who do you do it for?

Q4: What do they want or need?

Q5: How do they change as a result of what you give them?

If you answer these five questions in the context of your emerging business you have a great elevator pitch: just add a bit of flesh to each question.

Who are you?

Marketers would call this branding but keeping it simple, it's just a short description of you and your experience. Don't overly concern yourself with company names and logos - that can change. Do however secure your domain name if you want to build a website (see shop window below). Hone your personal profile so that it truthfully tells a great, short story about what you have achieved. If you haven't got anything on that list you should think about another way to earn your money.

What you love to do?

Life's too short to do things that suck - so don't. Figure out what you really enjoy doing and look to build your business around that. This is also good business sense as there is often a relationship between what you like doing and what you are good at.

Who do you do it for?

List out the characteristics of your target customers. What sort of individuals or companies are they? What roles can you help most? Don't just look at the basic stuff like age, industry sector and job title but think long and hard about the behaviours and attitudes of the people you want to spend time with. It's also useful to think about the sort of people you don't want to work with? Just as life is too short to do something that sucks; it is too short to waste your time with jerks. You don't have to tell them they're jerks - just tell them you're busy or they don't fit your target customer profile.

What do they need or want?

This is the basis of the list of services you are going to offer. You need research the group you have identified in question three to find the questions they ask, the challenges they face and the aspirations they seek. Don't skip this step: only by really understanding life from their perspective can you figure out how you can help.

How do they change as a result of what you give them?

The final and most important question. If you are going to be a successful consultant, success is measured in terms of what your customer does better as a result of you working with them. If you can't articulate this succinctly in a way that resonates with your target customer, think again.

2. Create your product catalogue

You have already sketched out the basics of this in question four of the elevator pitch. Now you can add a bit more colour: think challenge, deliverables and benefits. You do not need massive detail here but without this, you risk getting stuck in the client:consultant chasm. Client says "What do you do?" and the consultant replies "Well it depends on what your problems are?"

Setting out a short description of what you offer, or better still, examples of projects you have done tell the customer how you can help. You can use projects you have done as part of a previous job as a starting point. The list, which should be less than five items, frames your potential contribution. You may not deliver exactly what is on your product list but it is a great way to kick start a conversation about what a project might look like.

3. Set your price

This is one of the most challenging aspects of becoming an independent consultant and there is no simple answer.

There are three basic models for pricing. Time based is just as it says; payment by the hour day or week. The simple rule here is to discount only where you have a fixed, long term commitment. Project based pricing is useful where you are confident about the work to be done to complete specific tasks. Clients like this as it gives them a fixed price but it places the risk on you. If you use this approach be sure to add in contingency; remember if something can go wrong, it probably will. Results based pricing is where you are paid for pre-agreed results. This is the most challenging and probably one to stay away from until you have a number of assignments under your belt as there are many factors to consider and issues that can make it problematic.

What to charge is dependant on a number of factors, notably:

- The going rate for the sort of service you offer. You need to ask around and find out what that is. Talk to people you know who may have bought such services.
- Your experience and reputation in your chosen field.
- The value of the work to your client.

The biggest mistake most people make is to underestimate their value. I have done this in the past. If you have done your research and sold yourself well, be confident in your price. Remember, what you charge says a lot about the value of what you do. If you don't value it, your customer is unlikely to.

4. Build your shop window

You need to let people you are open for business. There are two approaches.

The first is to create a website. You can use an off-the-shelf provider that doesn't need any technical skills to get you started. There are two basic types. The first is a simple blog site: all it contains is blog posts and your contact details. The second is a more traditional website that has multiple sections, including a blog. These sections typically contain your elevator pitch, product/project pages, blog and a contact page. Whichever approach you use, be sure to include the option to allow people to subscribe to your blog. That way all your new content will automatically sent to them.



The second is to use a platform like LinkedIn for B2B or Facebook for B2C. You can create a company page and publish your content, advertise your services to targeted groups, build learning programs and of course, stay in touch with what's happening with your target market. There are probably groups that you can join to help you understand and reach like minded people. If not, create one. Analytics are provided to help you understand what content is working best. With no technical skills required, it is the easiest way to set up an online presence.

5. Get your content plan together

Whatever you use for your shop window, you need something to put in it. Ideas and opinions are the best way to reach your target audience and blogs or the video equivalent, vlogs are the vehicle.

A successful content plan is:

- Relevant to your audience. Sounds obvious but putting yourself in your target customer's mind is important.
- Opinionated. Don't be afraid of going against accepted wisdom. Don't make wild claims but if you disagree with something and can make a reasoned argument, go for it. Don't be obnoxious but certainly don't be bland!
- Sustained over time. Build a list of 20 topics and commit to deliver at least one piece per week. Use viewing figures and any comments to help shape your next batch of content. You are better producing 10 really good pieces than one blockbuster. Remember, your customer's time is short is a scarce resource.

6. Network

Sitting there waiting for the phone to ring will leave you doing just that - sitting there. You have to get out and talk to people - join the conversation. There is a plethora of discussion forums - you just need to find the ones where your prospects hang out. LinkedIn, Facebook are the leaders in their fields but Meetup is increasingly helpful, combining online and face-to-face opportunities. Can't find a group dedicated to your specialism? Start one. Whatever groups you join, be an active participant. Don't comment just for the sake of it but equally don't miss an opportunity to say your piece. Plan time to do this otherwise you will overlook it.

7. Manage your time

Here, I take my guidance from the founder of independent consulting - management guru Peter Drucker. I was fortunate to meet him and he talked about how he managed his time, advice I have followed and am pleased to pass on his three tenets:

- Break your week into three chunks: 3 days fee earning; 1 day admin (book-keeping etc) and 1 day keeping up to date and networking. This does not have applied strictly to every week but don't let the ratio slip too much.
- Always take holidays
- Each year, set aside two weeks (not holiday time) to do in-depth research and thinking. He said too many consultants peddle old solutions to new problems.

And finally

I do not claim that this is a comprehensive guide - it is not. I do however think that these baby steps will set you off on the right path. Remember, like learning to walk, it is the first steps that are the most difficult; you are just not confident you can let go. Just remember, if I can do it, so can you! Go for it!